SENATE—*Wednesday, May 20, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 10:15 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:

* * * *judgment is turned away backward, and justice standeth afar off: for truth is fallen in the street, and equity cannot enter.*—Isaiah 59:14.

Eternal God, true and righteous and just in all Your ways, Isaiah the prophet reveals the essential connection between truth and judgment, justice, and equity. Grant us wisdom to understand the indissoluble union between truth and justice. When truth is relative, justice, judgment, and equity are sacrificed. No absolute truth, judgment is turned away, justice disappears, and equity is eliminated.

Father of mercies, open our eyes to see that, as standards for weights and measures, as rules for traffic and games and order, truth is indispensable to justice and equity. Give us the humility and grace to accept this reality and to seek the truth which sets us free.

In the name of Him who is Truth incarnate. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 20, 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.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 11 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Further, under the previous order, the Senator from Tennessee [Mr. GORE] is recognized to speak for a period of up to 20 minutes.

The Chair recognizes the Senator from Tennessee.

Mr. GORE. I thank the Chair.

(The remarks of Mr. GORE and Ms. MIKULSKI pertaining to the introduction of Senate Joint Resolution 308 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE 27TH AMENDMENT TO THE CONSTITUTION

Mr. GRASSLEY. Mr. President, I am a cosponsor of a resolution put forth by Senator BYRD, our distinguished President pro tempore, which deals with the subject of the 27th amendment to the Constitution. We are going to be voting on that issue this morning. I am glad that we are moving forward with this resolution.

Along the same line as what Senator BYRD is doing, I introduced a separate concurrent resolution last week that would declare the 27th amendment to be a part of our Constitution. That language of the 27th amendment has been floating around the country in reality for 202 years, since it was proposed by James Madison and adopted by the First Congress with the necessary two-thirds vote. It was ratified by a few States immediately, and recently by the several States, mostly since 1978. Finally, it was declared a part of our Constitution by the Archivist.

The Archivist has received the papers of certification from at least 38 ratifying States to this amendment. He has now notified the Senate concerning those papers. The Archivist made a decision that he has the constitutional power to make that the ratification, even after 202 years, and effectively make this a part of our Constitution.

So in an effort to make this crystal clear and in pursuit of the goal of clarity, I joined Senator BYRD in support of the resolution that we will be voting on, which puts the Senate on the record regarding this crucial amendment to the Constitution.

I do not think the importance of this day can be minimized at all. I have personally waged many battles in the past decade and a half, not only against congressional pay raises, but probably more often and more legitimately, against the various schemes of Congress—schemes to avoid accountability for pay raises—like having them without a vote.

Now, of course, this change in process is a part of the Constitution. As a result, a change will take place in the nature of any pay raise debate and all because of this long-awaited amendment that James Madison first proposed in the First Congress.

The text of the amendment that Madison proposed and which is now a part of our Constitution simply says:

> No law varying the compensation for the services of Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

It is as simple as saying Congress can vote itself a pay raise, but there must be an election by the people where, if the people want to make an issue out of the raise, they can do it and reject the very people who presumably voted for the pay raise.

Now the resolution that we are voting on today does not add anything to the ratification process. It simply affirms what I believe is already true: That this amendment became law when the 38th State voted in favor of its ratification. Since that 38th State ratified, 2 other States have also ratified, making the total number 40.

However, I think there is a reason that the Senate needs to act by this resolution and that reason is to ward off any legal attacks that might come on the issue of timeliness. The question is whether or not, after 202 years from its proposal to the Constitution by James Madison, the requisite three-fourths of the States ratification will be considered contemporaneous ratification. Since the 1920's, Congress has regularly put in proposed constitutional amendments a statement that they must be ratified by the three-fourths of the States within 7 years.

However, the Supreme Court made clear in 1939 in the Coleman decision that Congress has the authority to say whether the timeliness standard has been met. So I believe the constitutional standard has been met by the 38th State ratification, and the Senate is acting to go on record in support of the timeliness of this ratification.

I think many of us in this body are pleased to be able to follow in the steps of Madison as supporters of what is a very good idea, and an idea that is part

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

of the Constitution of the State of Iowa, in which State legislators cannot raise their pay without an intervening election.

I believe this is the will of the people. I believe it will require more responsible governance on our part. I also believe that it will result in a more measured response on the part of Members who might otherwise be hasty on this issue. So I am pleased that the Senate will act on this resolution with the promptness that it deserves.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky [Mr. FORD].

EXTENSION OF MORNING BUSINESS

Mr. FORD. Mr. President, I ask morning business be extended by 3 minutes.

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

ORDER OF PROCEDURE

Mr. FORD. Mr. President, I ask unanimous consent that on the upcoming votes on Senate Resolution 298 and Senate Concurrent Resolution 120, the one vote count as two separate rollcall votes.

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

TRUST THE VOTERS

Mr. FORD. Mr. President, S. 250 is about to be voted on. S. 250 has one major objective, to expand the opportunity for eligible citizens to register and vote, making it easier and more convenient to register.

The record is clear. In States with motor-voter registration, more citizens are registered and more citizens vote. The bill is a prodemocracy bill. It offers the poor, the disenchanted, and the handicapped the opportunity to participate in the election process. The opportunity to vote should be made as easy as possible.

Those who trust the people—and I underscore that, those who trust the people—support this bill. It says, "Let us expand access to the ballot box to all qualified people. Let the rich and the poor, the able and the handicapped, the young and the old, all make decisions on who should represent them."

What the opponents of this bill have said is that they do not trust the American people. They do not trust the American people. They want a restricted electorate. They want the current low turnouts.

I do not have those fears, Mr. President. I believe in democracy. I trust the judgment of the people in my State. They all should have a fair opportunity to register and vote.

Last, let me make one point. Some people around here think the most fundamental way to participate in politics is giving money. It is no coincidence that many who oppose campaign finance reform oppose the motor-voter bill. I think the most fundamental way to participate in politics is by voting. It is a mistake to oppose limits on giving money and also oppose making voters' voting easier. This sends exactly the wrong message to the American people.

Let us hope that President Bush does not also send this wrong message with the veto pen. Because in this bill we have the voting fraud provisions. Civil enforcement through injunction or declaratory relief may be brought by the U.S. Attorney General or a person with notice to the chief election official of the State. The rights and remedies established by the act are in addition to any other rights and remedies provided by law and no provision shall supersede, restrict, or limit the application of the Voting Rights Act of 1965.

Nothing in this act authorizes or requires conduct that is prohibited by the Voting Rights Act of 1965.

Mr. President, Federal criminal penalties will apply for registration offenses which are knowingly and willfully done.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I ask unanimous consent I be given 5 minutes.

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

A SAD DAY FOR THE PARTY OF LINCOLN

Mr. BRADLEY. Mr. President, this is a sad day for the party of Lincoln. This is a vote that seeks to broaden the franchise, to allow more people to exercise their fundamental right in a democracy. It is a scandal that in America today, this November, if one-third of the voting age population of this country wanted to cast a vote for President of the United States, they would be denied the right to do so because they are not registered. They are not registered because obstacles have been put in the path of their registration. This bill seeks to eliminate some of those obstacles—not all; some. Yet it is being resisted and opposed on the other side in almost lockstep.

The history of our country is a history of broadening participation in the democratic process. When the Constitution was written, the only people who were allowed to vote were white males with property. In the 1830's the right to vote was extended to white males without property.

In the 1860's it was given to black males.

In 1920, for the first time in American history, the vote was given to women.

In the 1970's it was given to young people, ages 18 to 21.

In the 1960's it was broadened so that people of color would not be excluded. Yet today, at the point of democratic triumph around the world, still one-third of the voting age population of America would be denied the right to vote if they chose to vote this November.

For the party of Lincoln to claim the legacy of the broadened franchise, represented by the accomplishments of Lincoln, they can no longer object and oppose efforts to broaden that franchise more fully. This is a simple issue, but it is an issue that is deeper than simple politics. If you cannot have access to the ballot box, if you cannot get registered to exercise your right, then your voice is not heard. And voices are not being heard across this country today, voices of those who feel more and more disenfranchised.

This is a simple change. It is not as far as I would like to go, but a simple change. It should not be opposed. It should be supported. And the party of Lincoln—for it to be the party of Lincoln—should change its position and support this bill and seek to further broaden that franchise or it will lose the legacy embodied in the work of Abraham Lincoln. It is as simple as that.

I yield the floor.

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Arkansas is recognized.

EXPAND THE VOTING FRANCHISE

Mr. BUMPERS. I thank the Chair and I thank the distinguished floor manager for his indulgence.

Mr. President, I have not spoken on this bill. I favor it. It is not perfect. I am very pleased it does not have same-day registration. I always had difficulty with that. I am not saying I would never support that, but the idea of people being allowed to vote on the same day they register, on the day of the election, has always been troubling to me.

But, as the Senator from New Jersey has eloquently pointed out, this country has been better off every time we have expanded the voting franchise. We are not expanding the voter franchise here to women or to an ethnic group. What we are doing is saying we are going to do everything in the world to pique your interest in the political process, because people who write and understand this thing know that our political process is threatened as never before.

The principal point I want to make is encouraging people to vote is only one part of the equation. The second part is to make sure they know what they are voting on.

You go to London and you crawl in a cab and a London cabbie can tell you what John Major said that day.

It is really a sort of awesome thing to behold, how sophisticated the electorate in Great Britain is. Thomas Jefferson envisioned not only the right to vote, but he talked endlessly about voting intelligently.

So, Mr. President, this bill, I hope, will pass, and I hope the President will sign the bill. He may not. But I want to say to all my colleagues and to all the American people, this is really one part of the equation, and a relatively small one, and the much greater part of it is to pique the curiosity of our youngsters and everybody else in our country about how we got where we are. As Winston Churchill said, "It is a lousy system except for all the others." We simply have to do a better job of making it work, and the way we do that is to somehow or another pique the curiosity of our people and in the educational system. Let them know they have grave responsibilities. The Constitution provides endless rights, and I tell every graduating class I speak to, "You also have responsibilities."

I yield the floor.

Mr. RIEGLE. Mr. President, I rise today to voice my support for S. 250, the motor-voter bill. One of the most fundamental rights of all Americans is the right to vote. Facilitating and encouraging participation in the election process is vital to our democracy. While nonvoters increasingly mirror voters in demographic distribution, they often differ in political orientation. A true democracy represents all these citizens, not a preselected group of registered voters.

The cost of implementing a nationwide motor-voter system has been cited as a reason against supporting this legislation. When examining long-term statistics, it is evident that applying motor-voter registration methods result in real savings for State and local governments. The Congressional Budget Office estimates that a streamlined voter registration process would save $10 million in a Presidential year and $7 million in a non-Presidential year. On average, before motor-voter techniques are put into effect, the cost of registering one voter is between $1 and $15—after motor-voter is implemented that cost decreases to between 3 and 33 cents per voter.

Nationally, voter participation has been declining. Scarcely more than half those eligible voted in the 1988 Presidential election, reflecting the lowest turnout for a Presidential election in 64 years. Our lack of participation is also appalling when compared with voter participation in other democracies. In a study of voter turnout in 28 democracies around the globe, on average, the United States had the lowest turnout. While countries such as Australia and Belgium had up to 95 percent participation, the United States fared poorly with at times only 37 percent of the electorate showing up to vote.

I speak from the position of having seen this system in operation in my home State of Michigan for over 15 years. In 1976, Michigan was the first state to implement a motor-voter system. A CRS study measuring the percentage registration of the voting age population found that between 1948–88 Michigan's voter registration increased by 11.8 percent. Today, 95 percent of voter registration is conducted through these methods. And, by 1994, Michigan is expected to have fully computerized its voter registration process—making it a highly efficient and effective system for tracking eligible voters.

I am not suggesting motor-voter legislation is the end-all cure to the apathetic or disillusioned American electorate. Yet, I do believe this legislation is an important and necessary tool to involving a greater number of Americans in the democratic process. According to a New York Times editorial on October 31, 1991, motor-voter legislation has the potential to increase the number of eligible voters from 60 to 90 percent of the voting age population.

Nearly 70 million Americans do not participate in the present system because they are not registered to vote. As elected officials we have a responsibility to encourage our constituents to take an active role in the decision-making process of this country. Implementing motor-voter legislation is a cost-effective means to helping citizens exercize their right to vote. The time has come to ensure that the American political process represents the needs of all American citizens.

Mr. HARKIN. Mr. President, I rise in support of S. 250, the National Voter Registration Act. This legislation will make the fundamental right to vote more accessible to millions of Americans. In particular, this legislation will result in significant increases in voting by individuals with disabilities.

My proudest day in the U.S. Senate was when President Bush signed the Americans With Disabilities Act into law. I know it was also the proudest day for a great many friends and colleagues on both sides of the aisle. It was a historic day. A day when all Americans—young and old; rich and poor; black and white; those with disabilities—came together on the White House lawn to rededicate ourselves and this great Nation to the common pursuit and realization of the American dream.

The ADA bestows first-class citizenship upon Americans with varying disabilities of all ages in our country. The ADA will open up America's marketplace like never before. It will enable American consumers with disabilities to buy the shoes they want, to buy clothes and groceries wherever they want to shop. And, in doing do, it makes people with disabilities a force that our marketplace must deal with, a force that the marketplace must come to better respond to and be held accountable by.

Mr. President, I rise today to support the passage of S. 250, because like the ADA, S. 250 will make Americans with disabilities a force that those of us who run for office in our country must come to better reckon with, respond to, respect and be held accountable by.

S. 250 is designed to streamline the voter registration process by permitting individuals to sign up at any public service agency in their State. In doing do, it will open up American democracy's greatest marketplace—that of the polling place—to those with disabilities as well.

Americans with disabilities have historically faced many barriers to both signing up to vote and casting a ballot. In 1990, for example, a young woman with cerebral palsy in Rhode Island was denied her right to register when a local official objected to her ability to sign the application on the dotted line. S. 250 would not eliminate all these barriers but it would put an end to a great many.

The intent behind S. 250 is a simple one but the results it would produce would be sweeping. Voter turnout in our Nation is at an all time abysmal low. One reason for this that is the antiquated barriers to voter registration are immense. This is particularly true for the poor, the young, older Americans, and those with disabilities.

S. 250 would attack the problem at its root. It would enable people with disabilities and their families—as well as millions of others—to sign up and register to vote at State motor vehicle offices, vocational rehabilitation and protection and advocacy programs. It would permit nonprofit organizations of and for people with disabilities like independent living and parent training centers to sign up new voters as well.

S. 250 would help to increase the number of registered voters with disabilities and reverse the dangerous decline in voter turnout over last decades.

I urge my colleagues to support the National Voter Registration Act.

MOTOR-VOTER MADNESS

Mr. McCONNELL. Mr. President, the simplest way to describe where we are today and where we are headed is: Two done, one to go.

Last week, Senate Republicans and President Bush saved America from the taxpayer-financed campaign act which, in the wake of the House Bank scandal, Democrats offered up as reform.

In reality, of course, it was more of a smokescreen.

In fact, it was a thoroughly discredited legislative fossil that had veto written all over it.

Today marks round 2: The Democrats will pass the motor-voter bill in another partisan effort to paint the President as antireform and antidemocracy.

This bill will be vetoed. Democrats knew it when they brought it up. No reasonable attempt to craft a bipartisan bill—the Republican alternative was dismissed out of hand on a partisan vote, as were all subsequent votes on Republican amendments.

Several of these amendments dealt with election fraud. In opposition, it was said that one I offered, the Anti-Corruption Act, was a killer amendment. The Anti-Corruption Act a killer amendment—how does that sound?

Mr. President, that was the best chance this bill had to pass. In fact, several Members on this side of the aisle argued against offering the amendment because it made S. 250 a better bill.

Voting that amendment down certainly sealed the fate of motor-voter for this Congress. It is history.

Mr. President, as I said: Two down, one to go.

Having wasted weeks on campaign finance and motor-voter bills—exercises in election-year politics—the Senate can now look forward to Hatch Act reform.

You do not have to be the National Enquirer's Jeane Dixon to know how that debate is going to go or the fate of the Hatch Act bill DOA—dead on arrival.

Politically correct veto bait is obviously the order of the day in the U.S. Senate. Nothing exemplifies this phenomenon better than the motor-voter bill. In a lengthy statement last week I delineated the shortcomings of the bill with particular emphasis on election fraud, a problem we have had a lot of difficulty with in my State.

Some wonder why Republicans oppose a bill that would register 90 percent of the electorate.

Republicans would be very pleased to see that result. That is not the problem. What concerns us is the prospect of 110 percent of the electorate voting on election day. We have had counties in my State in which that happened. More people have voted than there were people who lived there. That is one of the critical issues confronting us here.

The Justice Department has reviewed this bill in great detail and found it to be an engraved invitation to those who rig elections and buy votes. Of particular concern is an escape hatch that many States could be forced to adopt.

In other words, they feel they cannot afford motor-voter. It is too expensive. They can go to same day registration or, listen to this, no registration at all. I think there is only one State that has no registration at all. All of the rest think that it is at least some hedge against cheating. I can assure, you, Mr. President that measures like these would have a devastating effect on ballot integrity in certain parts of my State, in various areas of the South, and some big cities around our country. The vote-buyers and election-stealers would salivate at the prospects.

Mr. President, what good is the franchise—as my Democratic friends like to refer to it—if your vote is diluted through fraud?

It diminishes the vote of everyone.

With the expanded franchise under the Democrats bill, the question will not be how many burgers are sold, but rather, how many votes are sold.

The second major problem with this bill, that its proponents simply brush aside, is cost.

Cost is not an inconsiderable problem for States who must—by law—balance their budgets.

Granted, to those of us who have become accustomed to treating millions of dollars as mere decimal points, this is not a big problem.

But the fact is that this bill imposes millions of dollars in new costs on the States, yet it does not ante up a penny to offset the tax increases, or the cuts that States will have to make in social services.

Why then, does this bill pay for itself? I do not know; Republicans asked that question of the campaign finance bill, also.

The other side is making a habit of passing big-ticket spending measures without ever figuring out how to pay for them. In fact, when I look at the motor-voter bill and the campaign finance bill, my thought is this: The House bank lives on.

And we have a new meaning to the legislative term "bill." Not only will Congress pass it—they will stick you with it.

Mr. President, most States cannot pass their debts on to their children; thus, they are rather concerned about this cost factor. Republicans share their concern. But the majority just keeps writing more rubber checks.

Finally, the question must be asked—why? Why this bill? As I have said on many occasions to the collective dismay of professional reformers, this bill is a: Solution in search of a problem.

Unquestionably, this bill would make registering easier. Let us not, however, confuse easier with better.

It is not particularly hard, at present, to register. It is not particularly hard at present to register and as a matter of fact over 20 States have adopted motor-voter now.

Two or three weeks out, one has to have a fleeting thought about the upcoming election and perhaps go down to the courthouse or the library to register.

Not too hard. Yet, registration procedures such as going to a centralized location prior to a certain date serve an essential purpose—to protect the integrity of the electoral process.

The motor-voter bill was drafted under the presumption that registering in that manner is too hard and therefore is the reason why voter turnout has been dropping.

But, Mr. President, while turnout has been dropping—over the last 30 years—registration has been getting easier.

The Congressional Research Service studied States with motor-voter registration. Conclusion: There is no evidence that motor-voter increases turnout.

The General Accounting Office studied voter registration and turnout in Europe and Latin America. Conclusion: Coercion and bribery are the only sure means of increasing turnout.

The bipartisan Committee for the Study of the American Electorate studied voter registration and turnout. Conclusion: "Declining voter registration cannot be attributed to problems in registration and voting law. * * *."

Mr. President, the Senate should conclude that this bill is a waste of taxpayer's money and a waste of the Senate's time.

The White House should not waste anytime with this proposal—auto-pen the veto message and shoot it back up here so we can be done with it and get on to matters the American people really care about.

If my colleagues are really concerned about turnout we could revisit the campaign finance issue and free up the political parties to get Americans interested in politics.

While turnout has been going down for the last 30 years, and voter registration has gotten easier, the political parties have been supplanted in the political process.

If we want to do something meaningful to increase voter turnout, let us turn the parties loose to register voters and convince them that there is a compelling reason to turn out on election day.

Mr. President, people should put in perspective the soaring rhetoric and crocodile tears over low turnout they have been hearing on this floor. The same Senators who profess so much concern over low turnout voted last week for a bill that gutted the parties' ability to conduct grassroots politics: voter registration and get-out-the-vote activities.

Does that demonstrate sincere concern about turnout? You be the judge.

The Republican campaign finance reform bill, by contrast, strengthens the political parties and fosters competition. It alone would do far more to increase turnout than this motor-voter bill.

In conclusion it is my hope that we will move beyond this spate of rubber-

check legislating, finish the politically correct speeches, and move on to deal seriously with the problems that face our election process, and the issues that really concern the American people.

Mr. SPECTER. Mr. President, after considerable reflection, I have decided to vote for the so-called motor-voter legislation because, on a close call, I believe that extending the franchise outweighs the dangers of fraud in this bill.

During my tenure in the Senate, I have consistently supported expansion of the voting rights laws to extend the vote to as many Americans as possible. This particular bill has been very troublesome for me because of the openings for fraudulent voting. When I was district attorney of Philadelphia in the late 1960's and early 1970's, I saw the grave problems in voter fraud and the difficulty of effective law enforcement.

As noted in my floor statement yesterday, I was disappointed that the bill's sponsors were unwilling to accept my amendment on mail-in registration which would have disqualified a mail-in applicant if the verifying letter sent to his/her address was returned to the State where the addressee was unknown. As also noted in that floor statement, it would have been preferable had the bill required that a mail-in registrant vote in person in the first election after registration.

The debate on my amendment, and on other amendments related to fraud, should have the therapeutic effect of alerting law enforcement officers to the dangers of vote fraud, especially in the context of mail-in registration where absentee ballots are used.

I opposed the amendment to impose a mandatory sentence for fraudulent registration because I believe that would discourage prosecuting attorneys from bringing such cases where the sentence was so severe. The extended discussion on other enforcement provisions, including increased penalties and the dangers of noncitizen voting, should further put State law enforcement officers on notice on these important matters. It may be that the States will be persuaded on their own to institute safeguards, such as my amendment on mail-in registration.

For these reasons, on balance, I am voting for the bill.

Mr. DURENBERGER. Mr. President, I rise today in support of the National Voter Registration Act, better known as the motor-voter bill. As a cosponsor of this legislation, I strongly urge this body to take a stand against one of the greatest threats to our Republic—voter indifference. The motor-voter bill will facilitate voter registration, tearing down a barrier to participation in our political process. And that, I think we can all agree, is a noble goal.

This bill provides a mechanism to reach American citizens. By providing voter registration at locations visited by millions of citizens each year, this bill will significantly decrease the number of disenfranchised voters.

The lack of voter participation in this country is absolutely alarming. In the 1988 Presidential election, 70 million Americans were not registered to vote. Only about half of the voting age population bothered to cast their ballots. Among those 18 to 20 years old, only a third bothered to vote. And in the 1990 congressional elections, national voter turnout was a pitiful 36 percent.

But at the same time, the evidence suggests that most people who have registered to vote actually do vote. According to Bureau of Census estimates, voter turnout of registered voters in Presidential elections hovers around 85 to 90 percent. The motor-voter bill addresses one of the main obstacles to voter participation—failing to register.

The National Voter Registration Act has three main provisions. The first section requires States to treat a driver's license application or renewal as an application for voter registration. Most States require licenses to be renewed every few years. By providing voter registration forms as part of the driver's license application, we will tap into that reservoir of potential voters.

The second section of this bill requires States to use a mail-in voter registration form promulgated by the Federal Election Commission. Alternatively, States whose applications meet Federal guidelines may use their own mail voter registration form. To avoid potential fraud, a state may require people who registered by mail to show up in person the first time they vote.

The third provision of this bill designates certain State, Federal, and private sector locations to distribute and process voter registration applications. All offices providing public assistance, unemployment compensation, vocational rehabilitation, and State-funded programs that afford services primarily to persons with disabilities, will be equipped to register voters.

Mr. President, we established the programs that these Government agencies provide to serve and help people. I believe we would be doing a disservice to them if we did not make it convenient for them to register to vote. When waiting in line, filling out forms, or before meeting with a counselor, these individuals will have an opportunity to give something back to society. They will have an opportunity to register to vote and lend their voice to the political process.

Mr. President, if you ask most people why they did not vote in the last election, they would probably give one of two answers. The first is that they did not believe that their one vote makes a difference. We need to educate them that their vote does make a difference, but that problem will have to be tackled another day.

The second, and more likely, response from nonvoters is that they simply did not have the time to register. Americans are busy people. We work long hours, we have bills to pay, children to raise, families to care for. When registering to vote is inconvenient, some people just can't find the time to do it.

In Minnesota, we recognized the importance of making it convenient for people to register to vote. We implemented same-day voter registration a few years ago. Subsequently, we have had the highest voter turnout of any State in the Nation. It's hard to argue with success.

Mr. President, when more Americans vote, we renew the lifeblood of the political process. Instead of alienating our citizens by erecting barriers to voting, we must tear down those obstacles. We must continue to find ways to capture the interest of our electorate. From a public policy point of view, we all benefit from increased participation in the electoral process.

Mr. President, for these reasons, I am a cosponsor of this legislation. I encourage my colleagues to support increased voter participation by supporting final passage of the motor-voter bill.

Mr. DOLE. Mr. President, my remarks today will be brief. We have discussed this issue for years. Everyone knows if they are voting up or down. And everyone knows that this bill is going to pass. And everyone knows that the President will veto the bill, and the veto will be sustained.

Let us face it, this bill is in bad need of a tuneup. It is a lemon, a money-guzzling clunker that ought to be junked, not enacted into law. So when the smoke clears on this motor-voter clunker, you will not see reform, just the status quo by stalemate the Democrats are insisting on.

I think all of us—even supporters of this bill—can agree that it needs repairs. The States, counties, and local governments have all expressed concerns with the legislation. Yet, as we saw yesterday, the Democrats refused to allow good-faith improvements to be made.

Last week, Senator STEVENS offered substitute legislation. It was more flexible, it cost far less, it beefed up Federal and State efforts to combat election fraud, and it would have been signed by the President.

But, once again, the Democrats opted for the status quo rather than true reform.

As I have said before, Mr. President, no one knows how much this bill is going to cost, but it is certain to be a big case of sticker shock for the States, to the tune of hundreds of millions of dollars. But since the costs are passed along to the States, my friends on the

other side of the aisle do not appear to be concerned.

I just wish that, in passing this legislation, they would also have the courage to tell the States how they should pay for it. Should they cut their education budgets? Should they cut law enforcement? How about child nutrition programs?

The vast majority of States have already adopted or are studying motor-voter programs. These programs are designed to meet the individual needs of the States, and they are ones they have determined they can afford.

But Uncle Sam knows best, we are told. And Uncle Sam is going to tell the States what works, and they have to find a way to pay for it.

And once again, Mr. President, an American public starving for change will have been served another plate of warmed-over status quo.

Mr. SIMON. Mr. President, I wish to commend my friend the Assistant Majority Leader WENDELL FORD for his leadership and diligence on this important legislation.

Passage of the motor-voter bill has taken more than one Congress. In the 101st Congress, as chairman of the Constitution Subcommittee, I held a hearing on and cosponsored the Equal Access to Voting Act of 1989. The reforms embodied in the motor-voter bill that we will pass today directly address the barriers to voter registration and participation that significantly hamper our ability to carry out our democratic principles.

When we advance the right to vote, we advance our Nation. As Justice Black wrote in one of the celebrated voting rights cases:

> No right is more precious in a free country than that of having a voice in the election of those who make the laws; other rights, even the most basic, are illusory if the right to vote is undermined.

Most recently, the Los Angeles riots after the Rodney King verdict demonstrated what happens when people lose hope. We need to do whatever we can to restore faith in our institutions and encourage people to channel their messages through legal means. Removing barriers to voter participation is one way to do so.

Mr. President, I am pleased that in my home State of Illinois there is strong support for the motor-voter legislation. Obviously, nothing that comes before us gets universal support or opposition. A number of the vigorous and active county clerks in Illinois support the changes in S. 250.

As David Orr, Cook County clerk stated recently:

> More than ninety percent of eligible voters would be reached by the National Voter Registration Act. Now, approximately 178 million Americans are eligible to vote yet 70 million people are not registered to vote. This act helps those not registered to have easier access to the registration process. In suburban Cook County, this would mean an increase of 150,000 voters.

During the debate over motor-voter, other local election officials came forward in support of the changes. In Henry County, county clerk Martha Sawyer stated:

> I'm in favor of anything that would get people to vote. I don't look forward to the administrative headaches but I think we absolutely should try to make voting accessible to everyone. Of course, we're going to have to roll up our shirt sleeves and dig in also.

And Dick Liebovitz, Rock Island County clerk said.

> I have no problems with mail-in registration. Scott County has mail in registration and there seems to be no problems with it.

Some have suggested that this bill is costly. In fact, the opposite is true. It is estimated that deputy registrars cost anywhere from $1 to $15 per voter registered. Motor-voter programs average between 3 cents and thirty three cents cost per voter registered. And, Mr. President, we can not afford the costs to this society when people do not participate in the civic process.

Later this year, I will be bringing to the floor my legislation to extend the life of section 203 of the Voting Rights Act, its language assistance provisions. On a cost effective basis, the Voting Rights Act has been successful in enfranchising U.S. citizens who are not fully proficient in English. Although the Voting Rights Act is not a part of the bill that we will pass today, I am hopeful that it, too, will have the support of our colleagues on both sides of the aisle so that democracy and participation are enhanced for all Americans.

Mr. BAUCUS. Mr. President, I rise today in support of S. 250, the National Voter Registration Act of 1991.

Over the past 30 years, America has been faced with the painful reality of declining public involvement in the political process. Last year we celebrated the 20th anniversary of the 26th amendment to the Constitution granting 18- to 20-year-olds the right to vote. The 26th amendment was passed by Congress and ratified by the States faster than any other constitutional amendment in the history of the Union.

And yet this year, it is likely that less than 50 percent of all qualified voters will turn out on election day to choose the next President of the United States. The causes of the dramatic decline in voter participation have been debated by experts for years.

But the fact remains that fewer and fewer Americans feel as if their vote counts. This disturbing trend must be stopped, and we must again, as individuals and as a nation, dedicate ourselves to becoming active participants in our democratic form of self-government.

Last Congress, I voted against cloture on a similar bill, S. 874, because the bill did not address a number of my concerns, such as funding for local conversion costs, an overly restrictive purging process of voter lists, and overly prescriptive forms for registration.

Since that time a great deal of work has been done on this measure. For instance, I would like to thank Senator FORD and Senator HATFIELD for recognizing the need for a more flexible, properly funded program. And while I may not be in complete agreement about certain specific components of the bill, I am certain that passage of S. 250 is in the best interest of our Democracy. This bill can have a tangible, positive impact on voter participation in America.

Without question, the implementation of this bill is going to mean that current policies will need to change in a number of States, including Montana. However, the sponsors and the committee have developed a piece of legislation that mitigates most potential problems while at the same time retaining the integrity and positive values of the motor-voter program.

Now is the time for us to act. Over 90 percent of all eligible voters in this country have a drivers license or State ID card. And yet less than 45 percent of all qualified voters between 18 and 24 are registered to vote. If the provisions of S. 250 will allow us to franchise even half of these people into the election process, the impact will be enormous. Such participation may well help ease the frustration that many feel with the political process today.

CONCLUSION OF MORNING BUSINESS

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

NATIONAL VOTER REGISTRATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to vote on final passage of S. 250, which the clerk will report.

The legislative clerk read as follows:

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

The PRESIDING OFFICER. The question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN], is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 61, nays 38, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—61

Adams	Biden	Bradley
Akaka	Bingaman	Breaux
Baucus	Boren	Bryan

Bumpers	Heflin	Packwood
Burdick	Inouye	Pell
Byrd	Jeffords	Pryor
Conrad	Johnston	Reid
Cranston	Kasten	Riegle
Daschle	Kennedy	Robb
DeConcini	Kerrey	Rockefeller
Dixon	Kerry	Sanford
Dodd	Kohl	Sarbanes
Durenberger	Lautenberg	Sasser
Exon	Leahy	Shelby
Ford	Levin	Simon
Fowler	Lieberman	Specter
Glenn	Metzenbaum	Wellstone
Gore	Mikulski	Wirth
Graham	Mitchell	Wofford
Harkin	Moynihan	
Hatfield	Nunn	

NAYS—38

Bond	Gorton	Nickles
Brown	Gramm	Pressler
Burns	Grassley	Roth
Chafee	Hatch	Rudman
Coats	Helms	Seymour
Cochran	Hollings	Simpson
Cohen	Kassebaum	Smith
Craig	Lott	Stevens
D'Amato	Lugar	Symms
Danforth	Mack	Thurmond
Dole	McCain	Wallop
Domenici	McConnell	Warner
Garn	Murkowski	

NOT VOTING—1

Bentsen

So, the bill (S. 250), as amended, was passed, as follows:

S. 250

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 "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" has 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 "voter registration agency" means an office designated under section 7(a)(1) to perform voter registration activities.

SEC. 4. NATIONAL PROCEDURES FOR VOTER REGISTRATION FOR ELECTIONS FOR FEDERAL OFFICE.

(a) IN GENERAL.—Except as provided in subsection (b), notwithstanding any other Federal or State law, in addition to any other method of voter registration provided for under State law, each State shall establish procedures to register to vote in elections for Federal office—

(1) by application made simultaneously with an application for a motor vehicle driver's license pursuant to section 5;

(2) by mail application pursuant to section 6; and

(3) by application in person—

(A) at the appropriate registration site designated with respect to the residence of the applicant in accordance with State law; and

(B) at a Federal, State, or nongovernmental office designated under section 7.

(b) NONAPPLICABILITY TO CERTAIN STATES.—This Act does not apply to a State described in either or both of the following paragraphs:

(1) A State in which there is no voter registration requirement for any voter in the State with respect to an election for Federal office.

(2) A State in which all voters in the State may register to vote at the polling place at the time of voting in a general election for Federal office.

SEC. 5. SIMULTANEOUS APPLICATION FOR VOTER REGISTRATION AND APPLICATION FOR MOTOR VEHICLE DRIVER'S LICENSE.

(a) IN GENERAL.—(1) Except as provided in subsection (b), each State motor vehicle driver's license application (including any renewal application) submitted to the appropriate State motor vehicle authority under State law shall serve as an application for voter registration with respect to elections for Federal office.

(2) An application for voter registration submitted under paragraph (1) shall be considered as updating any previous voter registration by the applicant.

(b) DECLINATION TO REGISTER.—(1) An applicant for a State motor vehicle driver's license may decline in writing to be registered by means of the motor vehicle driver's license application.

(2) No information relating to a declination pursuant to paragraph (1) may be used for any purpose other than voter registration.

(c) FORMS AND PROCEDURES.—(1) Each State shall include a voter registration application form for elections for Federal office as part of an application for a State motor vehicle driver's license.

(2) The voter registration application portion of an application for a State motor vehicle driver's license—

(A) may not require any information that duplicates information required in the driver's license portion of the form (other than a second signature or other information necessary under subparagraph (C));

(B) shall include a means by which an applicant may decline to register to vote pursuant to subsection (b);

(C) may require only the minimum amount of information necessary to—

(i) prevent duplicate voter registrations; and

(ii) enable State election officials to assess the eligibility of the applicant and to administer voter registration and other parts of the election process;

(D) shall include a statement that—

(i) states each eligibility requirement (including citizenship);

(ii) contains an attestation that the applicant meets each such requirement; and

(iii) requires the signature of the applicant, under penalty of perjury; and

(E) shall be made available (as submitted by the applicant, or in machine readable or other format) to the appropriate State election official as provided by State law.

(d) CHANGE OF ADDRESS.—Any change of address form submitted in accordance with State law for purposes of a State motor vehicle driver's license shall serve as notification of change of address for voter registration with respect to elections for Federal office for the registrant involved unless the registrant states on the form that the change of address is not for voter registration purposes.

SEC. 6. MAIL REGISTRATION.

(a) FORM.—(1) Each State shall accept and use the mail voter registration application form prescribed by the Federal Election Commission pursuant to section 9(a)(2) for the registration of voters in elections for Federal office.

(2) In addition to accepting and using the form described in paragraph (1), a State may develop and use a mail voter registration form that meets all of the criteria stated in section 9(b) for the registration of voters in elections for Federal office.

(3) A form described in paragraph (1) or (2) shall be accepted and used for notification of a registrant's change of address.

(b) AVAILABILITY OF FORMS.—The chief State election official of a State shall make the forms described in subsection (a) available for distribution through governmental and private entities, with particular emphasis on making them available for organized voter registration programs.

(c) FIRST-TIME VOTERS.—(1) Subject to paragraph (2), a State may by law require a person to vote in person if—

(A) the person was registered to vote in a jurisdiction by mail; and

(B) the person has not previously voted in that jurisdiction.

(2) Paragraph (1) does not apply in the case of a person—

(A) who is entitled to vote by absentee ballot under the Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff-1 et seq.);

(B) who is provided the right to vote otherwise than in person under section 3(b)(2)(B)(ii) of the Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee-1(b)(2)(B)(ii)); or

(C) who is entitled to vote otherwise than in person under any other Federal law.

SEC. 7. VOTER REGISTRATION AGENCIES.

(a) DESIGNATION.—(1) Each State shall designate agencies for the registration of voters in elections for Federal office.

(2) Each State shall designate as voter registration agencies—

(A) all offices in the State that provide public assistance, unemployment compensation, or related services; and

(B) all offices in the State that provide State-funded programs primarily engaged in providing services to persons with disabilities.

(3)(A) In addition to voter registration agencies designated under paragraph (2), each State shall designate other offices within the State as voter registration agencies.

(B) Voter registration agencies designated under subparagraph (A) may include—

(i) State or local government offices such as public libraries, public schools, offices of city and county clerks (including marriage license bureaus), fishing and hunting license bureaus, government revenue offices, and offices not described in paragraph (2)(B) that provide services to persons with disabilities; and

(ii) Federal and nongovernmental offices, with the agreement of such offices.

(4)(A) At each voter registration agency, the following services shall be made available:

(i) Distribution of mail voter registration application forms in accordance with paragraph (6).

(ii) Assistance to applicants in completing voter registration application forms.

(iii) Acceptance of completed voter registration application forms for transmittal to the appropriate State election official.

(B) If a voter registration agency designated under paragraph (2)(B) provides services to a person with a disability at the person's home, the agency shall provide the services described in subparagraph (A) at the person's home.

(5) A person who provides service described in paragraph (4) shall not—

(A) seek to influence an applicant's political preference or party registration;

(B) display any such political preference or party allegiance; or

(C) make any statement to an applicant or take any action the purpose or effect of which is to discourage the applicant from registering to vote.

(6) A voter registration agency that is an office that provides service or assistance in addition to conducting voter registration shall—

(A) distribute with each application for such service or assistance, and with each recertification, renewal, or change of address form relating to such service or assistance—

(i) the mail voter registration application form described in section 9(a)(2); or

(ii) the office's own form if it is substantially equivalent to the form described in section 9(a)(2),

unless the applicant, in writing, declines to register to vote;

(B) to the greatest extent practicable, incorporate in application forms and other forms used at those offices for purposes other than voter registration a means by which a person who completes the form may decline, in writing, to register to vote in elections for Federal office; and

(C) provide to each applicant who does not decline to register to vote the same degree of assistance with regard to the completion of the registration application form as is provided by the office with regard to the completion of its own forms.

(7) No information relating to a declination to register to vote in connection with an application made at an office described in paragraph (6) may be used for any purpose other than voter registration.

(b) FEDERAL GOVERNMENT AND PRIVATE SECTOR COOPERATION.—All departments, agencies, and other entities of the executive branch of the Federal Government shall, to the greatest extent practicable, cooperate with the States in carrying out subsection (a), and all nongovernmental entities are encouraged to do so.

(c) TRANSMITTAL DEADLINE.—(1) Subject to paragraph (2), a completed registration application accepted at a voter registration agency shall be transmitted to the appropriate State election official not later than 10 days after the date of acceptance.

(2) If a registration application is accepted within 5 days before the last day for registration to vote in an election, the application shall be transmitted to the appropriate State election official not later than 5 days after the date of acceptance.

SEC. 8. REQUIREMENTS WITH RESPECT TO ADMINISTRATION OF VOTER REGISTRATION.

(a) IN GENERAL.—In the administration of voter registration for elections for Federal office, each State shall—

(1) ensure that any eligible applicant is registered to vote in an election—

(A) in the case of registration with a motor vehicle application under section 5, if the valid voter registration form of the applicant is submitted to the appropriate State motor vehicle authority not later than the lesser of 30 days, or the period provided by State law, before the date of the election;

(B) in the case of registration by mail under section 6, if the valid voter registration form of the applicant is postmarked not later than the lesser of 30 days, or the period provided by State law, before the date of the election;

(C) in the case of registration at a voter registration agency, if the valid voter registration form of the applicant is accepted at the voter registration agency not later than the lesser of 30 days, or the period provided by State law, before the date of the election; and

(D) in any other case, if the valid voter registration form of the applicant is received by the appropriate State election official not later than the lesser of 30 days, or the period provided by State law, before the date of the election;

(2) require the appropriate State election official to send notice to each applicant of the disposition of the application;

(3) provide that the name of a registrant may not be removed from the official list of eligible voters except—

(A) at the request of the registrant;

(B) as provided by State law, by reason of criminal conviction or mental incapacity; or

(C) as provided under paragraph (4);

(4) conduct 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, in accordance with subsections (b), (c), and (d);

(5) inform applicants under sections 5, 6, and 7 of—

(A) voter eligibility requirements; and

(B) penalties provided by law for submission of a false voter registration application; and

(6) ensure that the identity of the voter registration agency through which any particular voter is registered is not disclosed to the public.

(b) CONFIRMATION OF VOTER REGISTRATION.—Any State program or activity to protect the integrity of the electoral process by ensuring the maintenance of an accurate and current voter registration roll for elections for Federal office—

(1) shall be uniform, nondiscriminatory, and in compliance with the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.); and

(2) shall not result in the removal of the name of any person from the official list of voters registered to vote in an election for Federal office by reason of the person's failure to vote.

(c) VOTER REMOVAL PROGRAMS.—(1) A State may meet the requirement of subsection (a)(4) 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—

(i) 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

(ii) 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 names from official lists of voters on a basis described in paragraph (3) (A) or (B) or (4)(A) of subsection (a); or

(ii) correction of registration records pursuant to this Act.

(d) REMOVAL OF NAMES FROM VOTING ROLLS.—(1) A State shall not remove the name of a registrant from the official list of eligible voters in elections for Federal office on the ground that the registrant has changed residence unless the registrant—

(A) confirms in writing that the registrant has changed residence to a place outside the registrar's jurisdiction in which the registrant is registered; or

(B)(i) has failed to respond to a notice described in paragraph (2); and

(ii) has not voted or appeared to vote (and, if necessary, correct the registrar's record of the registrant's address) in an election during the period beginning on the date of the notice and ending on the day after the date of the second general election for Federal office that occurs after the date of the notice.

(2) A notice is described in this paragraph if it is a postage prepaid and pre-addressed return card, sent by forwardable mail, on which the registrant may state his or her current address, together with a notice to the following effect:

(A) If the registrant did not change his or her residence, or changed residence but remained in the registrar's jurisdiction, the registrant should return the card not later than the time provided for mail registration under subsection (a)(1)(B). If the card is not returned, affirmation or confirmation of the registrant's address may be required before the registrant is permitted to vote in a Federal election during the period beginning on the date of the notice and ending on the day after the date of the second general election for Federal office that occurs after the date of the notice, and if the registrant does not vote in an election during that period the registrant's name will be removed from the list of eligible voters.

(B) If the registrant has changed residence to a place outside the registrar's jurisdiction in which the registrant is registered, information concerning how the registrant can continue to be eligible to vote.

(3) A voting registrar shall correct an official list of eligible voters in elections for Federal office in accordance with change of residence information obtained in conformance with this subsection.

(e) PROCEDURE FOR VOTING FOLLOWING FAILURE TO RETURN CARD.—(1) A registrant who has moved from an address in the area covered by a polling place to an address in the same area shall, notwithstanding failure to notify the registrar of the change of address prior to the date of an election, be permitted to vote at that polling place upon oral or written affirmation by the registrant of the change of address before an election official at that polling place.

(2)(A) A registrant who has moved from an address in the area covered by one polling place to an address in an area covered by a second polling place within the same registrar's jurisdiction and the same congressional district and who has failed to notify the registrar of the change of address prior to the date of an election, at the option of the registrant—

(i) shall be permitted to correct the voting records and vote at the registrant's former polling place, upon oral or written affirmation by the registrant of the new address before an election official at that polling place; or

(ii)(I) shall be permitted to correct the voting records and vote at a central location within the same registrar's jurisdiction designated by the registrar where a list of eligible voters is maintained, upon written affirmation by the registrant of the new address on a standard form provided by the registrar at the central location; or

(II) shall be permitted to correct the voting records for purposes of voting in future elections at the appropriate polling place for the current address and, if permitted by State law, shall be permitted to vote in the present election, upon confirmation by the registrant of the new address by such means as are required by law.

(B) If State law permits the registrant to vote in the current election upon oral or written affirmation by the registrant of the new address at a polling place described in subparagraph (A)(ii)(II), voting at the former polling place as described in subparagraph (A)(i) and at a central location as described in subparagraph (A)(ii)(I) need not be provided as alternative options.

(3) If the registration records indicate that a registrant has moved from an address in the area covered by a polling place, the registrant shall, upon oral or written affirmation by the registrant before an election official at that polling place that the registrant continues to reside at the address previously made known to the registrar, be permitted to vote at that polling place.

(f) CHANGE OF VOTING ADDRESS WITHIN A JURISDICTION.—In the case of a change of address, for voting purposes, of a registrant to another address within the same registrar's jurisdiction, the registrar shall correct the voting registration list accordingly, and the registrant's name may not be removed from the official list of eligible voters by reason of such a change of address except as provided in subsection (d).

(g) CONVICTION IN FEDERAL COURT.—(1) On the conviction of a person of a felony in a district court of the United States, the United States attorney shall give written notice of the conviction to the chief State election official designated under section 10 of the State of the person's residence.

(2) A notice given pursuant to paragraph (1) shall include—

(A) the name of the offender;

(B) the offender's age and residence address;

(C) the date of entry of the judgment;

(D) a description of the offenses of which the offender was convicted; and

(E) the sentence imposed by the court.

(3) On request of the chief State election official of a State or other State official with responsibility for determining the effect that a conviction may have on an offender's qualification to vote, the United States attorney shall provide such additional information as the United States attorney may have concerning the offender and the offense of which the offender was convicted.

(4) If a conviction of which notice was given pursuant to paragraph (1) is overturned, the United States attorney shall give the official to whom the notice was given written notice of the vacation of the judgment.

(5) The chief State election official shall notify the voter registration officials of the local jurisdiction in which an offender resides of the information received under this subsection.

(h) REDUCED POSTAL RATES.—(1) Subchapter II of chapter 36 of title 39, United States Code, is amended by adding at the end the following:

"§ 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."

(2) Section 2401(c) of title 39, United States Code, is amended by striking "and 3626(a)–(h)" and inserting "3626(a)–(h), and 3629".

(3) 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".

(4) The table of sections 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."

(i) PUBLIC DISCLOSURE OF VOTER REGISTRATION ACTIVITIES.—(1) Each State shall maintain for at least 2 years and shall make available for public inspection and, where available, photocopying at a reasonable cost, all records concerning the implementation of programs and activities conducted for the purpose of ensuring the accuracy and currency of official lists of eligible voters, except to the extent that such records relate to a declination to register to vote or to the identity of a voter registration agency through which any particular voter is registered.

(2) The records maintained pursuant to paragraph (1) shall include lists of the names and addresses of all persons to whom notices described in subsection (d)(2) are sent, and information concerning whether or not each such person has responded to the notice as of the date that inspection of the records is made.

(j) DEFINITION.—For the purposes of this section, the term "registrar's jurisdiction" means—

(1) an incorporated city, town, borough, or other form of municipality;

(2) if voter registration is maintained by a county, parish, or other unit of government that governs a larger geographic area than a municipality, the geographic area governed by that unit of government; or

(3) if voter registration is maintained on a consolidated basis for more than one municipality or other unit of government by an office that performs all of the functions of a voting registrar, the geographic area of the consolidated municipalities or other geographic units.

SEC. 9. FEDERAL COORDINATION AND REGULATIONS.

(a) IN GENERAL.—The Federal Election Commission—

(1) in consultation with the chief election officers of the States, the heads of the departments, agencies, and other entities of the executive branch of the Federal Government, and representatives of nongovernmental entities, shall prescribe such regulations as are necessary to carry out this Act;

(2) in consultation with the chief election officers of the States, shall develop a mail voter registration application form for elections for Federal office;

(3) not later than June 30 of each odd-numbered year, shall submit to the Congress a report assessing the impact of this Act on the administration of elections for Federal office during the preceding 2-year period and including recommendations for improvements in Federal and State procedures, forms, and other matters affected by this Act; and

(4) shall provide information to the States with respect to the responsibilities of the States under this Act.

(b) CONTENTS OF MAIL VOTER REGISTRATION FORM.—The mail voter registration form developed under subsection (a)(2)—

(1) may require only such identifying information (including the signature of the applicant) and other information (including data relating to previous registration by the applicant), as is necessary to enable the appropriate State election official to assess the eligibility of the applicant and to administer voter registration and other parts of the election process;

(2) shall include a statement that—

(A) specifies each eligibility requirement (including citizenship);

(B) contains an attestation that the applicant meets each such requirement; and

(C) requires the signature of the applicant, under penalty of perjury; and

(3) may not include any requirement for notarization or other formal authentication.

SEC. 10. DESIGNATION OF CHIEF STATE ELECTION OFFICIAL.

Each State shall designate a State officer or employee as the chief State election official to be responsible for coordination of State responsibilities under this Act.

SEC. 11. CIVIL ENFORCEMENT AND PRIVATE RIGHT OF ACTION.

(a) ATTORNEY GENERAL.—The Attorney General may bring a civil action in an appropriate district court for such declaratory or injunctive relief as is necessary to carry out this Act.

(b) PRIVATE RIGHT OF ACTION.—(1) A person who is aggrieved by a violation of this Act may provide written notice of the violation to the chief election official of the State involved.

(2) If the violation is not corrected within 90 days after receipt of a notice under paragraph (1), or within 20 days after receipt of the notice if the violation occurred within 120 days before the date of an election for Federal office, the aggrieved person may bring a civil action in an appropriate district court for declaratory or injunctive relief with respect to the violation.

(3) If the violation occurred within 30 days before the date of an election for Federal office, the aggrieved person need not provide notice to the chief election official of the State under paragraph (1) before bringing a civil action under paragraph (2).

(c) ATTORNEY'S FEES.—In a civil action under this section, the court may allow the prevailing party (other than the United States) reasonable attorney fees, including litigation expenses, and costs.

(d) RELATION TO OTHER LAWS.—(1) The rights and remedies established by this section are in addition to all other rights and remedies provided by law, and neither the rights and remedies established by this section nor any other provision of this Act shall supersede, restrict, or limit the application of the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.).

(2) Nothing in this Act authorizes or requires conduct that is prohibited by the Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.).

SEC. 12. 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.

SEC. 13. EFFECTIVE DATE.

This Act shall take effect—

(1) with respect to a State that on the date of enactment of this Act has a provision in the constitution of the State that would preclude compliance with this Act unless the State maintained separate Federal and State official lists of eligible voters, on January 1, 1996; and

(2) with respect to any State not described in paragraph (1), on January 1, 1994.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the bill, as amended was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DECLARING AN ARTICLE OF AMENDMENT TO BE THE 27TH AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES—SENATE RESOLUTION 298 AND SENATE CONCURRENT RESOLUTION 120

The PRESIDING OFFICER. Under the previous order, the Senate will now vote en bloc on Senate Concurrent Resolution 120 and Senate Resolution 298. The yeas and nays have been previously ordered, and the clerk will call the roll.

The assistant bill clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote Numbered 99 and 100 Leg.]

YEAS—99

Adams	Fowler	Mikulski
Akaka	Garn	Mitchell
Baucus	Glenn	Moynihan
Biden	Gore	Murkowski
Bingaman	Gorton	Nickles
Bond	Graham	Nunn
Boren	Gramm	Packwood
Bradley	Grassley	Pell
Breaux	Harkin	Pressler
Brown	Hatch	Pryor
Bryan	Hatfield	Reid
Bumpers	Heflin	Riegle
Burdick	Helms	Robb
Burns	Hollings	Rockefeller
Byrd	Inouye	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Seymour
Craig	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Smith
Daschle	Leahy	Specter
DeConcini	Levin	Stevens
Dixon	Lieberman	Symms
Dodd	Lott	Thurmond
Dole	Lugar	Wallop
Domenici	Mack	Warner
Durenberger	McCain	Wellstone
Exon	McConnell	Wirth
Ford	Metzenbaum	Wofford

NAYS—0

NOT VOTING—1

Bentsen

So, the resolutions (S. Res. 298 and S. Con. Res. 120) were agreed to.

The preambles were agreed to.

The resolutions, with their preambles, read as follows:

S. RES. 298

Whereas two-thirds of each House of the First Congress duly proposed in 1789 an article of amendment to the Constitution of the United States to provide that "No law, varying the compensation for the services of the Senators and Representative, shall take effect, until an election of Representatives shall have intervened.";

Whereas if duly ratified this proposed amendment on the effective date of laws varying the compensation of Members of Congress would be the Twenty-Seventh Amendment to the Constitution of the United States;

Whereas pursuant to Senate Resolution 295, One Hundred Second Congress, the Archivist of the United States has communicated to the Senate, with copies of all the resolution of ratification in his office, a list of States of the Union whose legislatures have ratified the proposed article of amendment on the effective date of laws varying the compensation of Members of Congress; and

Whereas the legislatures of the States, of Maryland, North Carolina, South Carolina, Delaware, Vermont, Virginia, Ohio, Wyoming, Maine, Colorado, South Dakota, New Hampshire, Arizona, Tennessee, Oklahoma, New Mexico, Indiana, Utah, Arkansas, Montana, Connecticut, Wisconsin, Georgia, West Virginia, Louisiana, Iowa, Idaho, Nevada, Alaska, Oregon, Minnesota, Texas, Kansas, Florida, North Dakota, Alabama, Missouri, Michigan, New Jersey, and Illinois, being three-fourths and more of the several States of the Union, have ratified the proposed article of amendment to the Constitution of the United States on the effective date of laws varying the compensation of Members of Congress: Now, therefore, be it

Resolved, That the article of amendment to the Constitution of the United States on the effective date of laws varying the compensation of Members of Congress, duly proposed by two-thirds of each House of the First Congress and ratified by three-fourths and more of the several States of the Union, has become valid, to all intents and purposes, as a part of the Constitution of the United States, and shall be known as the Twenty-Seventh Amendment.

SEC. 2. 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.

S. CON. RES. 120

Whereas two-thirds of each House of the First Congress duly proposed in 1789 an article of amendment to the Constitution of the United States to provide that "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.";

Whereas if duly ratified this proposed amendment on the effective date of laws varying the compensation of Members of Congress would be the Twenty-Seventh Amendment to the Constitution of the United States;

Whereas, pursuant to Senate Resolution 295, One Hundred Second Congress, the Archivist of the United States has communicated to the Senate, with copies of all the resolutions of ratification in his office, a list of States of the Union whose legislatures have ratified the proposed article of amendment on the effective date of laws varying the compensation of Members of Congress; and

Whereas the legislatures of the States of Maryland, North Carolina, South Carolina, Delaware, Vermont, Virginia, Ohio, Wyoming, Maine, Colorado, South Dakota, New Hampshire, Arizona, Tennessee, Oklahoma, New Mexico, Indiana, Utah, Arkansas, Montana, Connecticut, Wisconsin, Georgia, West Virginia, Louisiana, Iowa, Idaho, Nevada, Alaska, Oregon, Minnesota, Texas, Kansas, Florida, North Dakota, Alabama, Missouri, Michigan, New Jersey, and Illinois, being three-fourths and more of the several States of the Union, have ratified the proposed article of amendment to the Constitution of the United States on the effective date of laws varying the compensation of Members of Congress: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the article of amendment to the Constitution of the United States on the effective date of laws varying the compensation of Members of Congress, duly proposed by two-thirds of each House of the First Congress and ratified by

three-fourths and more of the several States of the Union, has become valid, to all intents and purposes, as a part of the Constitution of the United States, and shall be known as the Twenty-Seventh Amendment.

SEC. 2. The Secretary of the Senate shall provide a copy of this resolution to the Archivist of the United States.

Mr. GLENN. Mr. President, I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. GLENN. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein.

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

There will now be a period for morning business.

Who seeks recognition?

Mr. COCHRAN addressed the Chair.

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

THE 27TH AMENDMENT TO THE CONSTITUTION

Mr. COCHRAN. Mr. President, I rise to comment on the adoption of Senate Resolution 298 and Senate Concurrent Resolution 120 which the Senate has just approved.

I take this time to congratulate the distinguished Senator from West Virginia [Mr. BYRD] for taking the lead in developing a strategy for certifying on the part of the Senate the validity of the adoption of the 27th amendment to the Constitution.

Several days ago I took the floor to urge the Congress to act expeditiously to express itself on this issue so there could be no misunderstanding as to whether or not, in the view of the Senate and the House as well, the ratification process had been undertaken in accordance with the terms of the Constitution. I am glad to see us take this action today, because it certainly sets at rest any question as to whether or not the Senate feels that the ratification process is valid.

I have reviewed the remarks that were made on the floor of the Senate yesterday by Senator BYRD. He very clearly and thoroughly sets out the factual situation and the reasons for the Senate taking the action which it has just taken. I hope now the other body will respond in the same fashion and specifically approve Senate Concurrent Resolution 120. By doing so, the Congress will have spoken with one voice that the 27th amendment to the Constitution is duly ratified.

The question, of course, in the minds of some is whether or not the lengthy period of time that has expired between the initial adoption by Congress of the resolutions to amend the Constitution in some way impairs the later ratification of the amendment by the requisite number of States.

It seems clear that under the decisions the Supreme Court has reached in the past on this issue the final arbiter of questions on ratification is the Congress. Therefore, it is important that the Congress speak with one voice. We have adopted a Senate resolution expressing the sense of the Senate that the process is completed; is valid; and the Constitution is duly amended.

We have also invited the House to join us in this resolution by adopting contemporaneously a concurrent resolution which, when agreed to by the House, will clearly express the sense of Congress on this subject.

In this instance it is particularly important that both Houses act to express themselves clearly, because the amendment goes to a power of the Congress. It restricts a congressional action by saying that no salary increases shall be given effect unless enacted by a prior Congress. That is the crux of the issue that is resolved in this constitutional amendment, and it is important for both Houses to say that it is the law of the land, that it is a part of the U.S. Constitution now.

I hope the House will say that and say it soon.

MADISON AMENDMENT ON CONGRESSIONAL PAY

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, the Senate is considering a resolution which declares this amendment relating to congressional pay to be the 27th amendment to the Constitution of the United States.

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 amendment, named after its author James Madison, 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 applaud the swift action taken by the leadership of both Houses and my colleagues adoption of this amendment.

REGARDING THE 27TH AMENDMENT

Mr. SANFORD. Mr. President, under the Constitution, the Senate has the final responsibility to determine whether an amendment has been ratified by three-quarters of the States. Therefore, I am pleased to support the ratification of the 27th amendment to the Constitution. I am even more proud, however, that the North Carolina Legislature was the second State to ratify this amendment two centuries ago.

This is certainly a historic moment, because it is unlikely that any other proposed amendment will require or be permitted to linger for 200 years before ratification. What is more important, though, is that although this proposed amendment is more than 200 years old, its principles still live. The public wants to be sure that its elected public servants do not use their office for their own personal enrichment.

North Carolina voters know that I voted against last year's congressional pay raise that took effect in mid-term. That legislation would not have been constitutional had this amendment been in effect at the time of that vote since there was not an intervening election between the time of that vote and effective date of the pay raise.

As a footnote to history, today the Senate also decided to declare that four other proposed and pending amendments which were outdated, but which did not have expiration dates, were to be considered to have lapsed. Those amendments, proposed between 1789 and 1924, which of course did not become law, dealt with the size of the House of Representatives, nobility, slavery, and child labor, all being issues that Congress ultimately addressed in legislation as times dictated the need to do so.

Mr. President, an important aspect of the adoption and ratification of this amendment is how efficiently the States and the Congress can act when there is a common goal. I hope that we can act with similar clarity of purpose in the other important issues that face this Congress and the American people.

Mr. HELMS. Mr. President, I am delighted to cosponsor two resolutions (S. Con. Res. 120 and S. Res. 298), both of which recognize the validity of the 27th amendment to the U.S. Constitution. This amendment, initially proposed by James Madison in 1789, provides that, "No law, varying the com-

pensation of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

North Carolina was the second State to ratify Madison's proposed constitutional amendment—on December 22, 1789—3 days after Maryland ratified it.

At the time of ratification, North Carolina's congressional delegation—to whom North Carolinians of the day assumed the amendment would soon apply—had not yet been seated in Congress. North Carolina was not represented at the First Session of Congress, March 4–September 29, 1789, because North Carolina had not itself ratified the Constitution. The delay was due—as all schoolchildren in North Carolina are taught—or should be taught—to our State's forefathers' reluctance to approve the Constitution without a bill of rights. After receiving assurances that a bill of rights would be forthcoming, North Carolina did, in fact, ratify the Constitution on November 21, 1789.

One month later, Mr. President, the North Carolina General Assembly proceeded to ratify what has, at long last, become the 27th amendment—the second in a series of constitutional amendments ratified at that time. Several of these amendments became part of what we now know as the Bill of Rights.

North Carolina's representatives then packed to go to New York, I would imagine, fully expecting that their own pay would not—and could not—be raised without an intervening election. Unfortunately, 203 years passed before the requisite number of States followed the lead of North Carolina and Maryland.

James Madison, author of this sensible amendment, recognized that the ability of Congress to raise its own pay without an intervening election would create, in his words, "A seeming indecorum." That was an understatement. Congress has proved Mr. Madison to be correct time and time again.

The wisdom of Mr. Madison's proposal has become clearer, not dimmer, with the passage of time, and I congratulate the Michigan Legislature for having put the amendment over the top, albeit, 203 years after North Carolina did so.

Mr. ROTH. Mr. President, the action that the Senate is taking today regarding the ratification of the 27th constitutional amendment is significant. The Senator from West Virginia is to be commended for his efforts in bringing these resolutions to a vote.

Normally, the Senate's role is to legislate. Legislation, of course, can be erased by future legislation. The action we take today is different. It is indelible. It is final.

It is also a very important precedent. Senate adoption of these resolutions means that a proposed constitutional amendment, once believed ineffective through the passage of time, can be revived and ratified. We owe it to posterity, to the Constitution that has served us so well, and the American public to say why. While the Senate reaches the right result today, I regret that some questions are left unanswered.

The problem is not the policy embodied in the 27th amendment. In fact, part of the problem is that there is no opposition to the policy, so that the Senate has not given this subject the deliberation it so richly deserves.

If a proposed amendment need not be ratified by the requisite number of States contemporaneously, a fact we now declare by these resolutions, then why cannot the States ratify other long-forgotten amendments? Then why cannot the States ratify even the expired amendments—those which failed ratification before a congressionally imposed deadline—in the hope that Congress would later extend the deadline?

I am troubled by these questions for several reasons. At a minimum, the Senate should consider—in addition to the action taken today—withdrawing all prior proposed amendments which are not governed by any Congressionally imposed deadline and which have not been ratified to make clear that these proposals, many of which are controversial, are not now ratifiable.

Finally, I wish to express my opinion, as the former chairman of the Committee on Governmental Affairs that established the present office of the Archivist, that the functions of that office under section 106(b) of title I, United States Code, are ministerial only: To count the number of ratifications of an amendment and not to act as a constitutional tribunal to "decide doubtful questions" of law. In my opinion, the Constitution does not provide the executive branch a role in the amendment process except where Congress might seek to provide ancillary procedures to the amendment-making process by statute, which, of course, must be submitted to the President for approval.

The PRESIDING OFFICER. Does any Senator seek recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SHELBY. 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 Alabama [Mr. SHELBY] is recognized.

Mr. SHELBY. Mr. President, I ask unanimous consent that I may proceed for 10 minutes.

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

The Senator is recognized accordingly.

VETERAN HEALTH CARE

Mr. SHELBY. Mr. President, it is said that war is hell. Well, if this is so, then peace for veterans in our VA hospitals is a hotter and deeper hell than the hell of war.

Three months ago I came to this floor to ask the support of my colleagues in stopping what I thought was the ill-conceived rural health care initiative. At that time I noted that the Department of Veterans Affairs medical system was in such poor shape, that to suggest that we treat the rural poor in these facilities was the equivalent of robbing Peter to pay Paul. Our Nation's veterans suffer indignity after indignity in these underfunded, poorly staffed facilities. Yet, our veterans secretary suggests that we should heap another insult on our veterans by opening up their health care system to the general population. While I am a firm believer in the need for comprehensive rural health care facilities, I remain convinced that using the veterans hospitals for this purpose is absolutely indefensible.

Two recent events only serve to reinforce my claim that the VA hospitals are in deplorable shape and that until we treat our veterans in these facilities with some form of human dignity and kindness, we cannot possibly admit nonveterans to these facilities. Last week it was reported in the press in Washington that the bodies of three veteran patients were found on the grounds of the Salem, VA, VA hospital. One patient had been missing for 15 years. Another had hanged himself, and a third patient had died of exposure. The most horrifying aspect of this story is that the hospital staff and administration had little awareness of, or concern for, their disappearance. One patient's dietary and medication chart was still being filled out regularly a month after the patient had disappeared.

In a separate event, the VA has admitted responsibility for at least 8 deaths as the result of poor surgery techniques at its North Chicago facility. This is not surprising, since off the top of my head I can recall three recent cases that my office in Alabama has handled involving botched VA surgery. One constituent's arm was left useless after a seemingly unnecessary shoulder operation. Another was left a quadriplegic after spinal surgery.

Another was discharged with internal bleeding and malnutrition after surgery.

Mr. President, I could go on for hours telling VA horror stories. All of my colleagues hear and handle thousands of these cases a year. But these two recent events only continue to point up the problems in the VA medical sys-

tem. Many patients seem to be in more danger in the hospitals than they were in combat. At least in combat they had some means to defend themselves. Veterans trust the VA medical system with their lives and defer to the judgment of its physicians and staff. Time after time this trust is rewarded with slipshod, third-rate care, abuse and neglect.

I found the story about the Salem, VA, hospital particularly disturbing, since it was one of the two hospitals slated to participate in the Rural Health Care Initiative, the other being Tuskegee, AL. I cannot understand how a hospital that does not even know that its patients have disappeared is supposed to be a model for integrated and creative health care delivery. VA hospitals cannot even provide adequate care for their present clientele, yet the Secretary wants to open them up to the general public. I say that this idea moves beyond the ridiculous into the absurd.

The claim has been made by the Secretary that these hospitals are underutilized and must expand their population pool to nonveterans. On the surface the actual patient numbers might vindicate his claim. Yet, demographics provided by the Department of Veterans Affairs itself show that the number of veterans over 70 will increase by 200 percent in the next two decades.

Our World War II population is now at the age when it will require the most intensive and comprehensive health care. Our Korean veterans will reach that point in the next decade and our Vietnam veterans the decade after that. It would seem, Mr. President, that these hospitals should be more utilized than at any point in their history.

Why, then, are they under capacity? The answer is rather simple. Over the past 10 years, a consistent effort has been conducted by the Department and its predecessor, the VA, to limit veterans access to the VA medical system. This limitation has been carried out in a variety of ways.

First, the VA has made it exceedingly difficult for patients to prove service connected disabilities.

Second, the VA has raised the level of disability required for certain treatments.

Third, the VA has increasingly required more and more patient reimbursement for drugs and medical treatment.

Fourth, the VA is virtually unwilling to admit that collateral medical conditions result from service related injuries.

And finally, the VA has stonewalled admitting service related disabilities for radiation exposure and agent orange exposure, because to do so would open a Pandora's box of new benefit payments and medical claims. The net result of this limitation has been to make free medical care available to only the most poor and most severely disabled veterans.

Our present Veterans Secretary seems more concerned with continuing these practices rather than acting as an advocate for veterans, as he is supposed to do.

While some blame must lay with the President and Congress for inadequate funding for veterans programs, the Secretary is only exacerbating the present difficulties. He seems more interested in justifying the dismantling of the VA medical system and serving the needs of nonveterans than in correcting the indignities that veterans suffer in the hospitals under his stewardship. He places himself in conflict with the very constituency that he is appointed to serve.

I would suggest, Mr. President, that if the Secretary continues to criticize and work against our Nation's veterans, then the President should find someone who will be more responsive to their needs. Otherwise horror stories like Salem and North Chicago, IL, will continue and veterans will continue to be excluded from their hospitals, while the public pronouncements about the need to open the hospitals to other patients will continue.

We are placing our veterans in a tarpaper and tin shack, and then telling them to share their meager dwellings with their unfortunate neighbors. This policy is cynical and unjust, especially when the Department of Veterans Affairs works to exclude veterans from their own medical system.

Mr. President, this trend must change. I am today calling for a nationwide, comprehensive investigation into our VA hospital system, its problems with patient care, and its system of benefit provision that is so weighted against our veterans. The situation in these hospitals is a national disgrace and I am determined to do something about it.

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

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

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. 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 ELECTORAL COLLEGE

Mr. PRYOR. Mr. President, today I would like to take just a very few moments of the time of my colleagues to make two or three observations and then to pose a question regarding the electoral college.

We are going to be hearing a great deal about the electoral college in the weeks and months ahead, especially as it appears that there will be a third-party candidate that looms before us. As we all know, if no candidate for President receives a majority of the electoral college votes, 270 to be exact, of 538 votes, the President will be selected in the House of Representatives. The Vice President will be chosen by the U.S. Senate. That possibility should send a shiver down the spine of each Member of the Congress.

The 12th amendment to the Constitution, ratified on the 25th day of September, 1803, replaced the original third paragraph of the first section of the second article of the Constitution regarding the electoral college and the election of the President and the Vice President.

The 12th amendment, Mr. President, states the contingency if no Presidential candidate receives an electoral majority. I would like to quote from the 12th amendment:

> The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President.

That, Mr. President, is the language of the 12th amendment.

The 12th amendment also goes on further to outline the responsibilities of this body, the Senate, if no candidate receives an electoral majority. Once again I quote from the 12th amendment:

> THE PERSON HAVING THE GREATEST NUMBER OF VOTES
>
> As vice-president, shall be the vice president, if such number be a majority of the whole number of electors appointed, and if no person have a majority, then from the 2 highest numbers on the list, the Senate shall choose the vice president; a quorum for the purpose shall consist of two-thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice.

That, Mr. President, also is the language from the 12th amendment.

What this language is saying is that 51 Senators would elect the Vice President.

Mr. President, my question for the day is this: Assuming that scenario or that environment, assuming the Senate must choose one of two individuals to become Vice President when those names would be placed before this body—at that time then could a Senator or Senators, filibuster the selection of Vice President? That is my question for the moment.

The 12th amendment clearly states that the House must immediately vote to select the President after the electoral votes are opened and counted. But there is no mention of the word "immediate" or any time reference at

all in the class that dictates the Senate selection of the Vice Presidency.

Even if somehow the answer to my question is no, in other words that one individual could not filibuster, or a group of individuals could not filibuster, the Senate still might conduct a disappearing quorum and delay the vote indefinitely. And we must realize that a two-thirds quorum is constitutionally necessary on this vote as clearly set out by the 12th amendment.

I pose these observations and these questions to this body, not because I assume it will happen—I hope this does not happen—but because it could happen under our chaotic method of selecting our Nation's two highest leaders.

The electoral college opens the door to mischief and to possible constitutional disaster. With the Presidential election approaching, and only a few months away, the three candidates evenly matched in the very early national polls. Incidentally, that means absolutely nothing because these polls today are totally ignoring the realities and the numbers of the electoral college and the winner-take-all rule.

Mr. President, there are two States that do not have the winner-take-all rule. One is the State of Maine, the other is the State of Nebraska, where there is a proportional representation of the number of votes by congressional district reflected in the electoral college. But almost nightly, or two or three times every week now, we will pick up the Washington Post or the New York Times, or watch one of the major networks, and it will say "Perot with 30-something percent, Clinton at 20-something percent, Bush at 20-something percent."

But, Mr. President, that reflects for that moment the popular mood. That reflects for that moment the possible popular vote. But the popular vote does not choose the President of the United States. This offers the danger of a constitutional crisis. It is looming. It is possible, and we in the Senate and the House need to begin correcting the system to keep that possibility from occurring.

Mr. President, it is far too late in the day to change our method of selecting our President before this year's election. We all know that. But it is the responsibility, I think, of this body, to inform the American voters of the possibilities that await them before they go into the voting booth on November 3. With all respect, Mr. President, I encourage my distinguished colleagues, with their experience, their knowledge of politics, constitutional law, and of the current election system, to join me in trying to bring to the forefront, to the American voters, these possibilities that confront us as a country because of our archaic electoral college.

Mr. President, some 2 weeks ago, I introduced Senate Joint Resolution 297 which calls for the abolition of the electoral college and would replace that antiquated system with a direct popular vote. Since that time, Mr. President, we have seen several interesting articles on this subject.

I ask unanimous consent, Mr. President, to first print in the RECORD, as we build a record during this year on the electoral college, an article from Time magazine, May 25, 1992 entitled "Electoral Roulette."

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

[From Time Magazine, May 25, 1992]

ELECTORAL ROULETTE

(By Laurence I. Barrett)

WASHINGTON.—Each time an independent Presidential prospect rises above asterisk standing, an alarm shrieks on Capitol Hill. Sure enough, Ross Perot's strong showing in polls has prompted dozens of legislators to ask the Congressional Research Service for a memorandum on the roles the House and Senate play if no ticket wins a majority of the 538 electoral votes. The dry legalisms make the process sound easy: the House would pick the President from the top three candidates, while the Senate would select the Vice President from the leading two. But the politics of the issue are more complex and potentially scary.

Iowa Congressman Jim Leach sees possible deadlock in the House and weird maneuvering in the Senate. "The chemistry cannot be understood in advance," he warns. Arkansas Senator David Pryor fears a "constitutional crisis" in which a discredited Congress would be seen as usurping the voters' will. That happened after 1824 election, when the House chose John Quincy Adams over Andrew Jackson in a four-way contest. As recently as 1968, when George Wallace ran as an independent, the country had a close call. Had Wallace won about 60,000 more votes in three states, neither Richard Nixon nor Hubert Humphrey would have won an electoral majority.

If the popular vote in November sets up a stalemate, it is possible that the candidates would try to woo some of the Electoral College members, who meet in their respective state capitals in mid-December to cast their official votes. These electors are local political activists who run on slates chosen by each candidate's organizations. Though some states try to bind electors to vote for their nominee, these laws are not enforced when electors bolt. Still, party and personal loyalty would probably keep the vast majority faithful.

If the election goes to the House, the Democrats would have a nominal advantage. Conventional wisdom suggests that partisanship would also steer each chamber of Congress. But that might not hold. In the present House, Democratic-controlled delegations outnumber Republican ones by a ratio of 3 to 1.

But it is the new House, elected in November, that would deal with the question. The G.O.P. is likely to gain seats in the fall, so more state delegations may be evenly split. Because each state has only one vote and a majority of 26 states is required, a decision could be elusive.

California Democrat Howard Berman predicts that many members would be torn among three choices: following their party, their home districts or the way their state voted. As Berman sees it, Perot could benefit if Bill Clinton fares poorly in the popular vote. "A lot of members," Berman says, "might prefer this diamond in the rough to four more years of gridlock with Bush." To some legislators, every option could taste like political hemlock. Ducking the decision equals cowardice. Backing a candidate unpopular at home risks constituents' wrath. Crossing party lines imperils any politician's future in public office.

In the absence of a verdict in the House, the Vice President selected by the Senate would serve as President starting Jan. 20. He would become the actual President if the House stalemate lasted indefinitely. Each Senator has a vote, and a majority of the 100-member body is necessary. On Jan. 6, when the action would start, Dan Quayle would still be Vice President. In his constitutional role as president of the Senate, he could preside over the session dealing with his fate. Legal experts are uncertain, however, whether Quayle could cast a decisive tie-breaking vote on this question, as he can on legislation.

Democrats are expected to maintain control in the new Senate. But if the Democratic ticket runs third in the national election, its vice-presidential candidate would not be considered by the Senate, which must pick between the top two. The wildest scenario kicking around the Capitol envisions the Bush and Perot slates coming in first and second, the House deadlocking and Senate Democrats preventing action in their chamber. They could avoid an unpalatable choice between the G.O.P. and Perot's forces by refusing to provide the necessary quorum. In that most improbable event the Speaker of the House (currently Tom Foley) would take over as President. Occupying the White House under such dubious circumstances would be nothing less than a political nightmare.

Even in the absence of an important independent candidate, the vagaries of the Electoral College system permit the victory of a nominee who runs second in the popular vote. That occurred in 1888 and almost happened again in 1976. Because Perot's effort has focused attention on the process, Pryor has reintroduced a constitutional amendment providing for popular election of the President and Vice President. The House approved that proposal in 1969, but the Senate quashed it. Today's lawmakers, and the country at large, may pay a high price for that rejection next January.

Mr. PRYOR. Mr. President, on Tuesday, May 12—the interest is growing in this issue—Mr. Paul Starr, who is a sociology professor at Princeton University, wrote, I think, a rather remarkable article on the op-ed page of the Washington Post: "An Electoral Fantasy."

I think it is an article that, without reservation, I would recommend to my colleagues to read and think about. I ask unanimous consent that Mr. Starr's article be printed in the RECORD.

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

[From the Washington Post, May 12, 1992]

AN ELECTORAL FANTASY

(By Paul Starr)

WASHINGTON, January 19, 1993.—The strange series of events that led to the choice of America's first black president this week can undoubtedly be traced to develop-

ments in two places on opposite sides of the Earth—the Persian Gulf and south-central Los Angeles.

The gulf war produced so great a surge of popularity for President Bush in the first half of 1991 that many leading Democrats decided to pass up the race, leaving the field to candidates little known to the public and, therefore, especially vulnerable to scandal.

And the gulf war, of course, brought Gens. Norman Schwarzkopf and Colin Powell to national attention.

With a weakened Democratic field, the race was open to Ross Perot's independent candidacy, which many mistakenly discounted as a spring fever that would dissipate by the fall. But in June, when Perot recruited Gen. Schwarzkopf as his running mate and drew even with the president in the polls, it was obvious that this year's election would be unlike any other.

Perot's choice of Gen. Schwarzkopf led to the president's entirely unexpected decision in the summer to dump Vice President Dan Quayle and replace him with Colin Powell. With the Los Angeles riots still much on the nation's mind, many observers considered the president's choice to be a bold stroke that would ensure his reelection. It didn't work out that way.

In a sense, the observers who predicted last spring that third candidates typically collapse as presidential elections approach were not entirely wrong; they were just wrong to assume that the "third" candidate would be Perot. Instead, Clinton began to go into a free fall, which he reversed only with his flawless peformance in the two debates in October.

But even so, Perot succeeded in winning Texas, New Mexico, California and Colorado, drawing off enough electoral votes to prevent either Bush or Clinton from securing a majority in the electoral college. That threw the election into the House.

For the House of Representatives, the responsibility could not have come at a worse time. The outgoing House, reeling from scandal, had more lame-duck members than ever in recent history. On the morning after the election, Speaker Tom Foley declared that the old House would choose the new president "immediately" after the meeting of the electoral college—only to backtrack within 24 hours in the face of a hailstorm of constitutional and political criticism.

But the new House, meeting on Jan. 3, was also soon paralyzed. With 138 new members and the overthrow of the Democratic leadership, the House proved to be a far more chaotic body than anyone had supposed.

To elect a president required a majority in 26 state delegations. And with five state delegations either split three ways or evenly divided, none of the candidates was able to get support from 26—especially after Perot's memorable speech on New Year's Day denouncing the "corrupt deal" that he charged President Bush had secretly proposed to key House Democrats.

Before Perot's speech, hardly anyone had taken notice of the 20th Amendment's provision that the Senate proceed separately with the election of the vice president and, in the absence of a choice by the House, that the vice president assume the office of president.

With the Senate split 50-50 as a result of Republican victories in November, the choice of the new president lay, in a supreme irony, with Vice President Quayle. Dumped from the ticket, he ended up with the power to make his successor the next president.

Unless the House suddenly breaks its stalemate tonight, Gen. Powell will be inaugurated tomorrow at noon.

Mr. PRYOR. Finally, Mr. President, even this morning in the Washington Post on the editorial page, Mr. Lloyd N. Cutler, known to all of us in this body as a very, very fine attorney who was the White House counsel to former President Jimmy Carter, wrote an article entitled: "Election 1992: The Plot Thickens." The subhead is: "You Aren't Going To Believe This."

Mr. Cutler goes through a myriad of mind-boggling possibilities that loom out to grab us as we approach this electoral season, as we approach our decision as to who will be the next President of the United States.

Mr. President, I ask unanimous consent that Mr. Cutler's article be printed in the RECORD.

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

[From the Washington Post, May 20, 1992]

ELECTION 1992: THE PLOT THICKENS—YOU AREN'T GOING TO BELIEVE THIS

(By Lloyd N. Cutler)

The best-kept secret in the American Constitution is the 12th Amendment. It provides that if no presidential candidate receives a majority of the electoral votes, the new House of Representatives decides the winner. That has happened only once, in the four-way race among John Quincy Adams, Andrew Jackson, Henry Clay and William H. Crawford in 1824. In 1992, judging by current polls, it can well happen again.

If George Bush, Bill Clinton and Ross Perot each win some of the 538 electoral votes on Nov. 3, but none of them wins the required majority of 270, we will have to wait until sometime after Congress convenes in January 1993 before we will know the identity of the next president. The same applies to the identity of the next vice president. Under the 12th Amendment, the new House of Representatives will choose among the three top finishers in number of electoral votes for president and elect one of them president. At the same time, the new Senate will choose among the two top finishers in number of electoral votes for vice president (which are counted separately) and elect one of them vice president.

All this sounds simple enough. But wait. Under the 12th Amendment, the House will not ballot on a one-representative, one-vote basis, as it normally does. It will ballot on a one-state, one-vote basis, with each state voting by a caucus of its representatives. A majority of the states (26) is needed to elect the president.

The one-state, one-vote system creates an infinite variety of fascinating possibilities. Pundits and political junkies will have the time of their lives calculating the potential permutations and outcomes. The candidates, the parties, the PACs and the new Congress will go out of their minds wheeling and dealing to tilt the system one way or another.

Here are just a few of the myriad possibilities:

The 26 least populous states, with only 16 percent of the total population, could elect the next president over the opposition of 24 states with 84 percent of the population.

If the new House has the same party makeup as the present House, there will be 31 state delegations with a Democratic majority, 10 with a Republican majority, eight dead-even and one (Vermont) with a single independent member. That sounds great for the Democrats, but wait again. In 24 state delegations, the margin one way or the other is only one or two votes. In those states, as in the eight dead-even states and Vermont (33 out of the 50), the switch of a single representative's vote could swing the state one way or another or create a tied caucus, which would prevent the tied state from voting.

In addition to the 33 state delegations that could switch sides if deals are cut that change one or two votes, the members from states with clear Democratic or Republican majorities are far from certain to vote on party lines. Suppose you are elected or reelected as a Democratic member from Indiana (with a current 8-2 Democratic margin), but George Bush wins the Indiana popular vote with Bill Clinton running second or third. Would you have the political courage to cast your Indiana caucus ballot for Clinton?

For all these reasons, whoever finishes first in the popular or electoral vote is no sure thing to be elected by the House. Andrew Jackson had a 3-2 plurality over John Quincy Adams in popular votes and a 15-vote margin over Adams in electoral votes, but the House elected Adams president. All the same, if Clinton can finish first, second or even a close third in the popular or electoral vote, he probably has the best change of being elected by the strongly Democratic House.

Are you still with me?

To complicate matters further, remember that at the same time the House elects the president, the Senate elects the vice president. The Senate decides on a one-man, one-vote basis, and in the present Senate, the Democrats have a 57-43 margin. Will the Senate wait until the House has selected a president and then meekly ratify the House's choice by electing the president-elect's chosen running mate as vice president? Or will the Senate prove its independence and equality with the House by electing a vice president of a different party from the president-elect? If so, would the next president allow the vice president to represent him even at funerals?

Don't stop reading yet. Like the plot of a Verdi opera, the 12th and 20th amendments contain even more bizarre twists. If the House has not elected a president by Inauguration Day (changed by the 20th Amendment from March 4 to Jan. 20) then the vice president chosen by the Senate "shall act as president," even though the House may later elect a president who ran on a different ticket from that of the Senate-elected vice president. And if the House has not elected a president and the Senate has not elected a vice president by Jan. 20, then under the 20th Amendment "the Congress may by law provide" who shall act as president. Congress has passed such a law, and it provides that the speaker of the House, who will almost certainly be a Democrat, shall act as president.

Enough already? The plot has one more twist. Can the speaker of the House constitutionally "act as president" unless he resigns as speaker and as a member of the House? Under Article I, Section 7, "no person holding any office under the United States shall be a member of either house during his continuance in office." Isn't "acting as president" holding an office under the United States? If so, is it worth resigning from the House to serve a few days or weeks as president? The present speaker's reply would be a resounding yes, because the most satisfying position in the United States is that of ex-president.

We like to think of our Constitution as the finest instrument of government ever devised. Come next January, will we say: "except for the 12th Amendment"?

Mr. PRYOR. Mr. President, finally, I want to thank the Chair for recognizing me. During the course of the next several weeks, maybe as much as twice a week, I will be taking the floor of the Senate and talking about this issue. I hope to remind our citizens out there in the country as to what we are faced with this fall and what our responsibilities are.

As I mentioned sometime ago, the last debate of any significance on the floor of this Senate on this matter was in the early part of 1979 when a majority, a simple majority of the Members of this body, Republican and Democrat alike, voted to do away with the electoral college, but it did not receive the necessary number of votes that is required under the Constitution. I think 51 votes were cast for doing away with the electoral college and having a direct popular vote.

I think, Mr. President, it is time now that we revisit this issue, we all rethink our positions, and we try to ascertain, by utilizing all of those who are wise in these issues and these concerns, whether it is not our responsibility at this time to remove the electoral college and to supplant it with a direct election for President of the United States.

Let me also say, Mr. President—I was not going to say this, but some people have already asked me: "Are you doing this for your Governor back in Arkansas who is running for President?" The answer is no. Senate Joint Resolution 297 would have no impact on the 1992 elections. I hope that will dispel that issue very quickly.

Mr. President, I am doing it, I hope, for all of our citizens and for our system, so that we might avoid this crisis that looms ahead should someone not get the required number of votes in the electoral college to keep the House of Representatives from choosing our next President and this body from choosing our Vice President.

I thank the Chair and I yield the floor. 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. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INTERSTATE SHIPMENT OF TRASH

Mr. COATS. Mr. President, I had intended today during the debate on the urgent supplement to offer an amendment dealing with the subject of interstate shipment of trash. This is not a subject that is new to this body. I stood on the floor several times discussing a problem which affects many of our States, and that is the very significant amount of trash that is being shipped interstate—from one State to another, often on a long-haul basis.

Each of our States faces significant problems with disposing the waste we create on an annual basis. Many States, like Indiana, are taking responsible steps to put in place 10 and 20-year plans to deal with the whole subject of waste, in the most expeditious, environmentally sound, and cost-effective way of disposing of this waste.

Some States have found themselves in situations where the easiest, at least interim, measure is to load it on trucks and trains and ship it long haul, dumping it in waste disposal facilities in States several hundred miles, sometimes thousands of miles from the point of origin.

Some time ago, I introduced legislation on this floor that gave States the authority to stop this unwanted trash, either by direct ban or by assessing a fee to remove the economic incentive. That was a contentious debate. I do not believe the Senate had focused on that issue before certainly not in recent history. But as we detailed the problems, many Members discovered that, yes, their States were also potential targets or actual targets of unwanted out-of-State trash.

The problem arises because the Constitution of the United States prohibits States from taking unilateral action to either ban or place reasonable restrictions on out-of-State waste because the Supreme Court has classified trash as legitimate item of commerce. States are prohibited under the commerce clause in the Constitution from taking steps that would, in my opinion, impose even the most reasonable of restrictions on the shipment of that trash.

Whatever actions our State and other States have taken are immediately restrained by the courts and struck down as violative of the commerce clause.

Whatever constitutional actions those States could take are so limited that they are not effective in stopping the flow of trash.

So we discovered in our research that only Congress could specifically grant States the authority to take action relative to the interstate transfer of municipal waste.

My amendment, which I originally offered, was designed to do exactly that. It was offered in September 1990, and this Senate in a bipartisan vote of 68 to 31 adopted that measure, sending a very strong message to States unwilling to dispose of their own waste that the days of pass-the-trash were numbered.

Unfortunately, that legislation which was attached to an appropriations bill was stripped in conference and we were unable to get that legislation signed into law. I regret the action that was taken in conference because I think a clear majority of the Senate and Members of the House of Representatives support giving their States, giving their Governors, giving their elected officials a say in how much trash they will receive, how they will receive it, and under what conditions.

My legislation is not designed to stop the flow of trash between States totally. It may make economic sense, it may make political sense for States to enter into agreements with each other restricting the flow of trash, monitoring, regulating, limiting, putting some conditions on the flow of trash.

But it does make sense in many instances, particularly where you have urban communities that spill over State lines, for there to be reciprocal arrangements.

All the coast amendment attempted to do was to put our Governor at the table with the Governor of the State that is shipping the trash. The State that is receiving the trash needs to be at the bargaining table with the State that is generating the trash. We want them to work out agreements.

In some cases those Governors may say we cannot take any more; we have enough problems of our own; we do not have any more room or our landfill capacity is declining rapidly and therefore we are going to have to put a moratorium on the shipment of out-of-State trash into our States. Other States may say it makes economic sense in a particular region to receive out-of-State waste.

Subsequent to that initial legislation in September of 1990, which as I said passed the Senate on a bipartisan basis—I think 27 Members of the Democratic Party joined a number of Members of the Republican Party to pass this and give it 68 votes—we introduced a second approach which made communities the first line of defense against out-of-State trash.

We wanted to give local communities that were actually receiving the trash the right to say no or yes. That second bill provided communities, local jurisdictions, with the right to negotiate for receipt of trash or petition the Governor saying we do not want it. If a local landfill was receiving trash and it was overwhelming the ability of that local community to dispose of its own trash, we gave them the right to say no to that trash.

We provided a safety net for Governors so that they could take a look at the State as a whole and make a determination that if their State was receiving over certain amount of trash, they could impose an overall percentage in terms of the total that they would received.

We also required States to plan responsibly for their own environmental future by enacting a 10-year plan to

dispose of waste, whether through landfills, recycling, incineration, or other alternative methods.

Both of these bills were consistent because both essentially said the people who receive the waste ought to have a right to say no or these are the conditions under which we will receive it. Both solutions clearly solved the problem that exists today, and that is a one-way flow of trash from exporting States to importing States without importing States having any say in the matter.

On the second approach, I worked very closely with my colleagues to come up with a compromise which adequately protected the interests of all the importing States. We do not want to play this game of pass-the-trash. it will do no good simply for Indiana to say we have solved our problem, simply to create a significant problem for a neighboring State like Kentucky, Ohio, or others. It will do no good for the States that are currently receiving most of the waste—Virginia, Pennsylvania, Ohio, and Indiana—to provide protections for themselves only to find that we now have a problem in Kentucky, in Missouri, Illinois, New Mexico, and Kansas.

It was the ideas emboded in my second approach that the Environment and Public Works Committee took up and debated at length—I believe they are not in their 22d day of markup on the Resource Conservation Recovery Act. It was that second approach which formed the basis of a provision which dealt with this whole question of the shipment of interstate waste.

I then took the particular provision that the committee had incorporated into their markup bill and made some modifications because it did not completely address the problem as it exists in Indiana and a number of other States.

In working with other Senators from other States, we made three modifications to the committee bill.

No. 1, we provided authority to all States to freeze imports at 1991 levels at grandfathered facilities to assure that no State becomes a target for out-of-State trash simply because they have facilities that meet the criteria under the committee proposal.

We also closed a loophole to subject expansions of grandfathered facilities to local consent.

And last, we gave additional authority to the largest importing State, which is Pennsylvania, which imports, as I understand, more than 3 million tons of trash a year, to further limit those imports at grandfathered facilities.

Now, as many of my colleagues are aware, last September I entered into an agreement with Senator BAUCUS, the chairman of the Subcommittee on Environmental Protection.

We pledged to set April 30 as a deadline for addressing this interstate issue within the context of the Resource Conservation Recovery Act. I wanted to give the process a chance to work. The Senate was aware of the problem. The chairman approached me and he said let us work this through the system, let us use the committee process. We will address your concerns. And we entered into that agreement.

Obviously, if the committee supports it and we have bipartisan support we avoid the need to attach the amendment to some other bill which then may get stripped later on. This supplemental bill was an example of that. I will speak a little more of that in a moment.

It was an agreement made in good faith by the chairman. I appreciate his hard efforts. I think both of us have lived up to the spirit of our agreement. But as we now know, it is May 20. The RCRA legislation has not been reported out of committee. So I was looking for a vehicle with which to offer my amendment, having felt that I complied in good faith with the agreement.

Today's supplemental is obviously a bill that is going to be passed and signed into law by the President. Obviously, I had no assurance that if my amendment were offered it would survive procedural hurdles of being legislation on an appropriations bill and other procedural restrictions that might be placed on it.

I was not sure it was going to make it through conference. In fact, I was reasonably assured, by a number of Members here, that it would not make it through conference. So it obviously was not my first choice. But I am frustrated in my ability to get this legislative body to take action on a ticking time bomb that affects not only the State of Indiana but many of the States in this country.

However, just minutes before I was about to offer the amendment on the supplemental, I was assured by Senator BAUCUS that the committee would today report out the legislation which incorporates many of the changes that I have asked for and which were incorporated in my amendment, and that he, the chairman, and the committee would work with me in making those further modifications which addressed concerns that we had about the provision marked up in committee.

I have checked with members on both sides of that committee, and been assured by them that indeed RCRA may very well be reported out today, and that they would join with me in addressing this issue.

So, with those assurances, I indicated that I would withhold offering my amendment, and I plan to do so. At 2:30 today, Senator BAUCUS and I will be standing on this floor to discuss in a colloquy exactly what I have described, and the process by which we will go forward with this particular legislation.

But I just want my colleagues to know that this is not something that can be delayed. It has to be acted on this year. And if the RCRA bill cannot be brought to the floor for debate and passage in a reasonable amount of time that would allow them to go over to the House and be passed and signed into law this year, we will have to look for another vehicle with which to attach this legislation, a vehicle that has the assurance that it will be signed, that it will survive the legislation process, can be addressed in the House of Representatives, signed into law, and arrive at the President's desk to become enacted.

It has been 4 years since RCRA expired, 3 years since I first introduced legislation on this subject, 7 months since our agreement, and almost a month past our deadline. Time is running out.

I will continue to work closely with my colleagues on this issue. The amendment that I was going to offer today was a workable compromise that addressed the needs of many of our States that import unwanted out-of-State trash. It adopts the compromise forged by the Environment Committee last week. It has a few very important modifications necessary to protect additional States from becoming selected targets for out-of-State trash, and accomplishes, I think, the goals that our States want to accomplish.

We face a ticking clock, as I said, in Indiana, and many States do. We have 5 years of landfill capacity left. During 1991, nearly a million and a half tons of trash produced in other States were buried in Indiana soil. That is 2,904,496,000 pounds of garbage not generated by Hoosiers, not the stuff we put out in the garbage bags ourselves. We have a responsibility to take care of that. Our State is fulfilling that responsibility. But nearly 3 billion pounds of garbage are generated by some other States and shipped into our State, and we cannot say a word about it.

We had 150 landfills in 1980 in Indiana; today, 70. Another 31 are scheduled to close in the next 5 years.

So while we have a declining capacity to take even our own generated waste, we are being overwhelmed by importation of out-of-State waste.

We will never be able to meet our responsibility to provide safe, efficient, effective, environmentally sound disposal for our own waste if we are overwhelmed with waste from other States.

There is a shell game going on in Indiana because as one community convinces landfill operators not to take waste, it simply is shifted down the road to the next county or to the next landfill—pass the trash has become a very popular game not only in Indiana but a number of States.

We cannot control our future if we cannot control our borders. It is abso-

lutely essential with time running out that we give States the authority to control both our borders and our futures.

I think the amendment that I have proposed is a reasonable bill. It takes the interests, the very real problems that exist with exporting States, and the very real problems that exist with importing States, and it seems to strike an effective compromise and an effective balance in terms of how to deal with that.

It does not ban all out-of-State shipments. It does not affect interstate shipments of hazardous waste, medical wastes, or recyclables. We want to encourage recycling. If the facility at one State is established for the purpose of recycling, then it makes sense to shift wastes from other States into that facility for that purpose. But it gives local government the authority to petition the Governor for relief from out-of-State waste. It grandfathers landfills that accepted waste in 1991 and that meet State standards for environmentally sound facilities. It provides that no landfill can become a target for out-of-State trash by allowing a freeze of volumes at those grandfathered facilities at 1991 levels. I think it is good legislation. I think it is something we need to move on.

I am pleased the chairman is willing to come to the floor at 2:30 this afternoon to discuss this with me how we can move forward on a cooperative basis and a bipartisan basis to address a very real problem.

I appreciate my colleagues' support and understanding of an issue that has become increasingly a problem for many States.

Again, what we are attempting to do is simply allow the importing State to sit at the bargaining table and to have some say in what it can receive, what it legitimately wants to receive, and what it legitimately is unable to receive.

This is a national problem. It needs a national solution. I believe the Coats bill provides that solution. It has been negotiated through months and months and years of patient, painstaking negotiation to produce what I think is an effective piece of legislation.

So I look forward to the day in the near future when we can, on this floor, effectively deal with this problem and give our States some authority to act on a very critical national problem.

I yield the floor, and 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. BOREN. 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. BOREN. Mr. President, I want to congratulate my friend from Indiana, Senator COATS, for his hard work and fine leadership on the issue of interstate trash. I share his concern that the committee draft of the RCRA bill has not provided enough assurances to States or local governments that the trash will stop.

Oklahoma generates less than 5.5 million tons of municipal waste a year. New York and New Jersey, by comparison, ship over 7.9 million tons of waste out of their State in a single year, over 53 percent of the total amount of interstate garbage. Much of this waste ends in small towns or rural communities.

In the past few months alone, 6 companies have proposed to dispose or incinerate out-of-State waste in 15 different locations throughout Oklahoma. But Oklahoma has an average landfill capacity of just 5 years. The out-of-State trash pouring into our Oklahoma's landfills reduces its capacity to be environmentally responsible and handle its own waste. If we are going to preserve our environment, we cannot allow responsible States to become a dumping ground for others.

As landfills fill up around the country and the cost of waste disposal continues to increase, I believe we must deal with this problem on a national level. I appreciate the sincere efforts of Senator BAUCUS and Senator CHAFEE to address this serious issue in committee and look forward to working with them, but I want to stress that a solution is needed this year. My State cannot afford to wait much longer.

Mr. DOLE. Mr. President, was leader time reserved?

The PRESIDING OFFICER. Yes, it was.

SALUTE TO NORM HODGES

Mr. DOLE. Mr. President, several years ago, I had the pleasure of rising on this floor to congratulate Norm Hodges from Kansas City, KS.

I did so because the organization that Norm founded—Good Men—had just received another national award for their work in rebuilding homes and rebuilding lives.

Today, I am saddened to share the news that Norm passed away on May 16.

Norm devoted much of his life to fighting for those who had been on the outside looking in for far too long.

While his accomplishments were many, many knew Norm best through his work in founding and leading 20 Good Men.

Although Norm's organization may have started with 20 people, it quickly grew to over 3,000 volunteers—men, women, and organizations throughout the Kansas City, KS, community who dedicated themselves to helping others.

I cherish the memories from a day in 1989 when Norm lead a delegation to Washington to receive one of those national awards I mentioned.

Although Norm was more than worthy of this recognition, he wanted the spotlight to shine on others. Therefore, he brought along the team of General Motors union members who provided the labor for many projects.

He brought along city leaders who gave critical support to his mission.

And he brought along Leola Johnson. Leola's big smile told the story of her thanks for her newly renovated home, the excitement of her first flight and the thrill of her first trip to Washington.

Norm's efforts made the dreams of Leola Johnson and many others come true. Norm's own dream was to have 20 Good Men organizations throughout the Nation.

And I believe the best way to honor and remember Norm is to do what we can to make his dream a reality.

Mr. President, I ask unanimous consent that an editorial from the May 19 Kansas City Star be printed in the RECORD following my remarks.

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

NORMAN HODGES

Those who can, do. Those who can't, probably never heard of Norman Hodges. The selfless Hodges founded 20 Good Men, an organization dedicated to improving living conditions for poor, elderly and disabled persons in Kansas City, Kan. He very quietly touched many lives.

What began with 20 people has since expanded to a clearinghouse from which about 3,000 individuals and organizations could be called upon when needed. Hodges believed that if people—starting with 20 good men—pulled together, they could make a difference.

He was right. And he spread this wisdom and spirit from Los Angeles, where he was raised, to Kansas City, Kan., where he lived until his death last Saturday of an apparent heart attack.

Some people would call this way of thinking old-fashioned. What if it was? It worked. Hodges, a Chicago native, knew he could count on people, if nothing else. He knew of skilled workers, anxious to share their trades with people appreciative of their talents. He knew that formerly incarcerated people needed apprenticeship and opportunities in order to make it on the outside. There were retirees with itchy and empty hands.

Hodges and friends had more sweat equity than anything else. Neighborhoods from California to Kansas were made better for it. Hodges was recognized by former President Richard Nixon for his help in rebuilding riot-torn Watts. Most recently, Donnelly College named him recipient of its Delta Award for distinguished community leadership and service.

Hodges believed that neighbors don't stand by while disadvantaged neighbors await help via a bureaucracy slow to respond. A good man, Hodges, pitched in wherever he could and encouraged 19 others to join him.

SALUTING KANSAN BILL KOCH, AMERICA'S CUP CHAMPION

Mr. DOLE. Mr. President, I rise today to recognize the outstanding

achievement of a Kansas native. On Saturday in the seas off San Diego, Bill Koch and his racing yacht *America-Cubed* kept the America's Cup in America's hands.

Despite my State's tremendous water recreation resources, you do not normally associate international America's Cup class boat racing with Kansas. But Bill Koch of Wichita has demonstrated what American ingenuity can accomplish. He defied the experts, most of whom predicted he would not win the defender qualifying series, much less defeat the even heavier financed challenger from Italy. But, despite all the odds and all the predictions, Bill Koch's investment paid off with the help of the world's finest all-American technology, a talented crew, and the self-confidence that is the hallmark of one of America's most successful entrepreneurs.

And while Bill has been spending more of his time lately on the waters of the Atlantic and Pacific rather than on the waters of the Arkansas River, KS, remained an inspiration for Bill's racing syndicate. With boats named *Jayhawk, Kanza* and of course, *America*, it is clear that Kansas was the wind that filled Bill Koch's sails. Of course, Bill's welcome to sail a victory lap any time at Wilson Lake, Tuttle Creek, Perry or Milford Lake, Cheyenne Bottoms, or anywhere else in Kansas he wants to.

Mr. President, I know all my colleagues join me in congratulating Bill Koch of Wichita, KS, and all those associated with *America-Cubed* for keeping the world's oldest sports trophy the America's Cup, in America.

Mr. President, I reserve the remainder of my time and 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. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KERREY). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We are in morning business.

Mr. LEAHY. I thank the Chair. I am going to speak on an issue which I believe will be of interest to the Presiding Officer and, I hope, others; I hope to the administration.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 2752 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont is recognized.

AN ALICE-IN-WONDERLAND SITUATION

Mr. LEAHY. Mr. President, I just glanced at something in the paper about the administration's response to the problems in our cities, and I was struck by it, also as I read the most recent speech given on that, just how the problems of our cities are being approached. I come from a rural State and I do not tend to be an automatic expert on it, but the administration has so far blamed the problems of our cities on Lyndon Johnson and now on the fictional character Murphy Brown, all of this in a speech entitled, "Taking Responsibility."

It is an Alice-in-Wonderland situation. How they can say this takes responsibility for the administration's actions by blaming a fictional character and a dead President is more than I can understand.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The senior Senator from West Virginia, the distinguished President pro tempore, is recognized.

Mr. BYRD. Mr. President, what is the pending business? Has morning business been closed?

The PRESIDING OFFICER. The pending business is morning business.

IRRESPONSIBLE CONGRESS? HERE'S TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at $3,919,427,296,852.30, as of the close of business on Monday, May 18, 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 $15,259.06, 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?

MONROE SCHOOL DEDICATION

Mr. DOLE. Mr. President, last weekend I was privileged to be present at the dedication of the Monroe Elementary School in Topeka, KS, as a national historic landmark. The Monroe Elementary School and its companion, the Sumner Elementary School, are associated with one of the most important cases ever to come before the Supreme Court—Brown versus Board of Education of Topeka, which ended legal segregation in our country.

You can tell a great deal about a country by how it deals with its mistakes. Does it cover them up and forget them? Or does it admit to them, learn from them, and work for a better future?

Americans not only admit their mistakes, they make National Historic Landmarks out of them.

The system of segregated schools in Kansas and elsewhere, as well as the treatment of minorities, is not a bright chapter in our Nation's history.

But one thing about Americans is that we're always working to improve ourselves and our country. Linda Brown and her family were trying to improve America when she attempted to enroll in what was an all-white school.

And lawyers John and Charles Scott were trying to improve America when they initiated the legal action that would become the most important civil rights case in American history.

All those who played a role in advancing the case dreamed of a Nation where schoolchildren—and all people—were not divided by race.

They dreamed of a Nation where the doors of life, liberty, and the pursuit of happiness were open to all, and not slammed shut on some.

They dreamed of a Nation that built bridges and not walls, they believed that the Constitution provided that nation, and the Supreme Court said they were right. It was a shining moment in history that everyone in America should be proud of.

I ask unanimous consent that a statement made by Harry Butowsky of the National Park Service at Sunday's dedication be printed in the RECORD. It is a an excellent description of the Brown case and its tremendous importance to our country.

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

STATEMENT BY HARRY BUTOWSKY, NATIONAL PARK SERVICE

It is a pleasure to be here today to participate at the dedication of the Monroe Elementary School as a National Historic Landmark. With this recognition, the Monroe Elementary School joins a select group of properties, that over the past 50 years, have been determined, by the Secretary of the Interior, to be significant in the history of the United States of America.

National Historic Landmarks are special properties: they teach us about our past, they commemorate and illustrate our history and culture, they are by definition nationally significant sites that rank in importance with any historical unit of the National Park System.

In the years since the inception of the National Historic Landmarks Program only a limited number of properties have been so designated. National Historic Landmarks are identified by theme or special studies, prepared by professional historians. They are recommended by the National Park System Advisory Board and are designated by the Secretary of the Interior under the authority of the Historic Sites Act of 1935.

In the case today, the Monroe Elementary School represents a property that has been determined, through a process of independent study and review, to be important in the Constitutional History of the United States of America. The Monroe Elementary School and its companion, the Sumner cases ever to come before the Supreme Court of the United States—*Brown* v. *Board of Education of Topeka*, a case that illustrates for all Americans the principles upon which our constitutional heritage and liberties are based.

This heritage dates back to 1776, when Thomas Jefferson wrote in the Declaration of Independence these immortal words: "We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute a new government.

These words not only served to justify the American Revolution against Great Britain in 1776, but also served to define us as a nation. They formed the basis for all subsequent American History including the constitutional history of the United States. These words also form the cornerstone upon which our human rights policies to the other nations of the world are founded.

After the Constitution was completed and the Bill of Rights adopted, Tench Cox, an observer of these proceedings and early supporter of the Constitution wrote, "There is no spirit of arrogance in the new federal Constitution. When experience has taught us its mistakes, the people whom it preserves, absolutes all powerful, can reform and amend them."

What Tench Cox was telling us was that the Constitution as written was not a perfect document. The preservation of our liberties is the responsibility of each new generation of Americans through the continual interpretation and if necessary, revision, of the basic document.

THE CONSTITUTION EVOLVES

The evolution of Constitutional doctrine, as foreseen by Tench Cox, took place many times in American History. The most significant of these changes took place in the years after the Civil War when reform minded Republicans sought to insure that the newly freed slaves enjoyed the same measure of equality and opportunity that white Americans enjoyed. Through their control of the Congress, the Republican Party initiated programs designed to accomplish these ends. In 1865 and 1866, Congress funded the Freedman's Bureau to feed, clothe, and protect the ex-slaves and passed civil rights acts to outlaw varied forms of segregation. In addition, Congress passed the 13th Amendment [1865] to outlaw slavery, the 14th Amendment [1868] to extend Federal citizenship to blacks, and the 15th Amendment [1870] to protect the black man's right to vote. Congress backed up these efforts with the passage of a comprehensive Civil Rights Act in 1875.

In spite of these efforts, the tide of events was running against the effort to secure full civil equality for the ex-slaves. In state after state in the South, the conservative white leadership of the Democratic Party regained control of the political machinery, and through a process of legislation and intimidation, eliminated African American participation in the political process and instituted a policy of racial segregation. After 1977, support for civil rights from the Congressional and Executive Branches of government waned and African Americans turned to the courts to fight for and secure their civil rights.

The key to this effort to secure full civil and political rights for African Americans rested squarely on the 14th Amendment to the Constitution, which states, "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

The author of that first clause in the Fourteenth Amendment, U.S. Representative John Bingham of Ohio, fully intended that the Bill of Rights should limit the power of the individual states as well as that of the federal government. Only the federal government, acting under the authority of the 14th Amendment and the various civil rights acts, could guarantee the full civil and political equality of the ex-slaves. From time to time, before the Civil War, the states had denied the equal protection of the laws to citizens. The 14th Amendment, Bingham believed, changed all that and nationalized civil rights, but it did so in a way that respected the traditional federal state relationship. Although the states would continue to be the principal regulators of personal liberty and civil rights, they would now do so under the supervision of the federal government.

Even with the 14th Amendment and the various civil rights acts, enormous obstacles still impeded federal civil rights enforcement and for all practical purposes the question of civil rights was dropped from the national agenda after the Civil War. The ultimate abandonment of civil rights for all Americans was announced by in the Supreme Court in 1896 with the case *Plessy* v. *Ferguson*, in which the Supreme Court found no constitutional objection to a Louisiana law requiring separate railway coaches for whites and blacks, if blacks were furnished accommodations equal to whites. Formal racial classification was legitimized.

Not all Americans agreed with this decision. Justice John Marshall Harlan, then serving on the Supreme Court, did not agree with the majority opinion of the court in the *Plessy* decision when he wrote "Our Constitution is color-blind and neither knows nor tolerates classes among our citizens. In respect to civil rights, all citizens are equal before the law.

THE MODERN CIVIL RIGHTS STRUGGLE

Many other American's soon echoed the words of Justice Harlan. In 1903, Mr. William Reynolds did not agree with this position. Mr. Reynolds, an African American living in Topeka, Kansas tried to enroll his son in a school set aside for whites. He was refused and brought suit against the board of education. The Supreme Court of Kansas, citing *Plessy* v. *Ferguson* and other cases denied Mr. Reynolds the right to enroll his son in a while school. The legal basis of segregation in the Topeka elementary schools was affirmed.

After Mr. Reynolds filed and lost his case other Americans took up the struggle. Dr. W.E.B. Dubois from Massachusetts, Mary Mcloud Bethune from Virginia, Isaiah T. Montgomery from Mississippi, Mrs. Ida Wells-Barnett from Chicago, and the citizens of Boley Oklahoma and countries others, all fought for years to make the works of Thomas Jefferson a reality.

After the end of the Second World War the forces of change were felt here in America and in Topeka. Returning African American servicemen joined a small but growing elite of teachers, lawyers and professionals to challenge the system of segregation. In Topeka, the leaders in this movement. Such as Charles Scott, an attorney from the Washburn Law School, Mrs. Lucinda Todd, a former school teacher, Mrs. Inza Brown, a legal secretary, Mrs. Mamie Luella Williams a teacher from the Monroe Elementary School, and McKinley Burnett, head of the Topeka NAACP were determine to change the system.

The focal point of this effort eventually settled on the segregated public schools of Topeka. In 1950, Mr. Burnett and Mrs. Todd, wrote to the New York headquarters of the NAACP indicating their willingness to go to court to test the Kansas law that permitted segregation. With the encouragement of the New York headquarters of the NAACP, local attorneys Charles Bledsoe and John and Charles Scott drew up the legal papers to challenge the system of segregation in the elementary schools.

Before the suit could be filed however plaintiffs were needed. One of the first plaintiffs was Lucinda Todd, the NAACP branch Secretary. Joining Mrs. Todd in the suite were twelve other plaintiffs. These were: Rev. Oliver Brown, Mrs. Richard Lawton, Mrs. Sadie Emanuel, Mrs. Lucinda Todd, Mrs. Iona Richardson, Mrs. Lena Carper, Mrs. Marguerite Emmerson, Mrs. Shirley Hodison, Mrs. Allen Lewis, Mrs. Darlene Brown, Mrs. Shirla Fleming, Mrs. Andrew Henderson, Mrs. Vivian Scales.

The case was officially filed with the United States District Court for Kansas on February 28, 1951. Its title was *Brown* v. *Board of Education of Topeka*.

CONCLUSION

By the fall of 1952 the Supreme Court had on its docket cases from four states, Kansas, South Carolina, Virginia, Delaware, and from the District of Columbia, challenging the constitutionality of racial segregation in public schools. In several of these cases the facts showed that both the black and white schools were as equal with respect to buildings, salaries, teachers and other tangible factors as could be expected. The issue before

the Court was the constitutionality of segregation per se—the question whether the doctrine of *Plessy* v. *Ferguson* should be affirmed or reversed.

The five cases were argued before the Court in December 1952. The death of Chief Justice Vinson caused the cases to be reargued in December 1953, after the appointment of Earl Warren as Chief Justice. On May 17, 1954, the Court issued its historic decision in which it concluded that separate educational facilities are inherently unequal. After sixty years, *Plessy* v. *Ferguson* was overturned.

FINAL SUMMARY

This decision, in *Brown* v. *Board of Education of Topeka*, written by Chief Justice Earl Warren, was momentous. The social and ideological impact of the case can not be overestimated. The decision was unanimous with only a single opinion of the Court. The issue of the legal separation of the races was settled. Segregation was a violation of the Fourteenth Amendment of the Constitution and was unconstitutional. By denying African American children the right to freely enroll in their local schools, the Board of Education of Topeka, Kansas, started the chain of events that led to the Supreme Court and the case of *Brown* v. *Board of Education of Topeka*. The Sumner elementary School and the Monroe Elementary School symbolize both the harsh reality of discrimination permitted by the Plessy decision in 1896 and the promise of equality embodied in the Fourteenth Amendment to the Constitution that was realized after 1954.

Today, these schools stand as monuments to generations of Americans who refused to accept the denial of their basic civil rights as first proposed by Thomas Jefferson in 1776 and guaranteed by the Constitution of the United States. Tench Cox was correct in his observations of the Constitution in 1787. It is the responsibility of each new generation of Americans to interpret and if necessary amend the Constitution to see that our basic civil liberties are safeguarded and preserved.

Today, as we dedicate the Monroe Elementary School as a National Historic Landmark, let us remember the constitutional principles for which it stands—in the words of Justice John Marshall Harlan—"Our Constitution is color-blind and neither knows nor tolerates classes among our citizens. In respect to civil rights, all citizens are equal before the law." Let us also remember the previous generations of Americans who fought to preserve these principles.

The greatness of our Constitution, as historians like to say, demands that we be ever vigilant in the preservation of our liberties. Through the preservation of both the Monroe and Summer Elementary Schools let us ensure that the next generation of Americans will remember their Constitutional birthright to liberty and equality, and justice for all.

CUBAN INDEPENDENCE DAY

Mr. MACK. Mr. President, 90 years ago today, Cuba declared her independence from Spain. Today should be a day of celebration, but we cannot celebrate independence without freedom. Today, instead, is a day of defiance, of sadness, of hope, of solidarity, and of renewed commitment to the liberation of the Cuban people.

In the past year the suffering of the Cuban people has increased. Sometimes the brutality of the Castro regime is mind-numbing. Who can comprehend the brutality of a regime that would send government thugs to drag Maria Elena Cruz, a poet and leader of a nonviolent human rights group, from her apartment, beat her, and stuff documents she had written into her mouth? When Elizardo Sanchez Santa Cruz, president of the Cuban Commission for Human Rights and National Reconciliation, spread the word of this attack, he too was besieged by a Government-backed mob.

The Washington Post, in an editorial entitled "Thuggery in Havana" wrote of this incident:

> Such is the condition of communism in Cuba . * * * In Havana the doctrine remains official gospel, enforced finally by the resources of a totalitarian state. The few citizens brave enough to attempt any independent political activity face organized thuggery. (12/3/91)

Today we also remember in our hearts and in our prayers a man who, after languishing 30 years in prison, cannot leave Cuba to join his family. Mario Chanes de Armas fought at Castro's side in 1953, yet when he saw Castro imposing upon Cuba a new tyranny, he spoke out and was sentenced to 30 years in prison. This July, he was released from prison—but Castro himself has said he will not let Mario leave Cuba to join his family. We must not rest until Mario is free and reunited with his family.

Mario Chanes de Armas is not Castro's only hostage. About a year ago Major Orestes Lorenzo of the Cuban Air Force landed his Mig-23 in Florida and asked for political asylum. Now Major Lorenzo's wife Vicky and children Reyniel and Alejandro have been granted visas to come to the United States. But the Cuban Government has informed them that they may not leave Cuba. We must continue to work for freedom of emigration and the reunification of the Lorenzo family.

Also this year, more revelations have emerged concerning the Cuban regime's abuse of psychiatry. Jose Luis Alvarado, just 16 years old, tried to flee Cuba by gaining asylum in the Colombian Embassy. He failed, and the Cuban Government sent him to Havana's Psychiatric Hospital where he was given electroshock treatment and psychotropic drugs.

Roberto Bahamonde, a human rights activist who has been repeatedly denied the right to emigrate, was also sent to the same psychiatric ward. There he saw beatings, insane inmates wandering around naked, and walls and floors covered with excrement. When his wife complained to the hospital director, she was told there was nothing he could do—that ward was under the control of the state security police.

The horror stories, tragically, go on and on. It is little wonder that the number of people risking their lives on tiny rafts and small boats in a desperate grasp for freedom is increasing. Look at the numbers: In 1988, 59 people made it to Florida by boat. In 1989, 391. In 1990, 467. Then last year, the number increased almost 5 times, to over 2,400. This year, about 500 have survived the crossing as of May 1, which means that about 3,000 or more could arrive by the end of the year.

These figures are a testament to tremendous courage and unbelievable suffering. Who knows how many have died trying to escape Castro's tyranny? What suffering must people endure to lead them to risk their lives to gain freedom?

I believe it is time for the world to not simply sit back and watch as the Cuban people suffer. The U.S. economic embargo is the most important factor putting pressure on the Castro regime to reform—it should be strengthened and expanded. But the United States should not be alone in this. It is time for the United Nations to impose sanctions on Cuba, particularly following Cuba's refusal to allow the U.N. Human Rights Commission investigator into Cuba. If the United Nations can impose sanctions on Libya, Iraq, and South Africa, it can certainly impose sanctions on Cuba, the worst violator of human rights and international law in this hemisphere.

When I think of the rafteros—those people, young and old, black and white, poor and privileged—who risk all for freedom, I think of the words of the great Cuban patriot Jose Marti:

> Like bones to the human body, the axle to the wheel, the wing to the bird, and the air to the wing, so is liberty the essence of life. Whatever is done without it is imperfect.

No one understands this better than the Cuban people. On this day, let us work and pray that next year at this time, if not sooner, Cuba will be free and independent at last.

FOREIGN RELATIONS COMMITTEE REPORTS SERBIAN SANCTIONS BILL

Mr. PRESSLER. Mr. President, this morning the Foreign Relations Committee unanimously reported out a revised version of S. 1793, sanctions against the Government of Serbia. I commend Chairman PELL and ranking Republican Senator HELMS for making this progress possible. As a cosponsor of the original legislation, introduced last fall by Senator D'AMATO, I was gratified that Congress is beginning to make progress in formulating U.S. policy toward the Belgrade regime.

The bill imposes air carrier sanctions against Serbia and outlines a number of conditions which must be met before relations with the United States can be normalized.

The Foreign Relations Committee has no problems with the people of Serbia. They live under a dictatorial re-

gime that is hardline, militarist, and Communist. A number of fledgling democratic opposition groups, including some with ties to the Orthodox Church and others associated with moves to restore the monarchy, deserve and need U.S. encouragement.

But until Serbians replace their rules, sanctions must be applied against the government of the Federation of Serbia and Montenegro, which was proclaimed on April 27, 1992, but is not recognized by the United States.

S. 1793 is a modest but solid beginning. On March 20, I introduced S. 2376, the Former Yugoslavia Act of 1992, to begin concrete United States actions against the Serbian Government now that the former Yugoslavia has ceased to exist. S. 1793 also recognizes that Yugoslavia is dissolved.

The issue presented by Serbian regime's aggression against its neighbors is urgent. That is why I offered an amendment in committee that "military aggression by troops, police, or guerrilla forces of the Federation of Serbia and Montenegro against Bosnia-Hercegovina, Kosova, or other territories of the former Socialist Federal Republic of Yugoslavia constitutes a threat to international peace and security which should be actively opposed bilaterally and in appropriate international bodies by representatives of the United States Government." This theme should be preserved in the committee's report to accompany the bill.

Like Senators DOLE, HELMS, D'AMATO, and Chairman PELL, I believe that unless the international community stops Serbian military and paramilitary aggression, its next victims may be the citizens of Kosova. Kosova, illegally occupied by troops of the former Yugoslavia, could readily be turned into a murderous nightmare of genocidal proportions if Serbian government shock troops proceed as they have in Croatia and Bosnia-Hercegovina.

In committee, I was only partially successful in offering my amendment that would have substantially raised the visibility of the threat to citizens of Kosova. The committee felt it was more important at this moment to focus on the Serbian regime's clear and present threat to Bosnia.

I am very pleased, Mr. President, that the committee incorporated another of my amendments as section 7(a)(5) of S. 1793, as reported. A number of international activities have been harassed or blocked by Serbian authorities. My amendment conditions normal relations on assurances that Serbian officials "are not interfering with United Nations peacekeeping operations or international observer missions or with humanitarian relief efforts" anywhere in the former Yugoslavia.

One final word of praise, Mr. President, to the Republican leader, Senator BOB DOLE, for his tireless, effective advocacy of a sensible policy to promote a peaceful outcome in the former Yugoslavia. I am proud to have been involved with him in those efforts.

I urge the Senate quickly to consider and pass S. 1793 and urge the administration to take effective steps to put Milosevic and his dictatorship on notice that further military aggression in the Balkan region is absolutely unacceptable.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5132) making dire emergency supplemental appropriations for disaster assistance to meet urgent needs because of calamities such as those which occurred in Los Angeles and Chicago, for the fiscal year ending September 30, 1992, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italics.)

H.R. 5132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1992, and for other purposes, namely:

SMALL BUSINESS ADMINISTRATION

DISASTER LOANS PROGRAM ACCOUNT

For an additional amount for the cost of direct loans, $169,650,000, to remain available until expended, of which **[$58,895,000]** *$50,895,000* shall be available only to the extent that a Presidential designation of a specific dollar amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 is transmitted to the Congress, to subsidize additional gross obligations for the principal amount of direct loans not to exceed $500,000,000, and in addition, for administrative expenses to carry out the disaster loan program, an additional $25,000,000, to remain available until expended, which may be transferred to and merged with appropriations for "Salaries and expenses": *Provided,* That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

The language under this heading in the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1992 (Public Law 102-140; 105 Stat. 788-789), is amended by deleting the following: "of which not to exceed $500,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism and drug investigations", and inserting in lieu thereof: "of which not to exceed $5,000,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to terrorism, violent crime and drug investigations".

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For emergency disaster assistance payments necessary to provide for expenses in presidentially declared disasters under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, an additional amount for "Disaster relief", $300,000,000, to remain available until expended: *Provided,* That Congress hereby designates this amount as an emergency requirement for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

The limitation on direct loans in the current fiscal year for the "Disaster assistance direct loan program account" is increased, within existing funds, by $22,000,000 to not exceed $28,000,000.

[This Act may be cited as the "Dire Emergency Supplemental Appropriations Act, 1992, for Disaster Assistance To Meet Urgent Needs Because of Calamities such as Those Which Occurred in Los Angeles and Chicago".**]**

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

For an additional amount for "Training and Employment Services", $700,000,000, to be available for obligation for the period July 1, 1991, through June 30, 1992, to carry out part B of title II of the Job Training Partnership Act: Provided, That notice of eligibility of funds shall be given by June 15, 1992: Provided further, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted to the Congress: Provided further, That from the funds appropriated herein the Secretary shall first allocate to Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and entities eligible under section 401 of the Job Training Partnership Act, the same percentage of funds as were available to such areas and entities for the summer youth program in the fiscal year preceding the fiscal year for which the determination is made; the remainder of sums appropriated for summer youth employment and training programs for purposes of this Act shall be allotted among the States by—

(1) first alloting the amount so that—

(A) 50 percent of the amount shall be allotted on the basis of the relative number of economically disadvantaged adults, as defined in accordance with section 4(8) of such Act, within each State, as compared to the total number of such economically disadvantaged adults in all States;

(B) 25 percent shall be allotted on the basis of the relative concentration of such economically disadvantaged adults within each State as compared to the total concentration of such economically disadvantaged adults in all States; and

(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals, as defined in accordance with section 4(25) of such Act, who reside in each State as compared to the total number of such unemployed individuals in all States; and

(2) adjusting the sums so allocated—

(A) to ensure that each State with a teenage youth unemployment rate above the 1991 average teenage youth unemployment rate, as calculated by the Bureau of Labor Standards, shall receive not less than the State would have received if such amount had been allotted in accordance with section 201(b) of such Act; and

(B) by reducing the sums received by States not described in subparagraph (A) on a pro rata basis.

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

EMERGENCY "WEED AND SEED" PROGRAM FUND

For necessary expenses to implement "Weed and Seed" program activities, $250,000,000, to remain available until expended for intergovernmental agreements, including cooperative agreements and contracts, with state and local law enforcement agencies engaged in the investigation and prosecution of violent crimes and drug offenses in "Weed and Seed" designated communities, and for either reimbursements or transfers to appropriation accounts of the Department of Justice and other Federal agencies which shall be specified by the Attorney General to execute the "Weed and Seed" program strategy: Provided, That the Attorney General with the cooperation of the Secretaries of Labor, Education, Health and Human Services, Transportation, Agriculture and Housing and Urban Development and the Director of the Office of National Drug Control Policy shall implement the "Weed and Seed" program by providing local communities funds, through intergovernmental agreements or contracts, technical assistance and related information to coordinate new or existing public and private neighborhood revitalization programs: Provided further, That any amounts obligated from appropriations under this heading may be used under the authorities available to the organizations receiving reimbursements or transfers from this appropriation: Provided further, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted to the Congress: Provided further, That the Committees on Appropriations of the House and Senate shall be provided quarterly reports on the obligation and expenditure of the funds appropriated under this heading.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

HUMAN DEVELOPMENT SERVICES

For an additional amount for "Human Development Services," $250,000,000, to carry out the Head Start Act, which shall be made available to Head Start agencies operating Head Start programs on the date of the enactment of this Act, for the purposes of assisting the agencies to provide, during the summer months, Head Start services, including services through family literacy projects: Provided, That for the purpose of this Act, no part of any amount appropriated under this Act or any other provision of Federal law shall be used to enforce the limitation specified in section 640(b) of such Act with respect to such amount: Provided further, That notice of eligibility of funds shall be given by June 15, 1992: Provided further, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted to the Congress.

DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For an additional amount for "Compensatory Education for the Disadvantaged," $250,000,000, to carry out programs and projects in each of the 50 States during the summer months that meet the educational needs of educationally deprived children identified in accordance with section 1014 of the Elementary and Secondary Education Act of 1965, including programs and projects related to arts and drama, academic subjects, literacy, community services, recreation, conflict management, and dropout prevention: Provided, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted to the Congress: Provided further, That for the purpose of this Act, such amount shall be expended by first reserving for each State $500,000 of such amount to carry out such programs and projects, and by allocating the remainder of such amount in accordance with section 1005 of such Act: Provided further, That for the purpose of this Act—

(1) a sum equal to not less than 75 percent of the amount each State receives under this heading shall be made available to carry out such programs and projects through local educational agencies, as defined in section 1471(12) of such Act, that—

(A) serve the largest central city, as defined by the Director of the Bureau of the Census, in a State; or

(B)(i) enroll more than 25,000 students; and

(ii) serve such a city that has a population of not less than 125,000 and is within a metropolitan statistical area, as defined by the Bureau of the Census; and

(iii) have a higher percentage of children in poverty than the State average percentage of children in poverty; and

(2) the remaining amount each State receives under this heading shall be made available to carry out such programs and projects through local educational agencies, as defined in section 1471(12) of such Act, that for the purpose of this Act—

(A) have a lower per pupil expenditure than the average per pupil expenditure within the State; and

(B) have a higher percentage of children in poverty than the State average percentage of children in poverty,

except that the sum described in paragraph (1) may be altered if the chief State school officer and the State board of education agree to such alteration and publish the reasons and the objective criteria used to determine, that other such local educational agencies have a greater need: Provided further, That children enrolled in private elementary and secondary schools may participate in programs and projects assisted under this heading in accordance with section 1017 of the Elementary and Secondary Act: Provided further, That the intrastate formula should take into account the number of students served with these funds: Provided further, That notice of eligibility of funds shall be given by June 15, 1992.

DEPARTMENT OF THE TREASURY

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,500,000 for law enforcement training activities of the Center, to remain available until expended.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,500,000 for the hiring, training and equipping of not less than 200 additional full-time equivalent positions for violent crime task forces and for increased costs associated with the Los Angeles riot, to remain available until expended.

UNITED STATES CUSTOMS SERVICE

OPERATION AND MAINTENANCE, AIR AND MARINE INTERDICTION PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 102-141, $3,400,000 are rescinded.

UNITED STATES MINT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102-141, $500,000 are rescinded.

BUREAU OF THE PUBLIC DEBT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102-141, $800,000 are rescinded.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102-141, $1,765,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 102-141, $1,000,000 are rescinded.

This Act may be cited as the "Dire Emergency Supplemental Appropriations Act, 1992, for Disaster Assistance To Meet Urgent Needs Because of Calamities Such as Those Which Occurred in Los Angeles and Chicago".

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The pending question is the first committee amendment.

Mr. BYRD. Mr. President, I ask unanimous consent that the committee amendments be agreed to, en bloc, and that the bill, as thus amended, be regarded for purposes of amendment as original text, provided that no points of order shall have been considered to have been waived if the request is agreed to.

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

The committee amendments were agreed to en bloc.

Mr. BYRD. Mr. President, the dire emergency supplemental appropriations bill, H.R. 5132, before us today provides a total of $1,944,185,000 in emergency supplemental appropriations to meet the urgent needs in Los

Angeles and Chicago and in other urban areas.

In large measure, unfortunately, this legislation is a reaction to the recent riots in Los Angeles.

While I agree that we must do what we can to help rebuild those neighborhoods, I am concerned about the conflicting message that our action today may send. By providing these emergency funds, an impression may be left that looting, rioting, killing, burning, pillaging, and other acts of violence will be rewarded by the Federal Government. It is extremely important that we communicate loud and clear that these actions solve nothing and must not be tolerated.

In reality, the end result of those days of violence destroyed the homes and businesses and cost the livelihoods of the people who live there. There are a lot of small towns and communities around this Nation which have serious economic problems, and the people of those small towns, and large towns as well, and cities, have not resorted to violence and riots to solve their problems.

We were all, of course, astonished at the outcome of the jury—and shocked. I personally could not understand why somebody among the policemen was not found guilty of something. I was also appalled at the countless times that the media played back the videotape of the policemen beating of Rodney King. And after it was repeated and repeated and repeated—I myself saw it scores of times—I felt that the media, to a degree, was doing a disservice in that it could not help but create antipathy and engender bitterness toward police all over this country, and would also serve to elevate and exacerbate passions on the part of minorities in this country toward police and would make it very difficult to have a fair trial and an honest, objective verdict.

So I think the media went beyond its responsibility to that degree and, to a certain extent, must help bear the responsibility for what happened.

I, of course, was not on the jury, but, as one observer, I could not understand the verdict that was rendered by the jury. I was astonished by it. I was disappointed by it. I was shocked by it. I felt that surely there were enough policemen there to have overcome the one man without using excessive force. Nevertheless, the jury verdict was no excuse for the rioting, the pillaging, the dragging of people out of cars and beating them, the robbing, the breaking of windows, the looting, the killing that followed.

I also think that the police, the security forces, should have been out earlier, and should have acted with more firmness, and I think the same can be said with respect to those who were responsible for sending in the Federal security forces.

There is always a criminal element that is just awaiting the opportunity to pillage and riot and loot and burn, and their passions had been whipped up to a frenzy by the repeated media display of this despicable act on the part of the policemen, brutalizing the victim. I do not attempt to pass judgment except to say that I was surprised at the jury's verdict.

That all having been said, however, I think it has to be also said that riots cannot be rewarded, and some people will, I am sorry, in all probability feel that they are being rewarded and that the way to get the attention of the Federal Government is to brutalize other people and go on a rampage of destruction.

We need to address the problems of all the communities across the land, including those of inner cities. As a result of the events, the Nation's attention has again been called to the neglect of our communities throughout the Nation.

According to a May 18 article in Business Week, last year an estimated 36,000 people lived in poverty. About 42 percent of those living in poverty live within concentrated areas within our cities. While poverty rates have been on the increase, Federal aid to cities has decreased by nearly 64 percent below the 1980 level.

Although the funding in this bill does not provide long-term solutions, it does attempt to address some of the immediate problems facing Los Angeles and Chicago as well as problems facing other cities throughout the country. That is what this bill is about. This bill is not about pandering to criminal elements that will seize upon any opportunity to destroy.

This bill is about providing some of the resources necessary to address the immediate need for loan and disaster assistance programs and making resources available not just to Los Angeles, but also to other cities, and to provide opportunities for young people who are caught in a web of poverty.

In response to the May 2, 1992, declaration of disaster for Los Angeles, and the April 15 Presidential declaration of disaster for Chicago, the bill provides a total of $194,650,000 for the Small Business Administration. This includes $169,650,000 for the disaster loan account and $25 million for administrative expenses related to administering the disaster assistance program.

The bill also increases the limitation on the Small Business Administration direct loans to $500 million for FEMA, the Federal Emergency Management Agency; $300 million is provided for disaster relief; and, the limitation on disaster assistance direct loans is increased to $22 million to enable FEMA to lend to an eligible applicant or State the portion of assistance for which the State is responsible under the cost-sharing provisions of the Stafford Act.

In addition, the bill includes language that would allow the Federal Bureau of Investigation to expand its initiative to implement FBI-sponsored task forces to combat violent crime. Preliminary investigations by the FBI in Los Angeles indicate that a significant portion of the violence that recently occurred in that city was perpetrated by gang members. The FBI task force approach will coordinate investigative resources and personnel from Federal, State, and local agencies against violent street gangs. There are currently four FBI-led task forces in Los Angeles addressing gang violence.

This language provides no new budget authority, but does increase the limitations from $500,000 to $5 million on paying overtime and other costs of participating State and local law enforcement agencies.

In addition, the language expands the authority for these payments to include investigations involving violent crime. The funding and provisions outlined thus far for FEMA, SBA, and the FBI, were included in the House-passed dire emergency supplemental appropriations bill.

In addition to the above, this bill also includes an amendment offered by myself and Senators HATFIELD, HARKIN, AND SPECTER to provide an additional $1.450 billion in emergency funding to provide early intervention, education, training, and job programs, for our youth during the summer months. The amendment has the support of Senators KENNEDY and HATCH, chairman and ranking member of the Senate Labor Committee.

Of the $1.450 billion, $250 million is provided for the so-called Weed and Seed Program. Weed and seed is a comprehensive multiagency approach to law enforcement and community revitalization. The amendment will allow the Attorney General to enter into cooperative agreements with the Departments of Labor, Health and Human Services, Housing and Urban Development, Education and Agriculture, to allow for a coordinated approach in areas of high poverty and crime to both reduce crime and deliver health, education, training and services.

Seven hundred million dollars is provided for summer youth employment for a summer jobs program. We are currently serving about 530,000 young people, about one-half the number served nearly a decade ago. This additional funding will provide summer jobs and training for an additional 500,000 youths between the ages of 14 and 19.

Two hundred and fifty million dollars is provided for a Head Start summer program. About 95 percent of the Head Start Program is closed for the summer months. The funding provided by this amendment will provide an estimated 200,000 disadvantaged children with services. It will also provide jobs to the estimated 36 percent of Head

Start parents, mostly women, who teach in Head Start programs.

It is said that Head Start is one of the most cost-effective programs focused on breaking the cycle of poverty and giving low-income children the full opportunity to enter school ready to learn. One of the Great Society programs, Head Start provides comprehensive development services to children and their families. Services include comprehensive health services such as immunizations and physical and dental exams and treatments, as well as meals.

Recent studies purport to show that for every dollar invested in Head Start, $4.75 is saved in later special education, crime, welfare, and other costs.

I must say I do not have a great deal of faith in such studies. I cannot see how such studies can credibly claim to show that for every dollar invested in a particular program, $4.75 or $4.50 or $4.25 or whatever is saved in later special education, crime, welfare, and other costs. I do not believe such studies are necessarily and indubitably factual. I think it is quite a leap of faith, to take on face value these studies that claim that such programs save, for every dollar invested, a precise amount of money down the road, $4.75 in this case.

Having said that, I am nevertheless a supporter, have been a supporter of Head Start, and I still am. I believe that there is some good, perhaps a lot of good, that results from the program. But I am not one who is willing to embrace, without question, a given program and take at face value such definite dollar amounts in savings over a period of years. Who knows? They might be greater. They might be less. But that is not the point here.

I am supportive of the program, believe it is a good one, and perhaps in the future we will know more about the true results.

Two hundred and fifty million dollars is provided for a Chapter I Summer School Program. Many school districts operate summer programs for disadvantaged students enabling them to attain academic progress during the school year. These funds will make it possible to expand those programs and initiate other programs to serve an additional 550,000 youths between the ages of 6 to 18 years.

Finally, we have included $1.5 million in salaries and expenses for the law enforcement training center and $5.5 million for salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms. These supplemental amounts are more than offset by rescissions in accounts under the jurisdiction of the Treasury Subcommittee.

All of the funds provided in the House-passed bill, and the proposed committee amendment are either offset or have been designated as emergencies by the Congress, and must, under the budget agreement, also be designated as emergencies by the President before being obligated.

It is the President's choice but this ensures that there will be no sequester as a result of these appropriations, and that none of the associated outlays will be scored against the Appropriations Committees' discretionary caps.

I urge Senators to support the committee's recommendation, and I also urge Senators to refrain from offering amendments which are not of an emergency and time-sensitive nature. That is not to say that Senators will not offer amendments. They certainly have a right to do so. But we do need to complete action on this bill, and if necessary get to conference with the House if we are to have any chance of completing congressional action on this emergency legislation this week.

AMENDMENT NOS. 1834, 1835, 1836, 1837, EN BLOC

Mr. BYRD. I have four technical amendments that have been cleared on both sides. I send these four amendments to the desk and ask that they be considered and agreed to en bloc, and that the motion to reconsider be laid on the table.

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

The amendments, considered and agreed to en bloc, are as follows:

AMENDMENT No. 1834

(Purpose: To make technical corrections to the bill)

On page 4, line 20 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

AMENDMENT No. 1835

(Purpose: To make technical corrections to the bill)

On page 7, line 18 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

AMENDMENT No. 1836

(Purpose: To make technical corrections to the bill)

On page 8, line 22 after "Congress" insert: ": *Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985".

AMENDMENT No. 1837

(Purpose: To make technical corrections to the bill)

On page 9, line 17 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

Mr. BYRD. Mr. President, if I may retain my recognition before I yield the floor, I want to acknowledge the cooperation and support and the fine work of the distinguished Senator from Oregon [Mr. HATFIELD], the ranking member on the Appropriations Committee. He is always considerate, careful, cooperative, knowledgeable, dedicated, and I not only admire him greatly, but I am honored by the opportunity to share with him in our capacities. As a former chairman of the Appropriations Committee, he brings to the committee a superior knowledge and also an understanding of the importance of cooperation on that committee between the chairman and the ranking member, and between the two parties.

We do not have partisanship on the Appropriations Committee. I am not saying that I am above partisanship, but I do know that in the deliberations of the committee, I try to lay aside all thoughts of partisanship and work with Senators on both sides of the aisle for the good of the Senate and the good of the country. I feel that Mr. HATFIELD approaches his responsibilities in the same light. I thank him and I thank all members on both sides.

I also thank the staff. We have an excellent staff. We try to thank them each time we bring a bill to the floor, but our thanks ought to be repeated again and again.

I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, I am pleased to join Senator BYRD in offering this dire emergency supplemental appropriation. I appreciate very much the kind remarks made by the chairman.

Mr. President, I sometimes wonder if the body fully appreciates the fact that the Appropriations Committee does function under many restrictions. I think probably one of the greatest restrictions we have is our size. For anyone to chair a committee of 29 members indeed immediately brings to mind the difficulty, I think, of a committee that large and of that complexity.

We have to have a quorum that equals the total size of most of the other committees. Then when you get the spread of philosophies on both the majority and the minority side, it is indeed an exercise in international diplomacy that calls for a consensus on any issue. It speaks well of the leadership of our chairman that we are able to bring this bill to the floor today.

Mr. President, I will be very brief. The chairman of the committee has aptly summarized the provisions of this bill which is now before us. This supplemental provides emergency funding for SBA and FEMA in response to recent calamities in Los Angeles, Chicago, and an additional $1.45 billion for Head Start, Summer Jobs, Chapter I Education Programs, and the Presi-

dent's Weed and Seed Program, as enumerated in the legislation Senators KENNEDY and HATCH introduced last week.

Mr. President, I want to make a very strong emphasis on the fact that Senator BYRD and I modified the Kennedy-Hatch proposal, as now incorporated in this supplemental. We modified it with the fact that we said these additional funds that are provided in the Kennedy-Hatch amendment could only be spent if the President joined the Congress in declaring an emergency. I think that is a very important point to keep in mind. It is not just an addition of so much money to what the President requested, but it gives to the President that very powerful role to play in whether he spends that money.

I might say that in discussing this modification with the head of the OMB, Mr. Darman, he found that it was very helpful for Senator BYRD and for me to offer this modification of the Kennedy-Hatch amendment.

I understand that some of the $1.45 billion recommended here on this particular amendment that I have been talking about may not be spent in time to address critical youth employment needs this summer, even if the President does join in declaring an emergency. However, I do think it is appropriate that we provide the opportunity to respond.

Mr. President, I understand that there are Senators who wish to offer amendments. However, it is my understanding and hope that the other body will accept this bill, as we finalize and report this bill, to avoid a conference. If we are to get this measure through the Senate and on to the President before the upcoming recess, as we should, we must move with dispatch.

Mr. President, one final point. I think the chairman made it very clear today that violence and rioting is not to be rewarded. I have heard some of the same comments that I am sure all of my colleagues have heard, which have been extended to me by communications from my constituents and others, that they do not want their tax money being used to reward violence and rioting.

Well, we have to distinguish between those who are the perpetrators of this kind of action that none of us can condone in any way, and those who are the victims. Let me say that from my perspective, we are addressing two factors here. We are trying to address some of the causes, and this is no panacea. We must take much more profound and far more comprehensive action to address all of the causes in a cause-effect relationship. But we are at least making a movement in the direction of addressing the causes. Second, we certainly are intending in this legislation, in this appropriation, to address some of the needs of those who were the victims. So I want to make the same distinction as to what this bill is and what it is not that our chairman has made in his opening eloquent statement.

Mr. LOTT. Will the distinguished Senator from Oregon yield to me for questions for the purpose of clarification?

Mr. HATFIELD. Yes, I will.

Mr. LOTT. First, I do not believe that the House included the approximately $1.45 billion for Head Start, Compensatory Education, Summer Youth Employment, and Operation Weed and Seed programs in their bill. Their's was just under $500 million; is that correct?

Mr. HATFIELD. That is correct. The Senate added that.

Mr. LOTT. Is the $494.7 million in the House strictly for emergency disaster-type assistance through FEMA and SBA for Los Angeles and Chicago?

Mr. HATFIELD. The Senator is correct.

Mr. LOTT. What is the breakdown on that? Approximately? How much for Los Angeles and how much for Chicago?

Mr. HATFIELD. We have not specified the distinction between the allocation to Chicago and the allocation to Los Angeles. That would be up to the President and the agencies involved.

Mr. LOTT. As I understand it, this additional $1.45 billion would be available, of course, to help in Los Angeles. But, it is not limited to Los Angeles. It applies nationwide for a number of programs that are specified, is that correct?

Mr. HATFIELD. The Senator is correct.

Mr. LOTT. Explain to me, if you would, how the President would handle this and the actions that he could or could not take. For instance, on the Los Angeles disaster assistance part of it, would he declare that an emergency and therefore put it outside the budget agreement?

Mr. HATFIELD. He already indicated his desire to create that situation for the budgetary requirements.

Mr. LOTT. But with regard to the additional $1.45 billion, are you saying he could, in effect, pick and choose? In other words, he could declare funds for a particular category—let us just say employment training services—as an emergency and then these funds could be spent and they would be outside the budget agreement, too? But, he would have the latitude of saying some other programs, like the compensatory education for example, might not be an emergency and therefore might not be spent. Is that correct?

Mr. HATFIELD. The Senator is correct.

Mr. LOTT. I think that is good for him to have that additional authority, but I still worry. This means when he declares any of the appropriations an emergency that it does not have to be paid for by other cuts in discretionary programs.

Mr. HATFIELD. The Senator is correct.

Mr. LOTT. I assume it would not have to be paid for with additional revenues either. It would be just be declared emergency appropriations and added to the deficit; is that correct?

Mr. HATFIELD. The Senator is correct.

Mr. LOTT. I thank the distinguished Senator from Oregon for those clarifications. Because this occurred yesterday, I believe, I had not been able to get a complete list of the proposed appropriations until a few minutes ago. I thank him for responding.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Can I be recognized under the time here?

Mr. HATFIELD. Would the Senator withhold one minute?

Mr. LOTT. I am delighted to withhold.

Mr. HATFIELD. As I have the floor, I ask for the yeas and nays on the final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Mr. President. I recognize what capable and distinguished leadership we receive from the two Senators who have just spoken on the floor here today, the distinguished Senator from West Virginia, the chairman of the committee; and distinguished Senator from Oregon [Mr. HATFIELD]. They are very capable and experienced and when they see a problem, they grab hold of it and try to act on it. That is the way it should be.

Knowing of their leadership and also knowing how much they mean to all of us, I hesitate to tread out into this water at all. Forgive me for a minute for explaining my position and how I am probably going to vote later on here today.

I am from a State that is prone to natural disasters. My own hometown has been devastated by hurricanes. My own home has been significantly damaged by hurricanes and tornadoes. We are in the tornado alley. There are floods. It seems like once or twice a year Mississippi has a natural disaster, and the Federal Government always comes to our aid.

When people are flat on their backs without water, without electricity, maybe even without food, and without adequate insurance—or maybe no insurance—the Government has always acted through the Federal Emergency Management Administration, the Small Business Administration, and the Farmers Home Administration, to help our people, poor as they are, to get back on their feet and begin to try

to move forward with their lives. For that, I am eternally grateful. I do believe the Federal Government has a role in this area.

When people are hit, through no fault of their own, and innocent men and women lose their homes and businesses, that clearly is an occasion when the Federal Government should move in. The Government should provide quick, immediate and thorough assistance to try to put them back on their feet in such a way that they can either get a grant or a loan and get going again. So I support that for Los Angeles as well.

I have had some calls from people saying "What do you mean you going to reward the rioters in Los Angeles?" I am not about to try to reward the rioters. But what about those innocent men and women who lost their homes and businesses and industries through no fault of their own? They need some help. I think we ought to help them, and I will vote for that.

I am a little more hesitant when it comes to Federal assistance to Chicago. I do not know all the details of how that happened and who was culpable or if there was some sort of negligence. But even if there was negligence on the part of some person or Government officials—and I do not know really if that is true—there are still people who were innocently damaged or wiped out. So although I have some concerns about it, I am prepared to include that in this bill.

But the problem with supplemental appropriation bills is that they always seem to grow beyond the original intent.

So, while I was prepared to vote for a bill similar to what the House voted for, I now see $1.45 billion-plus added to this bill which was described earlier as the emergency supplemental appropriations bill. It has now become the dire emergency supplemental appropriations bill, and we have added to it $1.45 billion which is going to be added to the deficit. A great deal of those proposed additional appropriations are for programs that are already funded to significant degrees, with substantial increases in their funding this year over last year. I question whether we should add this $1½ billion more, and I fear that this may slow down the whole process.

Yes, we need to get this bill through conference and to the President tomorrow. Maybe you can pop it right through the conference. Knowing the two Senators on the floor, I bet you can because you will provide real leadership.

But I feel like I am in a very awkward position now because the Senate Appropriations Committee has added a lot of money to fund lots of programs. I do not think this has been sufficiently thought through. I have doubts about some of these programs anyway, regardless of their good intentions. As the distinguished Senator from West Virginia said, we are not always real sure what the result will be.

I do not think we have had a coordination between the House and the Senate, Republicans and Democrats, Congress and the President as to where this money is coming from, where it is going to, and whether or not these are the priorities that we need.

Yes, we need to do it quickly; but we should vote on the FEMA and SBA direct disaster grants and loans directly, and then look at the other programs later on.

I have to say, Mr. President, I was surprised, even shocked, last night when I saw that another $1½ billion really had been added to this so-called dire emergency supplemental. I think it was a mistake. I will vote against it in this form.

I wish we had kept our eye on the target for now—the real dire emergency supplemental disaster assistance for Los Angeles, and perhaps even Chicago. Then, after thought and coordination and proper hearings—still in a relatively short time—if we decided we really needed to, we could consider adding appropriations for these other programs in a coordinated way.

I think it is a mistake. We are going to add $2 billion more to the deficit and $1.5 billion of that is something that appeared yesterday afternoon.

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

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I understand the Senator's concern and frankly the committee has shared that concern.

As the Senator from Mississippi may note, there was a bipartisan leadership conference at the White House on two occasions in hammering out this package and continuing relationship with the White House through the OMB and White House representatives.

Let me just respond briefly by saying this, that the President is given great latitude on this $1.45 billion as we had our little colloquy a while ago and spelled out some of the examples of that latitude and that discretion. But let me also say that some of these moneys in that $1.45 billion really are in anticipation of the President's request for the fiscal year 1993 budget for increases in some of these same programs.

In other words, this is money that may be what we can say "upfront money" on what we anticipate will be acted upon in the 1993 bills when we get into the 1993 process. But what we are trying to do is to meet a timeframe and the urgency of this summer. This is a key and very, very sensitive time in this whole picture of Los Angeles, and we have to sort of, in a sense, say let us provide through the supplemental appropriations the flexibility for the President to take some initiative here before the 1993 appropriations bills are completed, in areas, education, and other such things, summer jobs programs, that we anticipate have already been indicated, in many instances the President desires to see increases take place, in those programs in the regular 1993 cycle.

I, therefore, am able to defend this action on giving that kind of latitude to the President to get a jump-start, so to speak, from the appropriations timeframe, in order to meet the emergency or the situation that may exist and have indications could exist this summer.

Mr. BYRD. Mr. President, I support the statement just made by the distinguished Senator from Oregon. I am glad that he responded as he did to the distinguished Senator from Mississippi. The first month of the summer is just 30 days away, and communities all over the country indeed have been making their plans for the summer. And if they hope to make plans for summer jobs for youth, they need to know that there is going to be a possibility of getting some Federal assistance.

It is a time-sensitive matter. It would not be wise, I think, to wait until the regular appropriations bills come through for an item of this kind. Communities need to know how they can plan. The administration needs to know what it has with which to work.

So I thank the Senator from Oregon and also support his statement.

I hope that Senators who have amendments, if they have amendments, will come to the floor and offer them. I hope even more that they will not come to the floor and offer any amendments whatever so that the Senate can act on the legislation.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

BALANCED BUDGET AMENDMENT

Mr. BYRD. Mr. President, one of West Virginia's leading newspapers, the Charleston Gazette, today published a thought-provoking opinion piece on the proposed balanced-budget constitutional amendment entitled, "Balanced-budget amendment a smoke screen." An accompanying editorial, entitled "Phony amendment," suggests that such an amendment to the Constitution would be a fiasco.

Today's Washington Post also carried an editorial, "Majorities are Cheaper," condemning balanced-budget amend-

ments to the Constitution as "the ultimate expression of the irresponsible governance that they purport to condemn."

I commend the authors of these items for their efforts to educate the public as to the real impact of a balanced-budget amendment to the Constitution.

Mr. President, I have been reading press accounts for some time now suggesting that Congress is on the way toward passage of a balanced-budget constitutional amendment this year.

It has been, I think, pretty much accepted as conventional wisdom that the oracle has spoken and that the proposed constitutional amendment is not only well on its way but is a foregone conclusion—that it is in the bag.

From reading many of these articles, one could draw the conclusion that such an amendment has virtually unanimous support in the Congress, and that its enactment is only a matter of time.

Mr. President, I hope that such predictions do not become a self-fulfilling prophecy before we have even begun debate—and we are going to have debate—in the Senate on the issue of a balanced budget amendment to the Constitution. We are going to have debate.

This is a matter that I believe merits careful examination, careful consideration, and careful elaboration. A constitutional amendment requiring a balanced Federal budget sounds like a neat, clean, simple solution to a particularly complex problem, but, unfortunately, there is no fast and easy and painless solution to a problem of the magnitude of our Nation's budget deficit.

The Federal Government has many responsibilities that it is forced to meet under the Constitution. The danger of a tightly drawn balanced-budget amendment is that it could put a straitjacket on the budget process, and tie the hands of Congress and the President in their efforts to meet national needs and priorities, emergencies, disasters, as well as their ability to deal with recessions or a threat to national security. Conversely, an amendment with sufficient escape hatches to respond to any conceivable emergency would be little more than an empty gesture on the part of Congress.

Additionally, it would take several years at best for any such amendment to be ratified by the requisite number of States and begin to have an influence on the Federal budget. And the influence that would be had on the Federal budget, I am sorry to say, would, in all likelihood, be the converse of what is being prophesied by some. And let us not forget that once an item is written into that Constitution, if it fails to meet the expectations and hopes, then the people's faith in the institution and in their government will once more be dashed. And it will require a number of years to repeal that amendment in the Constitution, if that should occur. It would take several years, at best, for any such amendment to be ratified by the requisite number of States and begin to have an influence on the Federal budget.

Of course, those of us who are running in 2 years, myself included—if it is the Lord's will and the will of the people of West Virginia—it would be an easy out for us. I could vote for this constitutional amendment knowing that the real problems will not occur until after my reelection because the amendment would not have been ratified by the requisite number of States. But I could go back home to West Virginia and say I voted for a constitutional amendment on the balanced budget, knowing full well that its ratification is still some way off, also knowing full well that the people have, once more, been hoodwinked by the politicians but that that would also be beyond the pale of my election.

Interestingly, the President currently has all the authority needed to send a balanced budget to Congress, but neither President Reagan nor President Bush has ever sent a balanced budget to Congress. I believe that we in the Senate owe it to our constituents, owe it to the Nation, owe it to ourselves, and owe it to our children and their children to take a close look at the real impact of a balanced budget constitutional amendment before marching lockstep in support of it.

I urge my colleagues not to rush to get in line to make a commitment publicly to support this monstrosity, but to take their time. There will always be time enough, time enough to declare their support for it. I hope that, in the meantime, they will see better of it and think better of it. But I implore my colleagues not to rush to get to the head of the line to commit themselves to something that the Nation itself will undoubtedly come to regret if such amendment ever became a reality.

I urge my colleagues not to commit themselves to support this amendment. Think about it. Listen to the debate. And I urge our colleagues to let us debate it fully. I have been around here 34 years. When I came here, there were lengthy debates in this body. There were episodes to which we sometimes refer as "filibusters" in this body. We saw and heard extended debate. My Senate colleagues in those days were very hesitant to rush to cut off debate on matters of national significance, matters of such far-reaching importance.

When I came to this body I said I would never vote for cloture on anything—never. And I maintained that position for quite a while. Then I came to the conclusion that one should never say "never," and should judge each issue as it came along. Later, as majority leader it was my responsibility to try to stop some of the filibusters after a reasonable time. But I remember no legislative or constitutional matter during those years that was as far-reaching as the forthcoming issue will be.

Unlimited debate is one of the cornerstones on which this institution, the U.S. Senate, rests. And I hope that Senators will let those of us who want to express our concerns about this amendment—I hope they will not rush to shut off that debate. Let us alert the Nation. That is the purpose of unlimited debate. Give the Nation time to be fully informed about the issue and give Senators time to thoroughly study and debate it.

After all, this will be a matter of profound importance to this institution and to, at least, some of us in this institution who love it, and who believe that this institution is the pillar, indeed, of the constitutional system, and who do not want to see that pillar destroyed. This institution is the representative branch of Government. We are directly elected by the people.

Abraham Lincoln once said that the President was directly elected by the people. Abraham Lincoln was wrong. The President is not directly elected by the people. The President is elected by the electors, who are elected by the people. And there are instances in which Presidential candidates who received more votes from the people than did their opponents, nevertheless got the fewer of the electoral votes and were not elected President. Benjamin Harrison, as I remember, got a higher percentage of the popular vote than did Cleveland—No, I think it was the opposite. Benjamin Harrison received fewer popular votes but was elected President. And that was not the only instance.

Once the power is shifted from the representative branch of Government to the executive branch and to the judiciary—as will be the case if we ever see a balanced budget amendment incorporated into the Constitution—then ours will no longer be a representative government. We are the people's elected representatives, and such a constitutional amendment will result in a massive shift of power, not just to the executive but also the judiciary, as many of us will point out in the course of what I consider will be a thorough debate. And that shift will signal the end of our representative democracy. That will be quite an earthquake, quite a massive shift of power.

I hope that our colleagues will arrive at a carefully reasoned decision on this proposal. I take occasion today to sound the alarm so that everyone will be on notice that the support for a constitutional amendment on a balanced budget is not, indeed, unanimous, and that its adoption is not, indeed, a fore-

gone conclusion, notwithstanding what some of the columnists and political pundits may say. This is still the United States Senate, the great forum of constitutional liberty, the protector of minority views. And there are some of us who intend to have our say before the die is cast.

Mr. President, I ask unanimous consent to print in the RECORD the op-ed from the Charleston Gazette, which I referred to, "Balanced-Budget Amendment a Smoke Screen"; the editorial from the Charleston Gazette today entitled "Phony Amendment," and the editorial from the Washington Post of today entitled "Majorities Are Cheaper."

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

[From the Charleston Gazette, May 20, 1992]

BALANCED-BUDGET AMENDMENT A SMOKE SCREEN

(By Jerry Spiegler)

The proposed balanced-budget amendment to the U.S. Constitution is a political smoke screen.

Recent federal budgets have been funded with large amounts of borrowed money. Early on, this was not so bad because the extra money in circulation stimulated consumers and made the economy grow. Later it became bad because it took more and more borrowing just to pay the interest on all that accumulated debt. This is where we are today. Deficit spending no longer provides the same degree of stimulation because the interest payments on the extra debt offset the positive effects of the spending. Now we just transfer resources from one part of the economy to another without achieving the growth we once did.

Half the $4 trillion national debt is owed to various levels of government, much of it to the Social Security Trust Fund and state pension funds. About a quarter is owed to banks and other private domestic investors. The last quarter is owed to foreigners. We will pay about $220 billion in interest on the national debt this year and about $55 billion will go out of the country. Since the interest on the debt must be paid, there is no leeway to balance the budget by eliminating debt service.

This year debt service will equal about 15 percent of all federal spending.

National defense is certainly an important goal, especially when so many jobs are tied to it. Defense spending amounts to about 20 percent of the federal budget. While there may be both reason and room to cut back here, let's also remember that in the short term a lot of jobs are lost. This is not an easy choice.

Taken together, debt service and defense amount to 35 percent of spending. What about the other 65 percent? Direct benefit payment programs for individuals account for 41 percent of the budget of which Social Security takes half or 21 percent. The rest includes Medicare, Medicaid, food stamps, aid to families with dependent children, farm subsidies, federal emergency programs, veterans programs, federal employee pension and benefit plans, and the federal portion of unemployment benefits. That leaves only 24 percent of the budget. Federal Deposit Insurance takes 6 percent, other federal programs take 6 percent and the last 12 percent goes into grants to states and localities.

There is simply not that much room to cut deep enough to make a significant difference in the short run. In order to balance the budget either spending must be reduced nearly 25 percent, revenues must be raised, or some combination. Clearly, an overhaul of national priorities along with the policies and programs to carry them out is called for.

Will a balanced-budget amendment change these numbers? Certainly not. Will a balanced- budget amendment force Congress and the president to rearrange national priorities? Not for at least another five years, the expected duration of the ratification process. What happens to the national debt in the meantime? What happens to the economy? Do the American people want to change priorities? If so, they have not yet articulated new goals. Will a balanced budget amendment hasten this process? Perhaps, but the competition for limited resources is likely to be fierce and divisive.

In the near term, a balanced budget amendment is likely to produce what the Gramm-Rudman-Hollings law, the various budget summits, and the 1990 Budget Agreement did the illusion of action without substantive change.

The solution to budget deficits is not a balanced budget amendment. Such an amendment is the solution for worried politicians who want to go into the November elections looking like they are doing the right thing without making voters angry by taking away or reducing popular spending programs.

These are some of the "right things" which need to be done to develop a balanced federal budget:

Reduce the size and scope of the federal government. Eliminate waste and fraud in all spending programs. Create means-testing for upper-income Social Security recipients. Curtail or eliminate cost-of-living adjustments for all spending programs without exception. Set reasonable eligibility requirements for all personal benefit programs and strictly enforce them. Eliminate double-dipping. Replace federal pension and benefit programs with the same ones every other citizen is covered by: Social Security and Medicare. Restructure the military to make it even more efficient.

Obviously, the list of ways to streamline and focus spending is much longer than these suggestions. The choices aren't easy or popular. But we must remember that there are no easy ways left to get out of the budget mess. Like democracy itself, setting budget priorities is a messy, contentious process with winners and losers. There are no guarantees and it often takes a long time to get it right.

Unless the people of this country are willing to be unselfish, to make sacrifices, and to make courageous choices, balanced budgets will continue to elude us as they have for the last 24 years. The choice is ours to make. If we put the budget on autopilot, it will only work for us when the economy grows faster than the debt. As long as the debt grows faster, global forces will continue to impose restrictions on our economy. As the people of the Kanawka Valley know all too well, such economic forces can be brutal.

[From the Charleston Gazette, May 20, 1992]

PHONY AMENDMENT

It took two centuries for America's national debt to reach $1 trillion. Then came the Reagan-Bush era, and the debt soared to $4 trillion—$16,000 for every man, woman and child in the nation.

During the 11 years under Presidents Reagan and Bush, the U.S. government has lived beyond its means. It spends $4 for each $3 collected. The difference must be borrowed—which gobbles up much of America's investment capital, plus loans from overseas.

The madness is peaking in the current fiscal year, with outgo expected to exceed income by $400 billion. The accumulated debt now is so huge that interest on it will cost $220 billion this year. One estimate predicts next year's cost at $295 billion.

Congress deserves part of the blame because members blindly approved President Reagan's trillion-dollar military buildup and his tax cuts for the wealthy. Ever since, the budget imbalance has been attacked through emergency tax increases and various deficit-reduction plans—all of them inadequate. The failure has made Congress members look like posturing incompetents.

Now, squirming under public contempt, members are trying to enhance their image by advocating a constitutional amendment to ban imbalance budgets. But this is only election-year phoniness. The balanced budget amendment would be as much a fiasco as the other failed cures.

On the facing page, Charleston financier, Jerry Spiegler explains some of the reasons why the amendment would flop. Here are some others:

The amendment probably couldn't take effect until around 2000. In the meantime, would America be ravaged by yearly deficits like the current $400 billion one? If so, the nation would be damaged severely. But if these interim deficits don't occur, that means Congress and the president are capable of balancing the budget without an amendment.

As Spiegler says, major items of federal spending—interest on the debt, Social Security, Medicare, Medicaid, the military, federal pensions, interstate highways and many others—would remain in the budget when the amendment finally took effect. Could the White House and Congress agree to wipe out $400 billion worth of programs, causing mass layoffs and perhaps triggering a depression? Or could they agree on a $400 billion tax increase? Or a combination of cut and increase? Or would Congress vote to override the amendment and continue deficit spending?

Most likely, attempts to comply with the amendment would break down, and chaos would result.

But that's in the future. Right now in the 1992 election year, Congress members know they can make themselves look good to voters by supporting the amendment. The chief purpose of the proposal isn't to balance the federal budget—it's to gain favorable publicity and win re-election.

[From the Washington Post, May 20, 1992]

MAJORITIES ARE CHEAPER

The balanced budget amendments to the Constitution on which Congress may soon vote aren't balanced budget amendment at all. They are abandonments of majority rule and responsibility whose effect will be a further evaluation of congressional minorities—the very splinter groups whose single-mindedness and log-rolling influence are said to be the bane of Congress now. The history of many reforms is that they boomerang. And in any case, procedural reform is not a substitute for political will. The effect of these efforts to atone for past political failure is as likely to be an increase in the deficit as it is a decline.

These ill-considered proposals are misnamed. They do not mandate that the budget be balanced; they simply require more

votes—typically three-fifths of both houses—to unbalance it. Forty percent plus one in either house can hold the entire government hostage; that's the shift to minority rule. The theory is that the holdouts, whoever they may be in a given year, will use their increased power to keep the deficit down. But precedent suggests the opposite outcome, that they will use the power to ratchet the deficit up. To assemble the voters for a budget, even more interest groups than now will have to be satisfied. The price of passage will go up, not down.

In terms of governance, the peril of failing to include a certain group—of cutting instead of increasing it's subsidy—will be greater, not less. Majorities are cheaper. Nor will the price exacted always be fiscal; to pass a budget, a rider on an issue having nothing to do with the budget may be required. A limited form of minority rule already exists in the Senate, which tends to pride itself on its accommodative procedures. When have they finally held the deficit down?

It already takes a three-fifths vote in the Senate to break a filibuster. When was the last filibuster against an unbalanced budget? The Constitution already requires a two-thirds vote in both houses to override a presidential veto. When was the last time the veto was used to enforce a balanced budget? If George Bush is so in favor of a balanced budget, why doesn't he submit one? Why didn't Ronald Reagan before him, while also urging passage of an amendment?

These balanced budget amendments have not been thought through. (Among other effects, they would squeeze the states that would be called upon to ratify them, but that's another story.) The budget ought to be put on the path toward balance just now, but the way to do that is to increase taxes or cut spending. The amendments would do neither. They carefully postpone both steps while at the same time providing cover for past postponements. They represent a major change in our constitutional system, whose discipline they are as likely to weaken as to strengthen. The president and Congress alike are using the Constitution for short-term political purposes, as a fig leaf. The country deserves better than that. These amendments are the ultimate expression of the irresponsible governance that they purport to condemn. They ought to be shot down.

Mr. BYRD. I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS—FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. KENNEDY. Mr. President, first of all, I want to express my appreciation, and I know I speak also for Senator HATCH, to the chairman of the Appropriations Committee and the ranking minority member, Senator BYRD and Senator HATFIELD, for the inclusion of an amendment which is time sensitive. I will develop that point after I make a general comment about the bill before us.

I believe deeply that the inclusion of this amendment is not a handout but a helping hand to the millions of families that are attempting to bring their families up in the inner cities. Most importantly, no matter what your view about what happened out in Los Angeles or the difficult challenges that cities are facing in this country, we recognize the real hope for those cities, for America, is in its children. This program has been targeted toward children, children of an early age, and also those who would learn from a job experience some of the values that come from that particular endeavor.

At the outset, I want to express my appreciation to the chairman and the ranking minority member and to the committee which added the $1.45 billion for time-sensitive job, education and community programs that can make a difference for the Nation's cities this summer.

More than $1 billion of these funds are targeted for inner-city youth.

Under the bill before us, an additional 200,000 3- to 5-year-old will be served in summer Head Start programs. An additional 550,000 6- to 18-year-olds will be served in summer school programs for elementary and secondary school pupils. The summer job program will be doubled, and will be able to serve an additional 500,000 young men and women. And substantial new resources will be available for the Justice Department's innovative Weed and Seed Program to combat inner city crime, and seed a variety of desperately needed urban services.

Last week, I joined with Senator HATCH in calling for this bipartisan initiative, and we hope that this measure will go to President Bush this week, before Congress adjourns for the Memorial Day recess. Unless we act immediately, the opportunity will be lost to expand these vital initiatives in time for this summer.

Important as this first step is, it cannot be the only step. We need to continue to work together on an effective additional response in follow-on legislation to deal with other urgent aspects of the urban crisis.

Immediate, additional invests are needed in program such as community development block grants, which provide the Nation's mayors with resources for a range of projects such as housing rehabilitation in poor neighborhoods, job-creating public works, and community projects such as senior citizen centers and Head Start centers.

Just this afternoon, I had an opportunity to talk with a mayor of one of our fine cities in Massachusetts. He indicated that if he was just able to maintain the public schools open from 3 o'clock, the time that they close, until maybe 10 or 11 o'clock at night, what a positive impact that would have for young people who are interested in sports or interested in music or interested in other kinds of activities. These young people would be able to utilize those facilities in which the public has already invested. Many mayors need to have some small additional resources because of the belt-tightening that is taking place in the cities across this country.

That is something that we ought to support.

We also need a stronger commitment to community development corporations which have been effective in creating jobs and revitalizing neighborhoods in Los Angeles, New York, and other cities. One of the first CDC's will soon celebrate its 25th anniversary—the Bedford-Stuyvesant Redevelopment Corporation in New York City, which was founded by Senators Robert Kennedy and Jacob Javits. Another of the oldest and most successful CDC's is the East Los Angeles Community Union, which will play a major role in the redevelopment of the riot corridor.

Community development corporations provide immediate job training and job opportunities. They also promote lasting stability by ensuring that impoverished areas develop the anchors that middle class neighborhoods take for granted—including strong community organizations, corner banks, thriving local businesses, safe parks and decent housing. The Labor Committee is currently preparing legislation to expand and improve the current programs, and it should be part of our larger urban initiative.

Private firms, too, must make a greater commitment to invest in the Nation's cities. The private sector, community groups and Federal, State, and local governments must work in partnership to revitalize our urban centers. Each has a major role to play. Private sector support means a commitment to provide loans to rebuild devastated neighborhoods and businesses and to continue to provide insurance to areas in which there has been unrest.

In law enforcement, the emphasis should be on additional aid to State and local authorities. We should insist on the enactment of clear nationwide police training standards and Federal enforcement authority, to reduce the likelihood of excessive use of force, and to root out the disastrous effects of race discrimination in all aspects of the criminal justice system. The Police Corps, which is authorized in the stalled crime bill, is an excellent idea; it can bring new recruits and new perspectives to police departments across the country.

Finally, we must bring a new sense of commitment to address the long-run domestic challenges we face. A decade of neglect has red-lined the entire Nation—not just our cities. We have seen too much disinvestment in the vital areas such as education, job training, housing, health care, and research and development.

Last January, as part of our effort to end the recession and stimulate a

strong economic recovery, I called for a Federal program of $210 billion of new investments over the next 7 years to rebuild America's strength in these fundamental areas. I proposed to pay for these selected, targeted invest in America programs by reductions in defense spending. In the wake of the Rodney King verdict and its aftermath, the need is more urgent than ever, and it is more important that ever that we begin to meet these needs now.

I commend the leadership of Senator MITCHELL and, again, I express my appreciation for the cooperation fashioning a bipartisan beginning, which I hope will be expanded to include a good deal more.

Mr. President, I want to point out precisely why providing funds for these programs is time sensitive. Ninety-five percent of the Head Start programs will close between this week and the end of the first week in June; 95 percent of all of the Head Start programs that are in operation will be closed down. Only about 5 percent of the Head Start programs continue during the course of the summer.

So if we are going to be serious about coming to grips with the problems of some of the children who live in the inner cities—although it is not just restricted to the larger cities, there is also provision in here for some of the smaller cities and even a small State minimum—we must act now.

In the Chapter I Education Program, virtually every school district closes the second or third week in June. And the local education agencies need a few weeks' lead time to rehire teachers and expand the summer programs. The provision provides additional funds for chapter I programs will serve 550,000 young people over the course of this summer.

With regard to the summer jobs program, they start the week after public schools close and the Department of Labor says that June 5 is the drop-dead date, so to speak, after which it would not be feasible to get the funds out to the States and in turn to the cities and rural communities.

It is an interesting fact, Mr. President, that the summer job opportunities dropped dramatically in the 1980's, with the current appropriation less than 75 percent of the 1981 appropriation in nominal dollars. With the cost of inflation, we are currently serving just about half as many young people, about 530,000 annually, as a decade ago.

So all we would really be doing is bringing the number of summer jobs up to what they were a decade ago.

And then there is the Weed and Seed Program which affects children and their families directly. The concept is to weed out the crime and seed the community with a new sense of hope and opportunity. The early results of this program, which has been developed by this administration, for which the administration deserves credit, have been extremely positive.

So, Mr. President, I think there are other time-sensitive programs as well that could be done this summer. I have spoken about those programs at other times in the Senate, which, quite frankly, I wish we would have been able to include in this program.

But on both sides of the aisle we recognize that the real future of the cities and communities of the country is children. The Kennedy-Hatch amendment is targeted to 3-year-olds all the way up to 18-year-olds and include the early intervention and confidence building that takes place with the Head Start Program, the enriched summer programs under chapter I, both of which have been evaluated extensively and both of which have demonstrated very positive results. The only real criticism of these programs is that there is not further mentoring or further support for those young people as they go through high school, and we have addressed that in the higher education bill which is pending and which will be passed before the end of the session.

So, Mr. President, I am very hopeful that this supplemental appropriation will be passed. I am very hopeful the President will be willing to accede to what has been, to date, a bipartisan effort. We want to try to keep it that way. The reason these programs have been chosen is because, as I mentioned before, their time-sensitive nature. They could not possibly be effective if we were to go over in to June before action. These programs are tried and tested. This is a minimal program but it can make some difference in terms of hope for children in our society. I hope we can move toward early passage of this legislation.

Mr. WOFFORD. I would like to compliment my colleagues for taking the leadership to provide additional funds in this legislation for summer youth programs throughout the country. The crisis of youth that I saw during a recent visit to south-central Los Angeles exists throughout the country.

The most constructive immediate way I know to respond to this crisis of our young is to engage them in organized work in which they contribute to their communities. I believe that in expanding summer youth employment and training programs priority should be given to programs, such as youth conservation and service corps, that offer productive work with visible community benefits and that give participants a mix of work experience, training, and support services.

Summer jobs should be more than make work. I believe that States should be encouraged to expand or to establish summer programs that emphasize discipline and teamwork, and provide the opportunity to acquire citizenship skills such as problem-solving, self-reliance, leadership, and initiative.

Do my colleagues join me in encouraging such programs?

Mr. KENNEDY. I thank my colleague from Pennsylvania for his comments. I certainly share his views.

As he is aware, the Senate recently acted to improve the JTPA Program. The Labor Committee's report accompanying this legislation specifically encouraged the involvement of JTPA participants in youth corps programs. In particular, the committee encouraged linkages of the JTPA with youth corps programs where citizenship skills are a central feature of the program, such as those programs authorized by the National and Community Service Act.

It is my hope that communities be encouraged to use the funds provided by this legislation for such programs. I look forward to working with my friend and colleague from Pennsylvania in this regard.

Mr. BYRD. I thank my colleagues for their work on expanding opportunities for youth. I join them in decrying make work programs and join them in encouraging youth programs that will promote discipline, teamwork, and citizenship. We do indeed need to improve the skills and opportunities for youth throughout the country.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, the Senator from Montana has joined me on the floor, and we would like to enter into a very brief colloquy with the acquiescence of the manager of this bill.

Earlier I had indicated that I would offer an amendment to the supplemental appropriations bill dealing with the interstate shipment of trash. Subsequent to that time, I have had a discussion with the chairman of the Subcommittee on Environmental Protection, who has reported to me that legislation dealing with this issue would be reported out of his committee, and I believe subsequent to that conversation that has indeed happened. So we were planning to take a little bit of time today to outline that legislation and where we might go from here.

We have been engaged in fairly intense negotiations now for nearly 7 months attempting to resolve this very important issue not only for my State but for a number of States. I believe we have made very significant progress. There are some remaining concerns I and a few other Members have with the legislative product as reported by the committee. I think there is an indication we can continue negotiations and hopefully move forward to address the issue of interstate shipment of solid waste.

I would at this time, Mr. President, yield to the Senator from Montana, the chairman of the subcommittee, for his comments on this. I then have a few questions, and I believe there may be two or three other Senators who would like to speak on this issue.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I thank the Chair and also thank the Senator from Indiana.

Mr. President, earlier today, the Environment Committee favorably reported the reauthorization of the Resource Conservation Act. Included in this bill is an amendment authored by myself and Senator CHAFEE to give Governors conditional authority to restrict out-of-State municipal waste.

The amendment was the result of a long struggle to find an acceptable compromise. Senator COATS first raised this issue over 2 years ago. And it is in part due to Senator COATS' persistence to find a solution to this issue that the Environment Committee has adopted a compromise.

The amendment does not give everyone everything that they wanted. We all had to give a little. But we now have a workable solution to the problem of interstate transportation of solid waste. This amendment was agreed to by all the concerned Senators on the Committee—Senators CHAFEE, WARNER, WOFFORD, LAUTENBERG, MOYNIHAN, and METZENBAUM. We also consulted extensively with the Senator from Indiana and other interested Senators who are not on the committee. And I believe that this amendment also represents a basis that will be acceptable to them.

The amendment is complicated because it tries to accommodate the interests of many members and because it recognizes that interstate waste is not just an issue in one or two States, but the entire Nation.

Mr. President, some 15 million tons of municipal waste are shipped out-of-State each year by 43 States. Forty-two States also import some waste. The point is, nearly every State relies on other States to handle some portion of their waste.

The problem is that some states are importing far more than their fair share. And some States are exporting far more than what they should.

Our challenge has been to find a solution that will reduce exports, and yet give exporting States some time to site new, in-State capacity.

The interstate amendment that the Environment Committee adopted yesterday accomplishes this in a responsible and fair manner without disrupting contracts now in force.

Let me briefly explain the amendment.

First, it grants States authority that they do not now legally have. That is, it allows a Governor to prohibit and limit out-of-State waste at landfills and incinerators subject to certain conditions.

There are two primary conditions that must be met before a Governor can impose limitations on out-of-State waste.

First, a Governor must receive a written request to restrict out-of-State waste, from both the local government that is home to the landfill or incinerator, and the local solid waste planning unit, if any exists under State law.

Second, a Governor may not impose any restrictions that would result in the breach of an existing waste contract.

Once these two conditions have been met, a Governor may ban waste at any landfill or incinerator that did not receive out-of-State waste in 1991.

At those facilities that did receive waste during 1991, a Governor may ban waste at any facility that does not meet the State standards for operating such sites.

Moreover, Governors of States that received large amounts of municipal waste—more than 1 million tons in 1991, which include Virginia, Pennsylvania, Ohio, and Indiana, may impost additional restrictions.

First, with or without a local request, a Governor of one of these four States may freeze at 1991 levels the amount of out-of-State municipal waste received by any facility.

Second, if requested by the local government, a Governor in one of these States may require that out-of-State waste be disposed of in a landfill that meets the State's requirements for newly constructed landfills.

Alternatively, the Governor may limit the amount of out-of-State waste received to 30 percent at any landfill that took more than 100,000 tons of out-of-State waste in 1991, if that accounted for at least 30 percent of the total amount of waste received at the landfill.

Finally, in an effort to encourage all Sates to upgrade their landfills, beginning on January 1, 1995, a Governor will lose authority to restrict out-of-State waste unless one of two actions are met.

Either all operating landfills in the State must meet EPA's design and locational standards for new, environmentally sound landfills. Or, landfills that do not meet these standards must be on an enforceable schedule to shut down prior to January 1, 2000.

These are the key elements in the amendment the committee adopted. I know that it does not give everyone everything they want.

In fact, one of the major objections to this is that the Governor does not have unconditional authority. Instead, the Governor must first receive a request by the local government before imposing interstate restrictions.

But it is really the local government and its citizens that must bear the brunt of living next door to a landfill and putting up with the odor and truck traffic. If the local community doesn't object to accepting out-of-State waste, than it should be less of a problem for the State.

Mr. President, I again want to commend the Senator from Indiana and the other Senators who worked with me to craft this proposal.

It took a little longer than I first anticipated, but I believe that it is a fair and balanced compromise. One that serves an important national interest, and one that will serve the interests of my colleagues.

I look forward to working with the Senator from Indiana, the majority leader, and my other colleagues to see this issue get to the floor in a timely fashion this year.

As the Senator from Indiana said, earlier today the Senate Committee on Environment and Public Works did report out the Resource Conservation Act, which included a quite complicated interstate amendment that is covering the interstate transport of solid waste between States. That amendment was in the bill basically because interstate transportation of solid waste is such an important issue to so many States. Approximately 43 States export solid waste to some other State. And about the same number of States import solid waste. I am talking about garbage here—garbage into their own States.

In addition, it is clear that States want to manage landfills as much as they possibly can, so we have two competing interests involved. On the one hand, the States want to control their own destiny the best they can, and on the other hand virtually all States export and import garbage. Sometimes in States like Oregon and Washington, which are close together, say around the Portland area, there is a lot of interstate transportation of garbage back and forth between States. Take the District of Columbia. Here is Maryland, and Virginia next door. Garbage trucks oftentimes do cross State lines. So we have to fashion a solution.

I commend the Senator from Indiana for bringing up this issue at an earlier date. At that time he and I and others in an attempt to resolve this issue agreed it probably made sense to postpone Senate consideration until sometime around April 30. This is now a few days after April 30.

In the meantime, as the Senator knows, the Environment and Public Works Committee has been working very diligently to address this issue. It is an issue between exporting and importing States. Some like importing garbage, some do not like to import garbage. It is a bit complicated. We have worked out a resolution. We consulted diligently with Senators who are primarily concerned with this issue.

I see the Senator from New Jersey on the floor, Senator LAUTENBERG has been one of the stalwarts in working out a solution. He comes from a State which is basically known as an exporting State. The Senator from Indiana is basically from an importing State. I

must say that on the committee we are represented both by importing States and by exporting States, as the Senator well knows.

I must say, in addition, we consulted with the Senator from Indiana as the Environment and Public Works Committee has to try to fashion a reasonable solution. And because the committee has reported out the Resource Conservation Act reauthorization which does include a very thoughtful interstate provision, it just seems to make most sense for the Senate to follow the usual orderly process, that is, when the bill gets to the floor of the Senate, if the Senator from Indiana or other Senators wish to have amendments, the committee will certainly fully consider them and try to work with Senators to further refine and improve upon the bill.

I must say I commend the Senator for his very diligent work here. He is one Senator who has worked very hard, very conscientiously to help all of us come up with a solution here. And I very much compliment the Senator's diligence, his persistence, his, I must say, almost singlemindedness to this issue, and it has helped move the process along.

I fully expect us to take up the reported bill at a later date, in the next several, who knows, weeks, or it could be a couple of months. I urge the Senator and other Senators to watch the process, to work with the process. There are many more days left within which we can pass the bill out of the Senate and work with the House. If at a much later date it becomes more clear that that is becoming less likely, then we will cross that bridge when we get there, but we are not at that bridge yet. I strongly urge us to wait, not to act now because it is going to upset a process which is very delicate.

Another complication is the tension between Governors and municipalities. Governors of States obviously would like to be the entity that determined whether or not out-of-State garbage comes into their States. I must say there are conflicting interests there because sometimes local communities in those States have contrary points of view. So there is a tension there between the Governor and the municipality.

It seems only reasonable that if the local municipality, which is the community which bears the burden of receiving garbage, wants to receive garbage—it is a revenue raiser and they do not mind having trucks go through their community and dump garbage as long as the tipping fee meets the municipality's need—maybe they should have more say on whether that garbage comes to that community than the Governor of the State. But, of course, the Governor of the State has an interest in working out a solid waste plan within the State, working with the various communities in the State.

So the amendment being crafted is an attempt to bridge that tension, to deal with both sides of it, and, as the Senator knows, it is a good-faith effort, and I think it accomplishes the result about as well as can be accomplished.

Mr. COATS. If the Senator will yield for a couple of questions, first, I would like to say for the record that the Senator from Montana indicated to me many months ago that he would operate in good faith, and he has done exactly that. I thank him for that. He has been diligent in negotiating with us on what is a difficult, complicated issue.

I believe we are close to a solution which acknowledges the very real problems that exist on both sides of this equation with respect to exporting and importing States. We are trying to resolve that. It is not easy to do. I think we have made very significant progress in that regard.

I believe the committee has proceeded in good faith and they are reporting out the Resource Conservation and Recovery Act today with this provision included, which is important.

I would just say to the Senator from Montana that while we are in the spring of the year, the time is moving on and when one looks forward to the number of legislative days left, given the two parties' conventions, this being an the election year, and so forth, there are not that many days remaining.

My real concern is that we are able to successfully accomplish a resolution to this problem in this legislative year. So I would hope that we could move forward with every bit of due diligence to recognize the fact that you will not have many days to legislate on this floor. I urge the majority leader and all of those who determine the schedule to advance legislation on the interstate waste issue.

Given the fact that there are some specific concerns relative to the committee bill that affects certain of our States, which the Senator has acknowledged he would be willing to work with us to resolve, I would like to be able to bring a bill to the floor that has those issues resolved so that we do not have to go through the amendment process. I think it is something we can sit down and continue to negotiate. I would ask the Senator for his assurance that we could at least do that.

Then I would ask that he recognize that this is an issue of such importance that a solution needs to be reached this legislative session, and that we have to do that in a timely enough basis so that the House of Representatives can likewise act. We can then conference the bill and get a piece of legislation on to the President's desk for signature this year.

My concern is that because this is attached to a broader bill, RCRA, that there are provisions in there that prevent its being called up on the floor or prevent its successful passage by this body or the other body. Therefore, I would like to have some idea that if it appears RCRA is not going to be the vehicle with which we can deal with this interstate trash issue this year, we can agree to find an appropriate manner in which to move forward this legislation. I think many of us from importing States feel this is something that has to be resolved this year.

Mr. BAUCUS. If I might answer the Senator's question.

Mr. COATS. It is a long question. I apologize.

Mr. BAUCUS. I can assure the Senator that RCRA will be the vehicle dealing with the interstate transport this year. I am exercising every effort at my command to help make that happen. I know the Senator from Indiana and all Senators work in good faith so we can bring the RCRA bill up and work out the differences as he says he does in the ordinary process of Senate deliberation.

I also understand and agree that this is a very critical issue to the States. There are many other critical issues, too—education, health care legislation, budget deficit, aid to cities, racial tensions—I could go on and on with issues which I think are even more important to our country.

But certainly interstate transport is an issue as important as well, and we will use every effort in good faith to resolve it this year.

I thank the Senator.

Mr. COATS. Mr. President, I would just respond to the Senator by saying that in my looking at the calendar, at the timetable. I would think that if this body cannot act on this legislation, if we cannot act before the July recess, we will find ourselves in the position where we will not have the time to enact similar legislation on the House side, resolve it, and have it on the President's desk.

So I hope that we could come to a resolution of this issue as soon as practical after we return from the Memorial Day break. That will give us about 3½ weeks or so in June to address the issue. After that, I am afraid there will be very, very little time to address the interstate waste issue.

As the Senator said, there are many important issues on our plate. We have been working on this now for three years. Our landfill capacity is declining to the point where if we wait for a new Congress to address this, the problem will be resolved. It will be resolved because Indiana is going to fill up with out-of-State trash, and we will be put in the position of "passing the trash" west.

So we have to take action now on a bipartisan basis. It is unanimous among our delegation. I know that is true of many States. I believe this has to go forward in a bipartisan way and be resolved as quickly as possible.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Wyoming [Mr. SIMPSON] is recognized.

Mr. SIMPSON. Mr. President, even though I recognize there is no time limitation, I will take 3 minutes to comment on this issue.

Today, we reported out a RCRA bill and that is done. The bill deals primarily with the interstate shipment of garbage and recycling. Senator BAUCUS has worked doggedly and valiantly to get that bill reported. The core measure was difficult enough, and what happened in the amending process was even more difficult as to what happened, and the one this morning with regard to really an obfuscation of the $140 million facility with one that makes this bill fundamentally flawed.

I do not expect the bill in its present form to be considered. And that is not in any sense in derogation or criticism of Senator BAUCUS because he has done everything he could. I know how he works because I worked with him on clean air and other things. He is a splendid person to work with.

But the driving force behind all of this was the Senator from Indiana, his efforts to develop the legislation that will deal with the interstate shipment and the disposal of municipal waste, and I think we should act on that issue this year. We should move on interstate provision independently of the general RCRA legislation that has so many controversial provisions.

So I simply would urge the EPW Committee to work with Senator COATS, as the chairman has done in the past, the chairmen of the subcommittee and the chairman of the full committee, Senator BURDICK, in order to ensure that the importing States are adequately protected.

Senators COATS, SPECTER, WARNER, and METZENBAUM have all worked diligently to craft an interstate waste amendment which would ensure the protection of the States that have been receiving these huge quantities of garbage from other States.

But the problem has been brought about because some State and local governments have been unable to make or will not make the tough decisions necessary to site new landfills or incinerators. They do not want this, they do not want that. The people come to the council meeting or the commissioner meeting, they never get anything done, and they bring it here.

Those areas are taking the easy way out by shipping their trash to other States where it is placed in the landfills.

So, part of the solution to the problem is increased recycling, part of the solution is increased incineration, siting new landfills in States that now are exporting large amounts of garbage, and finally the other part of the equation is protecting State and local governments from having to accept garbage they do not want. Senator COATS has been a leader in this regard. I look forward to working with him in getting an interstate waste provision enacted into law this year.

I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, as a member of the Environment and Public Works Committee that dealt with RCRA this morning, and passed it out early this afternoon for consideration on the floor, I want to briefly discuss the provisions regarding interstate transport of garbage which are included in the RCRA amendments.

I first want to express my appreciation and, admiration for the work that Senator BAUCUS, as chairman of the subcommittee, and Senator CHAFEE, who is ranking member of the Environment Committee, did in resolving so many issues.

The committee may be accused of sending out to sea a leaking ship that perhaps will be deterred from reaching its destination, but the fact is that we have floated this vessel, and it contains a lot of good cargo. If we examine it and decide that there is merit in much of what has been done, even through we may occasionally disagree, we have a chance to come up with legislation that deals with the acute problems that we have in this country in terms of disposing of these mountains of trash which exist in virtually every state in the country.

So, having said that, I want to address the problem that Senator COATS from Indiana has expressed many times here on the floor, over which we have had some sharp disagreement. I did not like the commercials that were shown in Indiana with this kind of portly guy from New Jersey chomping on this cigar, dumping his ashes and his trash on Indiana. We have respect for Indiana. Indiana has excellent educational institutions of higher learning. Many New Jersey students go there for their education and play football, and other sports. They make a contribution to the institutions, and I am sure they are welcome.

I understand Senator COATS' concern.

But the interstate waste provisions in the bill, as presented, are critical to my State. We are one of the smallest States in the country. New Jersey is the most densely populated State in the country. We have an acute waste disposal problem, created largely because we accepted so much from States around us, particularly Pennsylvania. We tried through the courts to ban those shipments of waste, but the Supreme Court ruled against us. Philadelphia was dumping on New Jersey, to use the expression. But there it was, and it is very obvious that on a State-by-State basis these problems cannot be solved. It is a national problem, and we have to solve it with a national solution.

If we don't adopt a national solution, we could create enormous environmental problems by forcing environmentally damaging waste control programs.

New Jersey cannot be suddenly cast adrift. The RCRA amendments recognize that fact and provide a national response sensitive to the environmental needs of all States.

Senator BAUCUS has described the provisions of the compromise. Very briefly, the bill gives exporting States time to reduce exports. But it also ensures that there will be limits on the amount of trash that a State has to import and that those exporting States have to reduce their shipments of garbage. I have no argument with that.

There are provisions in this compromise which I am not happy about, which will cause New Jersey to make changes in its waste management program. But a compromise, as we know around here, means that each side has to give something in order to achieve an agreement. Even at today's markup, the committee agreed to a provision to give the Governors of Indiana and Ohio authority to limit out-of-State garbage at large landfills to 30 percent of the waste previously disposed of at that landfill. This will allow these States to maintain landfill capacity for their own States' trash disposal.

New Jersey has publicly pledged to become self-sufficient in garbage management. We have already significantly reduced exports. New Jersey has the most aggressive recycling programs in the country, and we continue to expand our recycling programs and to develop additional capacity. We have been willing to work with other States; as a matter of fact, more than willing. We have forced waste haulers who would shift garbage illegally out of State to stop it. Waste haulers have to get an approval from New Jersey if they want to ship trash out of State.

New Jersey worked out an agreement with Indiana to stop these illegal shipments. As a result, New Jersey has stopped 12 companies already from shipping garbage to Indiana. New Jersey is taking enforcement action against those companies. New Jersey is also negotiating a similar agreement with Ohio.

So I hope that my colleagues will review the committee's work. It provides a reasonable solution. It is one that addresses the problems of all States, perhaps not perfectly, but that is the nature of compromise.

So I hope that we will have support when RCRA arrives here on the floor. If there is to be a further discussion or amendment, so be it. But I appreciate the fact that Senator BAUCUS, the

chairman of the Subcommittee on Environment, that is dealing with this, and the Senator from Indiana [Mr. COATS] are saying, OK, we will continue to work together to try to effect a compromise that permits each of our States to achieve the goals that they want. I believe that the committee approach achieves this compromise.

I yield the floor.

Mr. MCCONNELL. Mr. President, I compliment Senator CHAFEE's diligent efforts to forge a consensus on the contentious interstate waste issue. Now that the Environment Committee has concluded its mark up, I urge the Senate to take up this issue as soon as possible. States are in dire need of the authority to restrict the flow of trash into their States so that they may take charge of their own environmental destinies.

Mr. President, while I am supportive of the general purpose of the committee's markup, there are several provisions which could have an adverse impact on Kentucky.

First, the committee's version requires a State to have imported 1 million tons of trash in 1991 before authorizing a Governor to restrict out-of-State trash to certain grandfathered landfills. Because Kentucky happened to import a relatively small amount of trash in 1991, my State is shut out of the most important protections afforded by the committee's proposal.

This will leave Kentucky easy prey to garbage transporters who will be shut out of the four States that meet the 1 million ton threshold. By protecting only States which are currently being deluged, Kentucky may once again become a haven for out-of-State waste.

By broadly exempting interstate compacts from restriction by States, the committee leaves a large number of landfills in many States subject to only limited restrictions. By grandfathering landfills, rather than landfill cells, the bill allows grandfathered landfills to expand their capacity to accept out-of-State waste. Thus, the landfills in my State which are not subject to full protection, can be expanded to import enormous amounts of solid waste.

Mr. President, although well intentioned, the committee markup falls short of ensuring that Kentucky can control the flow of waste over its borders.

My colleague from Indiana has modified the committee's language to address these concerns. He has proposed changes to allow the Governors of all States to freeze the amount of out-of-State waste taken at certain grandfathered facilities at 1991 levels. This will ensure that States which imported less than 1 million tons in 1991 will not become the new dumping grounds for waste that was previously going to the four large importing States. The Senator from Indiana also has eliminated the ability of grandfathered facilities to expand their frailties to accept out-of-State waste.

While essentially identical to the committee's version, the enhancements made by the Senator from Indiana are necessary to protect States like Kentucky.

Mr. SPECTER. Mr. President, I am going to take a few moments to comment on a measure which was the subject of discussion by the distinguished Senator from Montana [Mr. BAUCUS] and the distinguished Senator from Indiana [Mr. COATS] and the distinguished Senator from Wyoming [Mr. SIMPSON] with respect to interstate trash.

Mr. President, I was prepared to sponsor an amendment with Senator COATS and Senator MCCONNELL which would act to correct the inequities of trash and garbage shipments. However, the decision was made not to offer that amendment because the Committee on the Environment and Public Works reported out the RCRA bill today which addresses that subject, and it was thought not advisable to offer that amendment within a few hours after the committee had reported out the bill.

This is a very important matter nationally, and it is a matter of extreme urgency to my State of Pennsylvania because of the 12 million tons of garbage and municipal waste shipped in interstate commerce, 3.5 million tons end up in Pennsylvania. The existing committee bill addresses that to some extent by reducing the amount which a State like Pennsylvania would have to take, and it is my intention to offer an amendment which would reduce that amount even further, and there is considerable support, as I understand it, within the committee for these amendments.

The issue has been on my agenda for more than 3 years, since I visited Scranton, PA, back in 1989 and found an enormous problem with interstate shipment of garbage from out of State which was collected on the highways, which was causing enormous odors, causing traffic congestion and enormous problems in Scranton. Shortly after that, my distinguished colleague, Senator Heinz, and I introduced, on October 13, 1989, Senate bill 1754 to address this issue.

We then moved on an amendment offered by Senator COATS in September 1990 to pending legislation, the District of Columbia appropriations bill, and the amendment was passed 68 to 31 which would have improved the situation. The amendment however, was dropped in conference.

Since that time, Mr. President, I have cosponsored legislation with the distinguished Senator from Virginia [Mr. WARNER] Senate bill 2386, to address this problem.

I believe that we have to act very promptly, and I understand there may be some holds on the RCRA bill. It would be my hope that action on the RCRA bill would be scheduled promptly so that this issue could be addressed in this Congress.

The decision was made, as I say, not to move on the matter today. But I think it is fair to say that there will be a movement by a number of Senators, including this Senator, to move on an amendment to other legislation if we cannot bring the RCRA bill to the floor shortly after we return in June. It would be my hope in that matter to try to work out some schedule where these issues could be addressed in a systematic manner by the Senate. But very often as a procedural matter the amendments have to be offered on another vehicle, on some other legislation, in order to move the matter along.

I commend the members of the Environment and Public Works Committee for the work which they have done addressing this issue of interstate waste in a manner which advances the cause, not totally to the satisfaction of this Senator. I commend Senator COATS on his leadership on this issue and the work which has been done by members of the committee generally.

I do think we have to address in a comprehensive way, reasonably promptly, not today, especially not to put it on this important legislation, but to address it one way or another shortly after we return from the Memorial Day recess.

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, I have been waiting for a while, but I notice a couple of Senators that want to speak to the colloquy issue of interstate transportation of solid waste. Frankly, if they could indicate to me that they are not going to speak very long, I would be glad to accommodate, with the consent of the Chair. I want to speak about the underlying bill. Frankly, I do not want to wait all afternoon to do it, but I will wait a little while. I will speak at some length, because I have some very serious procedural arguments about it that I think everybody ought to hear. Might I ask——

Mr. DODD. Mr. President, I just respond to the Senator from New Mexico. I want to address the underlying substance of the bill as well. My remarks are not terribly long, but I want to talk about what the distinguished chairman of the Appropriations Committee is trying to do with this supplemental appropriation bill. I would hope that we might get to the substance as well. I am interested in the same issue. If the Senator from Kentucky, or others, want to continue the debate on this matter raised here, I do not want to abbreviate that. It is a legitimate

issue to talk about. If that is concluded, then I will seek recognition, Mr. President, to address the substance of the bill before us as well.

Mr. DOMENICI. Mr. President, might I propose the following: I ask unanimous consent that Senator MCCONNELL have 5 minutes to speak on whatever he desires, and then Senator SPECTER succeed that with 5 minutes, and then the Senator from New Mexico be recognized for a time on the underlying bill pending.

The PRESIDING OFFICER. Is there objection?

Mr. DODD. Mr. President, reserving the right to object, I have been waiting, as well, almost an hour here. I want to take some time to talk about the substance of the bill as well.

Mr. DOMENICI. Mr. President, I would add, certainly if the Senator desires to follow me in this consent order, I ask that it be in order that he do that.

Mr. DODD. How long does he intend—he said, speak at some length.

Mr. DOMENICI. I will not speak long.

Mr. BYRD. Mr. President, reserving the right to object, I wonder if the distinguished Senator from New Mexico would merely make the request that the Senator from Kentucky have 5 minutes if he wishes and the Senator from Pennsylvania have the 5 minutes he wishes, and then, after that, if we could go by the rule and let the Senator who first seeks recognition in the opinion of the Chair be recognized. Senator HATFIELD may want to be recognized. I might want to. I want to see the Senator from New Mexico proceed, but I hesitate to see us start lining up for quite a long period here of speakers.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Does the Senator modify his request?

Mr. DOMENICI. I believe I sought unanimous consent. If there is objection, I withdraw it.

The PRESIDING OFFICER. Is there objection?

Mr. LAUTENBERG. Mr. President, I will then propose a unanimous consent that gives the Senator from Kentucky 5 minutes, the Senator from Pennsylvania 5 minutes, and then we get to the bill on an as-recognized basis. I have an amendment. I have been here a long time. I did enter into this discussion.

The PRESIDING OFFICER. Has the Senator from New Mexico withdrawn his request?

Mr. DOMENICI. Mr. President, I still have the floor. I withdraw my request, and I will proceed.

The PRESIDING OFFICER. The Senator has the floor.

Mr. DOMENICI. I regret my friends are not here, but neither do I want to wait all afternoon. I wanted to accommodate. But let us proceed.

I yield to the Senator from Kentucky.

FEDERAL ASSISTANCE IN ADDRESSING URBAN CRISIS

Mr. DOMENICI. Mr. President, in response to the disaster in Los Angeles, we are considering a proposal today which is characterized as a short-term first step in addressing the crises in our cities. I am concerned by the misperception of what this bill would accomplish.

The Hatch-Kennedy proposal which was incorporated into the bill reported yesterday by the Appropriations Committee, would add $1.45 billion to the emergency fund package endorsed by the President and passed by the House.

The money is designated for worthwhile programs—programs I unequivocally support. However, we should recognize that these funds are not targeted specifically to Los Angeles, but rather spread across every State, diminishing the significance of their impact.

We are already spending $8.9 billion for these programs in 1992, and the President has requested an additional $850 million for 1993.

Department of Labor officials have indicated that while the supplemental funds for the Summer Youth Employment Program could be obligated in part, it is already too late for most of the States to incorporate it into this summer's programs. Other programs funded by this provision—Head Start, Chapter I Education and the new Weed and Seed Program—would use only a small fraction of the supplemental funds during this fiscal year.

I question whether we are only contributing to the cynicism of the American people by once again creating expectations which clearly will not be met by this bill.

These programs have proven themselves and absolutely should play an important role in addressing the problems facing our inner cities. I simply question whether it is more appropriate to support these programs during the regular appropriations process which is in progress, rather than in this emergency disaster bill.

A DECADE OF ABANDONMENT?

Big city mayors and others have pointed to the tragedy in Los Angeles as the manifestation of a decade of neglect of our cities by the Reagan-Bush administrations.

They base their criticism on the decline of direct Federal-aid programs to the cities, such as general revenue sharing. As a result, the mayors argue, the cities' fiscal conditions are abysmal and the quality of city life continues to decline.

However, from 1981 to 1992, Federal grants to State and local governments grew a nominal 98 percent.

The much maligned decade of the eighties in fact was a time of enormous economic growth. During that time, our economy created 19 million new nonagricultural jobs.

During the 1980's, State and local revenues grew from $390 billion to $800.5 billion in 1990.

State and local government expenditures grew from $363.2 billion in 1980 to $765 billion in 1990.

State and local government employment continued to rise throughout the 1980's. The number of State and local public employees grew at a rate of 14.7 percent as the country's population grew only 9 percent.

State and local governments expanded services dramatically during the boom of the 1980's, when revenues were plentiful and the caseloads of income security programs were reduced.

All Federal spending for poverty programs has doubled over the past 10 years—contrary to what many would have us believe.

The safety net remains intact.

While we have spent money relentlessly, in fact, State and local governments have felt the pinch as a greater proportion of the Federal aid provided has been in the form of entitlements—significantly diminishing the discretion of State and local officials to spend as they see appropriate.

In 1981, entitlement programs such as food stamps, AFDC and particularly Medicaid, comprised 25.1 percent of Federal dollars going to State and local governments; in 1992, those same programs have grown to consume 55.5 percent of State and local grants.

Financial constraints on cities to respond to social needs will not be eased by spending $1.45 billion, but ultimately, as in the case of the Federal budget, by controlling the growth of entitlement spending and Federal mandates.

Having said that, it remains apparent: If increased spending alone were the answer, the sociological urban problems would not have continued to plague our country. If only the remedy could be bought.

Ultimately, achieving a higher quality of life for the residents of our inner cities will depend on Americans' ability to instill values, a work ethic, and hope in our young people.

Government programs will never substitute for the guidance and nurturing of an intact family. All the job-training initiatives the Federal Government can provide will not benefit the individual with no work ethic and no hope for the future.

The Vice President spoke correctly yesterday in San Francisco. We must return this country to the values that foster a sense of personal responsibility, initiative, and hope.

To the extent that Government programs can assist that effort, we will provide that assistance. But it is readily apparent to the American people that many of our existing programs of assistance have not been successful.

Last week in a Banking Committee hearing on the plight of Los Angeles

and other cities, our colleague Senator WOFFORD made reference to the slogan used in the 1930's by the Civilian Conservation Corps: "serve, earn and learn."

Senator WOFFORD is correct in his views that we would be well served to take the best of programs of the past, evaluate new approaches and develop a plan of action.

Only by laying down our political arms and coming to the table with open minds and new initiatives can we hope to contribute to a solution.

Mr. President, I rise to discuss the pending urgent supplemental appropriations bill. Let me make a couple points at the outset and then proceed with some details to explain it.

Mr. President, I believe, with the ominous resonance in the air that we are going to consider a constitutional amendment to balance the budget, it is very interesting that what we have before us today is a bill that tries to make an emergency out of a nonemergency. No doubt about it. Congress signed a budget agreement with the President and then adopted that agreement in law, and it is very, very clear. It acknowledges that there will be unforeseen emergency situations when, Congress will not have to pay for what it spends. The pay-as-you-go rule does not apply. The discretionary spending caps do not apply because there is an emergency.

Mr. President, Congress asked that "emergency" be defined, and I do not want to go into all the definitions, but let me suggest it is absolutely clear that the funding of ongoing programs is not an emergency by definition.

Now, Mr. President, I do not want to sound like I am opposed to helping the inner cities of America, I certainly want to stand on the floor and vote for some emergency help to rebuild burned-down Los Angeles if we can.

Mr. President, let me explain to the Senate what it means to take a litany of ongoing programs, two-thirds of a year having expired, and come to the floor and say we pick out Head Start, Chapter I Education, Summer Jobs, and Weed and Seed, all ongoing programs, we pass a bill and we say, we want to fund these ongoing programs with some additional money.

We are very soon going to pass appropriations bills to fund them anew for another year. In fact, we will be on those bills within 6 weeks and finish with them by October for a new round of funding for these programs.

Now, Mr. President, just listen to this. We are going to add to these programs $250 million in budget authority for Head Start, $250 million for Chapter 1 Education, $700 million for the Summer Jobs Program, $250 million for Weed and Seed, and we are saying in this appropriation bill that these amounts are added to the ongoing programs. But if the President declares any of these, or each of these, to be an emergency, it is an emergency, and the money can be spent outside the domestic discretionary spending cap and the Federal debt increased.

Let me tell you how neatly this makes a shamble out of the budget agreement. Think for a minute what we can do next year and the year after under this budget agreement if we do this. We will have the regular appropriations, and we will tell everybody we reached our caps, we are not spending more than we should, and we are really trying to control this deficit. And then we come along a quarter into the year, half way through the year, and we say, "Well, we want to send a new signal to our constituents. We want to tell our constituents that we are more for them than we ever were. We just decided we want to spend more money on their programs, and we surely want them to know we are going to vote for more money."

So we start an urgent supplemental down the line. It has those nice names, those words, "urgent supplemental." But we go through the litany of appropriated accounts, and we take 10 of them that are very popular. We could use some more money in them. Let us put it in and let it pass—knowing full well that we already paid for the ongoing programs, we did our very best with the taxpayers' money to fund them. But we will pass this new one and say to the President, "If you declare it an emergency, it is; if you don't, it isn't."

You know what we have just done? We have turned the appropriating process not an authorizing process. We can pick and choose and add anything we want, break all the budgets in the world and say, "If the President agrees, it is an emergency and it can be spent, and, yes, best of all, we do not have to pay for it."

You know, we were in appropriations during the markup of the rescission bill, and one of the staff members that understands this very well, I say to my good friend from Connecticut, had a little box with six cups of coffee. I had asked him to get me a cup of coffee, and I gave him enough money for only two. He came back with six. He had part of the rhetoric of declaring emergencies and not paying for things. He put down the six cups and said, "Do not worry, we will just declare it an emergency, and you do not have to pay for them."

Well, Mr. President, we are taking ongoing programs that apply no more to Los Angeles than they do to Philadelphia, and no more to Philadelphia than they do to any other city in America, and we are declaring an emergency about programs that we have already funded, and we are going to fund again in 3 months. We have just essentially wreaked havoc with the budget agreement of accountability.

If we pass the constitutional amendment to balance the budget—and I share with the distinguished Senator from West Virginia, who told the U.S. Senate awhile ago, "Do not be so sure that it is the right thing to do." But I can just see in this bill how we are going to wreak havoc with the balanced budget even if we pass the constitutional amendment. We are going to find ways like this to just fund ongoing programs which, by definitions, are not to be emergencies, which we are going to fund again in 3 months, and say to the President, "If you declare, so they are." And we are, in the meantime, going to tell our constituents we voted for them, even though they violate the Budget Act, and we violate our agreement on balancing our budget. We do not have to pay for them. They are free. But that old President, if he does not agree, it is his fault.

Well, I do not think anybody had that in mind when we put into law the declaration of emergencies.

Mr. President, if we had not funded these programs in the last 5 to 6 years with enormous increases, I might come here to the floor and say, "Two-thirds of a year having passed, maybe we ought to put more in than we did the beginning of the year, and maybe we should not wait 3 months until we have another appropriation."

In fact, maybe I should wear my budget hat, because I see another issue here.

You see, we have a cap for next year on how much we can spend. And I will make a wager that if the President declares all of these emergencies, and we spend the money for 1993, we will reduce the spending in these programs so we can spend the money somewhere else, because we will say we already appropriated more.

Let us not appropriate so much, and we will spend the money somewhere else. In fact, I would lay odds on it if in fact that indeed occurs and the present programs are funded under the emergency, we will not add to that funding next year but rather take credit for it and spend the money somewhere else rather than on the deficit.

Having said that, I just want to make sure that nobody thinks that the Senator from New Mexico came down here to discuss these issues merely on the issue of whether we ought to abuse our budget process, as we are going to do; wreak havoc with the notion of paying for programs that we cannot afford; throwing out the window the idea of living within the spending caps and of paying as you go, which has been given so much credit as being an important part of the budget reform agreement.

I want to discuss for a minute where these programs have been over the last few years. Since almost everyone chooses to blame President Bush and this administration for almost every-

thing and anything occurring in America, let me just list here where funding for the chapter I programs for education for the disadvantaged, has been.

In the last 5 years, fiscal year 1986 through fiscal year 1991, that program has increased 57 percent, from $3.5 billion in fiscal year 1986 to $5.6 billion in fiscal year 1991, almost 60 percent. To hear some who talk about President Bush's recommendations in education, you would think that program was cut.

Head Start. Certainly, we could always use more funding, but if you talk about fiscal year 1986 to fiscal year 1991, Head Start has been increased 97.6 percent, from $1.040 billion to $2.055 billion.

Those are just two of the programs in this bill. Looking at the particular year that we are in, fiscal year 1992, the President would add another $600 million, or 27.2 percent to the Head Start Program in the fiscal year 1993 appropriations bill that Congress will be considering soon. We will complete fiscal year 1992 by October 1 of this year, and we will again replenish Head Start Program, for which there is a new request for a rather substantial increase.

Much the same is true for chapter 1 education programs. I gave you the numbers, and they will increase again in 1993, such that Head Start by 1993, from fiscal year 1986 to fiscal year 1993, will have gone up 169 percent, and chapter 1 will have gone up 76.6 percent if we approve the President's budget request. Now I know those who are listening and Senators who are interested really probably believe these kind of programs have been cut over the decade of the 1980's, plus the last 3 years. I gave you just the last 5 or 6 years with reference to these programs.

Now, Mr. President, I have some additional remarks as to what happened to the tax collections in our major cities during the decade of the 1980's. I choose not to talk about them at length today, other than to suggest that it is valuable to review developments starting in 1982 when America came out of the recession, the recession preceding this last one, and went on a 6½ to 7-year sustained growth period.

We now have kind of revisionist history. We are now being told that the 1980's were bad times for America. We have now sold the American people the idea that we surely do not want times like that again. We have seniors graduating from college today and people are saying, where will they work? In 1984, 1985, 1986, 1987, seniors graduated from college across America. Young men and women got master's degrees. Guess what? There was almost a job for everyone that wanted one because America was growing, the economy was prospering, opportunity was there in abundance. Some even joked about the 19 million new non-agricultural jobs that were produced.

I understand that the additional growth in America and the additional jobs in America during that period of time was the equivalent of the economy of West Germany during one of those years, all by itself. And yet we are being told we surely do not want those times again.

Frankly, I believe that any city in America would welcome 1986 or 1987, 1988. Their revenues were booming. They added many, many employees to their cities' civil services. They tried to add services across the board. And, yes, as a rule of thumb the revenues of the cities doubled during that period of time. In fact, in some areas and for some cities, it even went up far more than that.

I am not critical today. I understand running a city. A long time ago I was mayor of the largest city in New Mexico—Albuquerque. It was a great job. I thoroughly enjoyed it. It was one of those nonpaying jobs in those days. I understand what it is to have to keep civil servants happy with their jobs, create some mobility, create innovative programs. I understand all that.

But, frankly, I am trying to make a point that we better come up with some new ideas for the cities of America. I am not harking back to any era. I am merely saying we spent a lot of money in the decade in the 1980's.

In fact, I will insert in the RECORD for those who are interested in facts, how much the budget of the United States put into programs for the States and cities. The States may not give the cities the kind of money that they want from the programs we give to the cities, but our programs for States and cities went up, not down; up immensely. I ask that the numbers be printed in the RECORD.

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

Decade of S&L Federal Expenditures and Employment State and Local Governments—Grants to State and Local Governments

Year:	*Billions*
1981	$94.8
1982	88.2
1983	92.7
1984	97.2
1985	105.5
1986	112.6
1987	108.0
1988	114.6
1989	121.1
1990	134.5
1991	[1] 160.5
1992	[1] 188.0
Growth rates 1981–92 (percent)	98.3
Average annual growth rate (percent)	6.4

[1] Modified estimates from "Grants-in-Aid Programs: Selected Discretionary & Entitlements Appropriations 1990 to 1992; Federal Funds Information for States—FFIS. Issued December 1991.

Source: "Federal Expenditures by State for Fiscal Year 1990"; issued March 1991. U.S. Department of Commerce. Bureau of Census. "The Employment Situation"; U.S. Dept. of Labor, Bureau of Labor Statistics.

Mr. DOMENICI. Mr. President, overall Federal spending to assist the poor went from $103.1 billion in fiscal year 1981, to $170 billion in fiscal year 1989, and to an estimated $250.2 billion in fiscal year 1992. Spending on the social safety net programs, the means tested entitlements increased from $51.6 billion in fiscal year 1981 to $84.1 billion in fiscal year 1989, and to an estimated $147.9 billion in fiscal year 1992.

If you believe those who are spreading the history as they see it for the decade of the 1980's, you would think programs for the needy were cut in America. We even hear one repeated so often, most Americans believe it is absolutely true, and that is that we cut housing 80 percent in America. I heard it said by mayors the other day.

We did not cut housing 80 percent in America. We cut a number called budget authority for housing by 80 percent. We actually increased the number of housing units that are going to the needy in America from 3.4 million to 4.6 million. That cannot be an 80-percent cut. It seems to me it is a 1.2-million increase on a 3.4-million base. But you also would have to repeat that every day from now until November for anyone in this country to believe it. But it happens to be true. In fact, on that one I think we ought to get it certified by an auditor or an auditing firm so we could circulate it, because it is true.

So I came here today not to suggest that we do not have some very large problems in our cities. We do. I certainly do not suggest that we not quickly adopt that part of this bill that provides emergency SBA loans and FEMA-type assistance, that is emergency disaster assistance to Los Angeles. We ought to do that. And, yes, maybe we even ought to consider some new ways to help our cities. I am even open to that.

But I do not believe we ought to send to the President a bill that adds $1.45 billion to ongoing programs that serve all of the cities, not just Los Angeles, in the name of an emergency when we are going to appropriate regular annual funding for those same programs in 3 or 4 months. And, yes, indeed, let me suggest there is one program that everybody will come to the floor and say we really need: the Summer Jobs Program.

I want to tell the Senate an interesting anecdote about that. The first report we got from the Congressional Budget Office said that the funding in this bill for the Summer Jobs Program was going to be free. It would be difficult to spend anything in fiscal year 1992—nothing according to their first report.

CBO then issued a new one. Do you know why the first estimate said nothing would be spent? Because, they said, if you look at this program, summer is already upon us. It will be extremely difficult to spend any of this money in time. We will not get any help out this

summer. I guess anybody convinced them that maybe we would spend some.

But I just raised the point because nobody ought to assume that with June upon us, summer upon us, that we are really going to get that much money into our cities. But we are going to surely tell them that we passed the bill, and the President ought to declare this funding an emergency.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, first let me begin by commending the distinguished chairman of the Appropriations Committee, Senator BYRD, for bringing this package forward. Everyone here is aware of the riots in Los Angeles and the flooding in Chicago that have created a dire emergency need.

But I would like to support this supplemental because it provides aid to more than those two cities. In fact, the very areas the distinguished Senator from New Mexico has addressed in his remarks, I think, make this package more attractive. There is help here for other cities that did not go through the tragedy that Los Angeles did; but that, frankly, could have. And anyone who suggests that Los Angeles was a unique case does not appreciate what has been going on in urban areas across the country.

Including funding for summer Head Start and for summer jobs in this bill is a step that I think will be appreciated this summer. It will enable communities across our country to put young people to work.

The substance of my remarks here this afternoon will be addressed to this particular issue: jobs. In my view there is nothing that is more important that we can do to reverse our nation's urban problems than to put people to work.

It is a tragedy that it took the deaths of 58 Americans in the streets of Los Angeles to restore the plight of our cities to its rightful place in our Nation's agenda. For the past decade, attempts have been made to sweep many of these urban problems, large and small, beneath the carpet. Regrettably we are now paying a price, for that neglect.

Americans of course will long remember the violent images of the Rodney King verdict and its aftermath. None of us will forget the videotape of Mr. King being savagely beaten by police officers, for example. I have talked to a number of our police chiefs in the State of Connecticut who were just as shocked as many across this country over the beating and the subsequent verdict.

Nor, Mr. President, are we going to forget the images of whole city blocks engulfed in flames. Scenes of Americans looting and pillaging are vivid in America's minds and will be for years to come. And I do not know anyone who did not recoil in horror at the sight of men and women gone mad with hate and rage, beating an innocent truck driver, Reginald Denny, nearly to death as the Nation looked on in utter horror.

Mr. President, the violence on all sides has been widely condemned, and rightly so. I join with others in denouncing it. But this afternoon I would like to move on from that violence, to examine what is behind it, and to talk about what we might do to begin to address our nation's urban problems.

The plight of our cities is not new. For a full generation now, Republican and Democratic mayors, city council members, residents—most of whom could not care less about Democratic or Republican politics—have sounded the alarm over and over again. Policemen, educators, business men and women, have all warned about the crisis in our cities. But as we now painfully recognize, their pleas have by and large been ignored.

Over the last 12 years, spending on urban programs—programs that would help cities to get back on their feet—has been slashed to the bone.

Between 1981 and 1993, community development block grants suffered real cuts of 54 percent. Urban development assistance was eliminated entirely. Mass transit was hacked by 50 percent. Employment and training programs were cut by 54 percent. Even waste water treatment was slashed by 58 percent.

The unrest and discontent in urban areas are the bitter fruits of this neglectful policy. It is proof in my mind that the problems of Americans in cities are national problems and that efforts to ignore them will only sow the seeds of future disasters, and engender tragedies like that of south central Los Angeles.

For the past two decades our cities have been losing unskilled jobs at unbelievable rates. Just consider this. Between 1970 and 1984, Boston lost fully 25 percent of the jobs that required less than a high school diploma, while the number of jobs requiring a higher education grew by 33 percent. And Boston is not unique.

In the next few years, less than 1 percent of jobs in this country will be available to people with less than a high school diploma. And only 20 to 25 percent of our jobs will be available to people with no education beyond high school. As a result, today we are looking at a situation vastly different than that of a generation ago. The critical first rung of the ladder of economic opportunity is now missing for many Americans.

It used to be that Americans started their climb toward the middle class by working day in and day out for a lifetime, if necessary, at jobs that required little or no education or training. The stories of our parents and grandparents and great-grandparents who came to this country, not knowing the language—or ever learning it, for that matter—and how hard they worked, are romantic. True as they are, however, they could not happen today, because the type of jobs that those immigrants took in the streets of this country no longer exist.

Disappearance of unskilled jobs has also caused soaring unemployment in our cities, particularly among young men. And with unemployment come serious social ills, including higher crime rates and higher rates of poverty.

Residents of our cities not only find themselves without jobs, however. They also find themselves increasingly isolated from the mainstream of society. The neighborhoods they inhabit grow more and more impoverished. More and more churches, synagogues, shops, community centers, and other institutions that form the backbone of city neighborhoods are closed down and boarded up and gone forever.

Unemployment and social isolation taken together are at the heart of the cycle of despair that has become so deeply rooted in our cities.

Last week during her testimony before the Senate Banking Committee, Mayor Carrie Saxon Perry of Hartford, CT, the capital of our State, reported the story of an 11-year-old boy she met in the wake of the Los Angeles riots. As she told it the boy snuggled up to her and said: "Mayor, I have no faith in my future."

Mr. President, that child's words must be a warning to us all. And unfortunately that child is not the exception. If that child and other children have no hope in their future, then what hope can we have as a Nation?

We must ask ourselves who loses if the problems of Americans in our cities continue to go unaddressed:

I ask you, who loses when a child drops out of school; 1,500 do every single day? That is 400,000 children every year who leave school and never go back, and so as a result fail to get the full education they need.

Who loses when they drop out?

Who loses when thousands are out of work and unemployment opportunities are almost nonexistent.

Who loses if housing in our cities is fit only for vermin?

Who loses if there is no job training and no health coverage?

Who loses when another young American falls victim to drugs or substance abuse?

Who loses when another young child is gunned down in a senseless cycle of violence?

Mr. President, it is not just the residents of urban America who lose. It is not just the dropout. It is not just the unemployed: It is not just the homeless. It is not just the sick or the addict or the innocent child, Mr. President. In my view, all of America loses.

We all lose when we fail to give every American child the full opportunity to achieve his or her potential. And, Mr. President, we all lose when our Nation tries to compete in a demanding international economy when the talents of so many Americans go wasted.

Mr. President, the problems of our inner cities are tough and they are unyielding. I begin by stating the obvious. There is no panacea. The problems are not going to be solved in a supplemental appropriations bill. They are not going to be solved in a visit or a speech.

What is needed is sustained and comprehensive effort, and I want to emphasize the word "sustained." This is not a problem we are going to solve this year with some quick appropriations.

In fact, Mr. President, I will argue that the ultimate solutions really do lie with our cities and towns. They do not lie with Washington. We can help; we can be supportive; we can be of assistance. But if we suggest to the American public that Washington, the President, or the Congress has the bromide that will solve our urban problems, we will make the same tragic mistakes we have made in the past.

Mr. President, there are a number of tools that we can help provide to the people who live in our cities, in order to break the cycle of poverty.

Mr. President, in my view the most important tool that we can provide to empower people across this country is a job. It is as simple as that. There are no cure-alls for the litany of urban ills that I have stated. But nothing will do more—no social program, no well meaning grant, no subsidy program, nothing—Mr. President, nothing is as good a social program as the economic opportunity of a good job. And providing jobs will ultimately do more to solve our urban problems than anything else.

Mr. President, the problem is that we can train and educate people, but if there are no jobs for them, then their education and training in many ways is little more than a cruel hoax.

So, Mr. President, I believe that empowerment starts with the creation of job opportunities in distressed areas. I strongly support enterprise zones as a good first step in that process.

The Presiding Officer and I can testify to the success of enterprise zones at a local level. Recently, Mr. President, I visited the science park enterprise zone in your hometown of New Haven. And I saw community revitalization in action. There, a number of high-tech manufacturers have set up shop and generated jobs for the community, and Connecticut's 10 other enterprise zones have similar records of success.

Mr. President, we also need to consider a reprise of such programs as the National Youth Administration, the Works Projects Administration, and the Conservation Corps programs.

In fact, Mr. President, if I can digress for a second, when my father left law school in 1932, his first job was as State director of the National Youth Administration in Connecticut. That was a New Deal program. It was designed to put unemployed young people back to work.

Mr. President, the country has changed dramatically since 1932 or 1933. But the idea of employment, of putting people to work in this country doing constructive things, is no less important in 1992 than it was 60 years ago when my father took his first job.

I recall him telling his six children the stories of people who literally walked miles to the NYA office in New Haven, CT, seeking any kind of work so they could provide for their families.

I strongly urge, Mr. President, that we once again rethink those ideas and see if we cannot come up with some creative programs that will take young people and put them to work. There are thousands of things they can do.

When I left college in 1962, 30 years ago, I took a job as a Peace Corps volunteer. Many of my friends and classmates went to work with VISTA programs. In fact, Senator ROCKEFELLER went to West Virginia for the very first time as a VISTA volunteer.

The Peace Corps was designed to help people in other countries, and I learned a lot from it. VISTA was a domestic Peace Corps. But thousands of people benefited, and those who benefited the most were the people who went to work in those programs.

Have we reached a point where we can no longer be creative and imaginative in finding ways to put young people to work? What about the young people we saw looting? I presume many of them are not bad kids? What they did was bad but they are not born bad. They are not instinctively bad. Why not offer them the opportunity of a job, in a hospital, or in a park, or perhaps rehabbing dilapidated housing? There are thousands of things they can do. Should we not try to strive to put people to work, and teach them the values and skills of employment? Nothing will do more, in my view, in the final analysis to solve so many of our urgent social problems.

Empowerment also means bolstering and preventing the disintegration of our families. Today, we hear a lot of talk, and a lot of preaching. I wish I could legislate that all families remain intact. But I cannot.

What we can do is provide the kind of incentives that make it possible for families to stick together.

We have been told over and over again, Mr. President, that nothing is more damaging to families, and nothing contributes more to their breakup than the economics of joblessness. I know there are other reasons in other cases. But in every survey I have ever seen of families and why they do not stay together having no way to put food on the table is the leading contributing factor.

So again I come back to the same thing: Jobs. If we can put people to work, we will be keeping families together. That is why child care programs are so important. Poor women trying to provide for children on their own need to be able to take a job without fearing for the well-being of their children.

Empowerment also means overhauling our welfare system. Every one of us ought to be trying to do what we can to reform the welfare system. But we must do it by making reforms to encourage education and work—not by dismantling the program because of anecdotal stories about individuals who abuse the program.

Mr. President, in that regard, I want to take a moment to recount a story that occurred in the state of Connecticut last week. Many of my colleagues may have seen it, and that was the story of Sandra Rosado, a teenager from New Haven, CT, who worked part time to earn money to go to college. She saved $5,000. Her mother was a welfare recipient. When bureaucrats found out about Sandra's job they fined her mother $9,000.

Something is wrong with a system that discourages people like Sandra Rosado from taking the initiative to go out and earn money to provide for a college education. We are on the verge of fixing that particular problem with legislation which has been introduced by Senator LIEBERMAN, my colleague from Connecticut, and I. Still, the Sandra Rosado case is another glaring example of problems with the current welfare system.

Empowerment also requires reform of our health care system; 35 million Americans are currently without health insurance. Small businesses are being crippled by the cost of premiums. Thirteen million children are without any health care programs at all. Many of our older citizens are frightened to death that the meager programs they have will not meet the staggering health problems they face.

Mr. President, empowerment also requires that Americans be able to walk our streets free from the fear of being challenged by someone with a knife or a gun. It also requires that our local law enforcement agencies receive the proper funding so that we might have more police on our streets, not just to catch the criminals but to stop the crimes from happening in the first place.

Mr. President, empowerment means expanding the availability of substance abuse and treatment programs to enable individuals to get help and turn their lives around.

Last but not least, empowerment means education. Throughout our Nation's history, there has been no more

vital tool for climbing the ladder of opportunity than education, and so it remains today.

For success, we must begin education at the earliest age by expanding Head Start. I highly commend the Senator from West Virginia, the chairman of the Appropriations Committee, and others who have worked so hard to include money in this emergency supplemental appropriation to expand the summer Head Start Program. I hope also that we will eventually be able to expand Head Start funding to cover the thousands of underprivileged children not currently served. By so doing, we will set them off on the right foot for a lifetime of education.

We must also undertake the radical reform necessary to ensure that all children have access to quality education in our public school system. We also must train and prepare our youth for employment. They must be provided with the skills as well as the experience through summer job programs so that they have a real incentive to stay off the streets and to do something constructive.

This is an ambitious agenda. It will require a long-term commitment from the President and all of the Congress to accomplish. But we are taking an important first step in that direction by considering this dire emergency supplemental appropriations bill this afternoon, and I am pleased to join as a cosponsor of it.

This measure provides critical Federal Emergency Management Agency and Small Business Administration assistance needed to rebuild Chicago and Los Angeles. But, as I said at the outset of these remarks, Mr. President, it will also provide vital education and work experience this summer to thousands of young Americans living in cities across the country. It includes money to expand education programs for disadvantaged students, to provide additional assistance for summer jobs, and to expand the summer Head Start Program.

I would like to take a moment to highlight this Head Start initiative. As chairman of the Subcommittee on Children and Families, Head Start has long been a particular interest of mine; and as I noted earlier, its full funding is vital if we are to strengthen our Nation's educational system.

The creators of Head Start recognized the usefulness of offering a year-round program for Head Start. They understood that extension of services through the summer helps provide children with helpful and stimulating activities during the summer months. They also understood that without summer Head Start, the gains that many students make in the school year are lost during those summer days.

The problem, Mr. President, has been that funding levels to this point have permitted less than five percent of all Head Start Programs in the country to operate year round. The Head Start piece of today's supplemental bill begins to remedy that shortfall and brings us closer to the goal of offering Head Start in the most effective way possible to children and families.

In my judgment, it is criminal in my view that our schools go virtually unused all summer. Those facilities ought to be utilized. It would be a great help to parents. And it would also be a boon to students.

Mr. President, beyond today's bill, the ambitious agenda we have outlined will require Congress and the President to work together. I am encouraged by ongoing meetings that have occurred in the last few days between the President and congressional leaders. I hope that the give and take on both sides will not end once people think that the press or others are no longer interested in this issue. Rather, it must be a sustained effort.

Mr. President, one of the most powerful moments of the riots in Los Angeles came when Rodney King stepped in front of the cameras and pled for calm. He asked a simple question, Mr. President: "Can't we all get along?"

If we are going to get along in this country, we have to realize that the fate of all Americans is tied up in the fate of people who live in our cities.

If we are to get along, we have to recognize we have an obligation not only to ourselves but to our ideals and our Nation, to empower people—people who are without work, without education, without the means of seeing that a job becomes something that is a reality in their lives and not just a sometime thing at best.

If we are to get along, Mr. President, Congress and the President must make a concerted, long-term effort to address our urban problems.

We have a fundamental choice to make. We can roll up our sleeves and set to work on the problems of our cities, or we can put our heads in the sand and hibernate until the next riot. It may not happen this year or next year, Mr. President or the following year, but if we fail to respond to the events of the past few weeks in a thoughtful, intelligent way, it will happen again.

If we fail to learn the lessons from Los Angeles, we will be condemned to witness a repeat of those recent tragic events.

We can embrace optimism and work to smooth our Nation's rough edges or we can follow the pessimists who tell us that urban problems are too difficult, or that somehow Lyndon Johnson is responsible. We could go back further, and blame Franklin Roosevelt and Abraham Lincoln as well. Because they are in some measure to blame as well for having tried to bring people together in this country.

In a sense what Lincoln did in 1860, what Franklin Roosevelt did in the 1930's, and what Lyndon Johnson did in the 1960's is what Rodney King was talking about. "They were trying to see to it that everyone in this great Nation got along. All we are suggesting today with this supplemental bill is a short-term effort to make it possible for us to do that. To get along together.

Mr. President, I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from New Jersey.

AMENDMENT NO. 1838

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 1838.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert:

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL TRANSIT ADMINISTRATION

For fiscal year 1992, funds provided under section 133, of title 23, United States Code; funds provided under section 1008, of Public Law 102-240; and, funds provided under section 9 of the Federal Transit Act shall be exempt from requirements for any non-Federal share and payback otherwise required: Provided, That such funds shall be obligated not later than September 30, 1992.

Mr. LAUTENBERG. Mr. President, we are about to consider emergency aid for Los Angeles and Chicago, to try to help get those communities back on their feet.

What we witnessed in Los Angeles these last couple of weeks sent a chill through all of us. Although the looting and the vandalism and the conflagration that took place was mostly focused in there, it sent a message across the country that we have to listen to, regardless of what State we come from.

Mr. President, I do not think we should be intimidated by those who would loot, vandalize, abuse, assault. That is not what this bill is in response to. This supplemental is in response to a problem that exists across America today.

The supplemental, as proposed, has a lot of very good programs in it. One need only look at the bill itself and see what we are talking about: small business support to help small businesses get back on their feet, to be able to borrow funds at favorable interest rates; funds to get the Federal Emergency Management Agency in there to try to provide some relief. We have even asked for extra appropriations for

the FBI so that they can come in and make sure that those who violated the law are appropriately prosecuted; and for the Department of Labor, so that they can do some training and employment services.

We have included an amendment introduced by Senators KENNEDY and HATCH that deals with the problems of children, to give them an appropriate kind of start. That includes Head Start and other educational opportunities, to help get young people trained so that they can get a job, have a place to go each day, and get a salary check at the end of the week. That is what gives the people the pride, dignity, and the purchasing power to lift themselves and their families out of the morass of poverty and ignorance and despair that so many dwell in.

But, Mr. President, as we consider these programs, I see a void in those programs that have been offered that should appropriately be filled by some job programs for adults, people who would like to get to work immediately. We can do it without having a cost allocated to the Federal Government because of programs that are already established. I will get into that in just a moment. It deals with urban infrastructure.

Mr. President, what we heard here on the floor from respected colleagues is a kind of derision of emergency as a definition of a problem—emergency here, emergency there, all kinds of emergencies. Mr. President, we respond to emergencies often here, sometimes over my personal objection because I did not agree with that particular emergency at that moment, but there is no doubt about it—that events occur that have even the most fiscally conservative Senator getting up and saying, "This is an emergency." We have to save democracy in Kuwait, Saudi Arabia. We have to spend our money just as quickly as we can to protect those little islands of democracy, freedom, and liberty. What a farce that was. But it did not cause us not to spend money on what was called an emergency.

Mr. President, may I remind my colleagues that we had an emergency in the savings and loan industry. The President stood up and he said, this is an emergency, take it off the balance sheet, hide it from the budget, get it out of the view of the American public, shove the hundreds of millions of dollars in there that we need to take care of this. That was an emergency, and every citizen in this country is going to pay for it for a long time to come.

The people in my State shipped money to States like Texas where failing savings and loans were screaming out for help for their depositors, which we owed them under the insurance plan. Some of them were not even insured, but we felt, in the interest of the financial stability of the community, we have to ship the money in. That was an emergency.

Mr. President, we find emergencies all over the place. We gave Iraq aid by way of a loan guarantee even as it was preparing for the invasion of Kuwait.

Now, Mr. President, everyone knows that in order, it is said, to preserve our international leadership, we are going to provide money to the Russian Republic and some of the other Republics that emerged from the collapse of the Soviet Union. Emergency aid, that is what we have to do.

We had better look in the mirror and see what we have to do back here at home in order to protect the strength and viability of our own country. We rank 55th in terms of per capita spending on infrastructure.

President Bush, with all the fanfare of the cameras standing by, signed ISTEA, the surface transportation bill, in Dallas, TX, right alongside of a worker in a hard hat. What did that imply? Work, jobs, get America back on its feet even as the recession was dragging us down. We all hope and we believe there is a little bit of light at the end of the tunnel, but it is not a very bright light. Suddenly housing starts fell flat on their faces in the last month. As the housing goes, it is said, so goes much of the Nation's economy. But we are not out of the woods yet.

But when that bill was signed in December, it was said this will get America back to work. $151 billion over 6 years to create over 2 million jobs, help rebuild America, help fix those potholes, help fix those bridges, help make it possible for people to get to work, reduce congestion, reduce dependence on foreign oil, reduce the pollution that contaminates our society and costs us billions of dollars in repair and in health. Emergencies come up regularly.

So, Mr. President, I offer this amendment because it is a very simple addition that has, according to CBO, no budgetary impacts. It says we want to stimulate targeted investment in urban infrastructure, to promote long-term improvements in economic productivity, and to create jobs now.

Earlier this year, the U.S. Conference of Mayors issued a two-volume report. They listed thousands of infrastructure projects in 506 cities that are ready to go, awaiting funding. According to that report, over 400,000 jobs could be generated by implementation of those projects. But many of those projects and the jobs that go with them are put on hold because of the inability of the State and local governments to provide the required matching funds.

To get the transportation projects off the drawing board and onto the streets, my amendment would exempt certain fiscal year 1992 funding from matching requirements to allow the Federal funds to be drawn down, and put people to work quickly, even if the States and localities cannot afford to put up the 20-percent match.

Yes, we are going to be excusing that portion of their contribution, but what we will do is get people to work on long-term beneficial projects that should have been taken care of years ago. It will put people who are waiting for jobs, who have the skills, back to work. It will take projects off the shelf and put them into place.

This amendment, again, simply removes the matching requirements for fiscal year 1992 from the following programs authorized by the Intermodal Surface Transportation Efficiency Act.

First, for the Flexible Surface Transportation Program. Under this program, 62½ percent of the funds are allocated within a State based on population. Therefore, urban areas are assured of receiving a significant portion of the funding.

Second, the Congestion Mitigation and Air Quality Improvement Program. Funds in this program are distributed based on nonattainment of air quality standards and are, therefore, targeted at metropolitan areas.

Third, the Section 9 Formula Transit Program. This is the program that helps fund the development of rail and bus transportation so that people can get to work with a degree of convenience, not having to use cars, not having to have private transportation. This includes capital and operating assistance, and is of critical importance to the urban areas.

Each of these programs can provide direct and immediate benefits to distressed urban areas. They are funded at a total of about $5.8 billion in 1992. These programs, if they are fully implemented, can result in the creation of over 280,000 jobs; but only if the funds are spent. This amendment will help ensure that the funds will be spent, that the projects will go forward, and that the more than 280,000 men and women are put to work immediately.

Last week, mayors from around the country came to Washington to make their case. They pleaded for assistance; they pleaded for assistance now. They proposed a plan for as much as $35 billion to get the cities of America back on their feet.

No one laughed at them; no one scoffed at their targets. But, in the current political climate, it's difficult to see this happening. But the mayors and urban residents were here, marching down the street. It was said that there were some 100,000 people in that parade. There were over 1,000 people from the city of Newark alone, one of the poorest and largest cities in my State. They pointed out that, in many cases, they simply do not have the resources to come up with the required 20-percent matching share.

They cannot come up with the match because of the continuing recession, the recession that has been ignored for

too long by this administration. Their economies are depressed, tax bases have declined, while demands of all sorts on Government services have continued to grow.

One does not have to be a rocket scientist to see what is happening to local governments, with the burgeoning caseload of AIDS patients, for the development of programs to deal with drug addiction, for housing for the homeless, or for education and health care. The cities are under siege. I am not talking about the kind of physical siege that we saw in Los Angeles, but the kind of financial siege that will destroy them and ultimately render them inoperative.

These cities just do not have the money. Like many working families suffering under these difficult economic times, they are simply out of money; they are tapped out. And because of that, entire projects are being held up. They cannot put up the 20 percent and they, therefore, will not be able to spend the 80 percent the Federal Government is going to distribute either.

Mr. President, we included matching requirements in the ISTEA Program for several reasons. We wanted to ensure that State and local governments have a stake in those programs. We wanted to ensure that Federal funds are used wisely. But today, we are facing a fiscal emergency. Last weekend's march on Washington confirmed that. What our urban areas need now is a major infusion of capital investment. What our economy needs is to build for the future, while employing today.

This amendment would help ensure that those investments are made. I want to emphasize that this would not be make-work spending. We are not simply going to have people picking up leaves or debris in the streets. We are going to do repairs, build and fix roads, open bridges, and make it possible for commerce to move smoothly, for people to get back and forth to work. It is really an investment.

We have heard economists testify that investing in transportation infrastructure is highly productive: For every dollar spent, we get a $2 gain in our gross domestic product.

Mr. President, there was a report issued recently from 100 of the country's top economists, several of them Nobel laureates. They said that more important than reducing the deficit—and there is not anybody here who wants to increase the deficit, no matter what assertions are made in the heat of political dialogue, the most important thing for America right now, in terms of dealing with our economic problems, is to invest in infrastructure. We are 55th in per capita spending on infrastructure. That ranks us with some of the Third World nations on the globe. Japan invests roughly 23 times what we do on infrastructure, on a relative basis. Germany invests about 15 times as much as we do.

Go see their highways and trains and what they do to move traffic along, what they do to expand airports at enormous expense, because they know that otherwise they cannot compete in this very competitive international environment.

We have been delinquent. And, once again, I remind everybody of the flourish with which the President signed this bill. The President is a careful man who does not take many daring steps. I assume his advisers were there to give him information. They said: Mr. President, sign this bill, this is a good one for us; politically, functionally, and financially it is good for the country. Apparently, they were not around 30 days later when he sent up a budget that immediately cut about 20 percent off of the first year's investment in ISTEA.

So we are saying, OK, it is time to do that extra little bit, to get people to work, show that we are serious about investing in our communities, show that we can do the infrastructure job that is required of us.

Mr. President, for every $1 billion invested in infrastructure, it is said that as many as 50,000 jobs are created. This amendment would help ensure that those investments are made and that the benefits of those investments are realized.

Once again, I want to note that CBO has reviewed this amendment. They confirm that there is no budgetary impact.

Targeted investment in infrastructure creates jobs, economic growth, and should be a part of any supplemental aid package.

I urge my colleagues to support this amendment. I have reviewed this proposal with the chairman of the subcommittee on infrastructures of the Committee on Environment and Public Works on which I serve, Senator MOYNIHAN. He is fully behind it.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment there is not a sufficient second.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to the distinguished Senator from New Jersey I certainly would concur in the yeas and nays but I do not believe the two of us are enough. I wanted to say that I do have on our side an objection so that is why I am wondering who on the committee of jurisdiction wants to come down and address the amendment. We will do it, however, as is most accommodating to the Senator. I need to get hold of that Senator. If we can do that right now maybe he can come down here. Would that be all right?

Mr. LAUTENBERG. Mr. President, I appreciate the comments of the Senator from New Mexico. We had alerted the Senator who had some concern about this. And the way to resolve the issue, as the good Senator knows, is to have it voted upon and that will determine the outcome.

Now if the Senator thinks it can be resolved beforehand, I am willing to have this on a voice vote. Perhaps we can note the absence of a quorum and give us a chance to see if we can resolve that.

Mr. DOMENICI. Mr. President, before we do that if I might just respond for a moment, I am fully aware we can resolve it by a yea and nay vote, or a voice vote, but I thought if the Senator who opposes it wants to say a few words it might be appropriate that he say it before we vote.

Mr. LAUTENBERG. Absolutely.

Mr. DOMENICI. Mr. President, it is in that context that I concur in the absence of a quorum request.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KERRY. 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. KERRY. Mr. President, I rise in support of this emergency bill, and I congratulate the cosponsors, my colleague, the senior Senator from Massachusetts and the junior Senator from Utah, for taking the initiative and for pulling together a consensus, at least on this initial response, of the U.S. Senate to the urban crisis in America.

If there is a solution to the problems that we face, both as a Nation and as an institution, especially in domestic policy, it really is going to begin with a willingness on the part of the Members of both parties to work together in order to solve these problems and get things done. And I think that is what this emergency funding measure is designed to do.

But I would say that the emergency to which we are responding, Mr. President, was not made in Los Angeles and it was not a product of the Rodney King verdict. It is in fact, a state of emergency that exists in this country to a greater or lesser degree in all cities across America. And it is an emergency that concerns all Americans—not just minorities or the residents of urban areas or particularly the mayors who have been visiting us so recently pleading with us to respond.

This bill, as we know, includes $700 million for inner-city jobs which will be vital this coming summer. It includes $250 million for Head Start, which we have all known has been vital for as long as we have been here in this Congress. it includes $20 million for Chapter I education programs, some-

thing we have been talking about for the 8 years that I have been here but never adequately funding. And it includes $250 million for the President's Weed and Seed Program. Each of these funding programs is on target and each is needed desperately. Each is long overdue. And the total price of what we are doing here with this emergency supplemental is about one-third the price tag that we are spending this year on star wars alone, and it is about equal to the cost of two Stealth bombers.

The funding issue is obviously important, so let us be clear. There is a fundamental difference between spending billions for something like the B-2 bomber and spending that same amount of money for child immunization or for Head Start.

We all know that if you buy a bomber, you get a bomber.

But if you change the life of a young kid in a city who needs help who is not going to get it otherwise, you get a citizen.

Now I do not know how you measure those savings, Mr. President. You can find a lot of different ways to try to do it. I suppose you could count the crimes that might have been committed by somebody but now are not going to be committed. You might try to put a value on the difference to society of having somebody who is going to make responsible as opposed to irresponsible choices in his or her life, not only about the community around them but about themselves and about whether or not they might have a child as a single parent, or about staying in school, or about drugs—a whole host of choices.

It seems to me we get an enormous return whenever a person makes those choices wisely versus somebody not making them because they did not have Head Start or they did not have a chance at a job or they did not have an opportunity to grow up in a neighborhood with a responsible role model. And it is high time that we in the U.S. Senate understood the value of that, not just talk about it in our speeches, but understood the value of it and actually implement it in the programs that we pass here.

A lot of academics have tried to measure the difference in value of these kinds of investments. There are plenty of studies that will tell us to the penny how much we save per child in Head Start, or per child immunized from disease, or per youngster enrolled in the Job Corps. And these studies are important and they are convincing, but we really do not need those studies.

All you have to do is look around you in Washington, DC, or any of our other major cities in the country and we will understand that we have been neglecting our children, neglecting our cities for the past decade, and we are going to pay a very heavy price as a nation, not just in terms of civil disorder which everybody is obviously fearful of, but in terms of our whole fiber as a nation, of our ability to continue to grow as a democracy, to set an example to the rest of the world that is trying to be like our democracy, and, equally as importantly, simply to compete with a lot of other nations that are doing a better job of making the kinds of choices that we have been ignoring.

Now, there are some who will argue that the bill on the floor today may be too much of a response to the problems that we face in our cities; that it may even be something of a "reward" for the fact that there was a riot. I think it is really important for us not to fall subject to that kind of simple approach to this kind of complicated problem.

It is very easy to play to everybody's universal condemnation of random violence. But if we use that as an excuse to continue the kind of neglect that we have had for the last few years, we will hurt only the children of America; not as blacks, or Hispanics, or Asians, or Koreans, but as American citizens, people who have a right to expect that they will share in the dream of this country.

I think the sponsors of this bill would be the first to want to distinguish—I have heard them try to do that—between those who talk about rewards versus those who really talk about the things that are necessary as an ingredient of nation-building.

We need a lot more than what this bill provides; an extraordinary amount more than what this bill provides. No one should leave this institution for Memorial Day weekend believing that the U.S. Senate has somehow adequately responded to the needs of our Nation and of our Nation's cities today.

Money is not a sufficient solution, clearly. It is not half of what we need. But rhetoric about values and warnings about Murphy Brown are, in the absence of more money, no solution to our problems at all.

The Federal Government has reduced its share of municipal government expenditures from 17 percent 12 years ago to 6 percent today. We have reduced money for housing in real terms by 82 percent; for job training by 63 percent; for community development by 40 percent; and for social service and community service block grants by 40 percent.

So at the same time as we have ripped away these programs—anywhere from 40 percent, in real terms, to 80 percent—we have simultaneously seen the tax base of the cities gutted by virtue of economic stagnation as well as by the States themselves that have, in some cases, pulled out their support.

So there is a clean linkage, inescapable, unavoidable, between money and the problems we currently see in our cities.

Let me say also that it is outrageous that we now have people flocking to gun shops across this country because they do not think the police are going to be able to protect them. But the fact is that, not long ago, we had three police officers per violent crime in this Nation, while today we have three violent crimes per police officer. We have literally witnessed a kind of unilateral disarmament in the face of increased crime in America. Those who claim to care the most about law and order have been among those who have led the charge in this process of disarmament.

There is a lot of talk around here about the importance of community policing. That is a great idea, but it requires money. I am one of the cosponsors of a plan which has been bogged down for more than a year in a disgraceful deadlock over the crime bill. That plan would create a police corps that would put some 20,000 more officers on the streets of this country. It is a great idea, but it is not free.

The same is true of Head Start to aid schools, and job training. These are all going to require an investment of resources. How much? I think that is what the U.S. Senate ought to really be asking itself. How much is it going to take to create citizens again? How much is it going to take to create community in America? How much is it going to take to restore the values that everybody talks about, values that come from education, values that come from families that are today nonexistent because of other problems that government is unwilling to face up to?

I think we have a lot to think about as we consider this dire emergency supplemental appropriation today. I have said that money is not all that we need. We also need imagination. We need creativity. And we need to develop some new approaches to many of these problems. We want community participation, not big government. We do not want a whole new set of government institutions which chew up all of the administrative dollars in the effort to try to reach people. We have learned some lessons, I hope, from those experiments. We want incentives, not entitlements. We want to motivate people to take charge of their own lives, not make it easy for them to avoid the hard choices and thereby fall into lives of dependency and complacency.

One of the most positive things that is beginning to emerge from the last few years is a new consensus on many of these points. We may finally see enterprise zones this year. We may see proposals which some of us have supported strongly to encourage those who are leaving the military involuntarily to take their skills and go into the cities.

It is my personal belief we should be prepared to take some of the money we are spending today on people of talent in the military and, rather than put them in the unemployment line and ignore the cities, put them to employed

use in the cities, either teaching or policing or counseling or building, using the skills we have taught them in the military and using the talents that they have acquired. Many of them, having come out of those very urban centers and gained a skill, could go back with renewed credibility to help pass that on to other people.

If we truly care about this problem and want to deal with the issue of conversion from the military, we ought to be doing that in the next weeks in the U.S. Senate.

We may finally, even, develop a workable means for enabling all qualified high school students to finance a college education. And, we will continue to bang away at devising a welfare system that really works.

Obviously we are a long way off from that last goal, but there are a lot of good experiments underway at the State level. There is an understanding that we have to bring the American male back into the picture through mandated child support payments or other means of tracking those child supports so there is an incentive and an encouragement and a statement by government of the value of people staying together and being part of a family.

We need to respond to the problem of long-term dependence. And we have to see to it that there are real and definable and understandable incentives for people at the lower end of the income scale to go to work.

We do need more resources and we need more creativity. But we also need the courage to deal honestly with the issue of race. We need the courage to admit up front that one of the reasons the cities have been neglected over the past decade is a feeling on the part of many Americans that it is basically a minority problem, a black problem; it is a them problem.

We need the courage in both parties to admit that the political dialog on race over the past 2 decades has been an intellectual wasteland of exploitation on the one hand and rationalization on the other. One side exploits fears and the other side exploits resentments. What is the result in the end? More fear, more resentment, and greater neglect. That is not leadership and that is, quite frankly, cowardice. I think the American people have come to understand that too well. That is one of the reasons they hold their leaders and this institution in such current disrespect.

If we are serious about urban problems, then we have to deal with racism in America. We cannot simply brush aside the studies that document continued widespread discrimination in employment and housing. We cannot simply ignore what the Rodney King verdict says to black Americans or what so many minorities already know about the differences in treatment that they receive—not only from police, but from cab drivers, from shop-keepers, from personnel officers and from others. We simply cannot allow the stereotypes that have been exploited—whether it is about blacks or Asians or Koreans or whites—we cannot allow those stereotypes to continue unchallenged, especially among our younger citizens. And we cannot, especially, expect that to happen and then somehow believe we are going to have a livable country or a competitive country when the predominant part of the work force in the next 10 years will be minorities and women and immigrants.

In talking about racism in Los Angeles a few days ago, President Bush said that, "we have to teach right from wrong and Government cannot do that."

But the fact is that political leaders must at least do their share to teach right from wrong or others will do it for us, and we have seen that happening.

If we do not teach understanding, then others will teach hate.

If we do not teach unity, then others will teach division.

If we do not teach our citizens to care about their communities, about their country, and about children other than their own, then we will find ourselves adrift in a sea of callousness and cynicism; and we will find ourselves raising a generation of revolutionaries on the one hand and vigilantes on the other. We will become not a nation inspired by the holy star of freedom, but a nation crucified on the iron cross of fear.

Mr. President, the first sounds many of our children hear in the cities of America today are police sirens and ambulance sirens, hovering helicopters, and gunfire. There are kids barely in their teens who have lost more classmates than I lost buddies in Vietnam. The life expectancy for men in some of our cities is lower than it is in Bangladesh and nationally, young black men die in America at a rate faster than any other group of Americans, other than those over the age of 85, and faster than in any American war in our history.

All that death and all that suffering and all that unfairness is avoidable. It does not have to be.

Let historians debate how we got to where we are, but let them also record that this Congress and this President came together in an election year to put the country ahead of the partisan political concerns that have consumed us.

Let them record that this was the year that all Americans came to understand that urban problems are not simply the responsibility of mayors or the police or the leader of minority communities. The simplest law of geography tells us that we cannot have a suburb without a city. The simplest law of economics tells us we cannot compete if a quarter of our young people are dropouts, convicts, parollees, or dead. The simplest law of history tells us that a house divided against itself cannot stand. And the simplest rule of all tells us that we cannot turn our backs on our fellow citizens and hope to salvage either our standard of living or our souls.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I support the provision to provide an additional $1.45 billion to assist our Nation's distressed cities. This proposal will provide the Summer Youth Jobs Program with $700 million; Head Start with $250 million; Chapter I of education, $250 million; and $250 million on weed and seed; in addition to the other requests for FEMA and the Small Business Administration.

I was pleased to have the distinguished chairman of the Appropriations Committee submit the amendment on behalf of himself and the ranking member, Senator HATFIELD, as well as the chairman of the Subcommittee on Labor, Health, Human Services, and Education, Senator HARKIN, and myself as the ranking Republican member.

Mr. President, I also support the amendment offered by the distinguished Senator from New Jersey [Mr. LAUTENBERG] which would provide for the waiver of local matching funds on Federal infrastructure development projects. I believe that these measures are an important addition to our efforts to deal with the problems of the cities and the problems of the economy, although they are only starters.

I believe that there is a need for substantial additional legislation on enterprise zones, illustratively, for the cities and for urban areas as well, for increases in job training, and for considerable activity on long-range attention to the pressing problems of America's cities and the American economy generally.

Shortly after the riots in Los Angeles, the mayor of Philadelphia, Ed Rendell, and I talked about assessing the needs of that city. On Monday, May 4, I joined the mayor with his regular meeting with the Philadelphia delegation in Congress where we discussed the many pressing matters facing our Nation's cities. A subsequent meeting was held on the following Monday, May 11, attended by the Philadelphia delegation, including my distinguished colleague, Senator WOFFORD and myself.

From those meetings, we concluded that the No. 1 priority was the issue of summer youth jobs. I had an opportunity to discuss that matter with officials in the administration and was pleased to see, on the following Thursday, May 14, Senator KENNEDY and Senator HATCH offer the legislation for

$1.45 billion, which covers the items just enumerated.

Coincidentally, the mayors from the League of Cities and Conference of Mayors were in town last Friday, May 15. There have customarily been meetings with the mayors and Democratic Senators. At the request of Mayor Rendell, a meeting was asked for at a breakfast last Monday, attended by a number of Republican Senators—Senator DOLE, Senator DURENBERGER, Senator KASTEN, Senator DANFORTH, and myself—with a number of mayors, including Mayor Rendell of Philadelphia; Mayor Althans of York; Mayor Flynn of Boston; Mayor Jackson of Atlanta; Mayor Soglin of Madison; Mayor O'Connor of San Diego; and Mayor Carey of Newburgh, NY, to discuss the pressing problems of the cities. So I believe that in directing our attention as we have, principally with the $700 million for summer youth jobs, we attacked the core problem. Mayor Flynn, of Boston, put it succinctly when he said that his concerns on keeping the lid of Boston involved kids and cops, and that is summer youth jobs.

I am hopeful we will move this bill very promptly. I do express some concern about how we are going to pay for the bill. It is my hope that there may be funds from the rescission package, which is working its way through the Congress, to cover these expenditures and more.

When we talk about summer youth jobs in an appropriation of $700 million, that is more than is currently appropriated. About $690 million is on the books at the present time. So when you take a city like Philadelphia, illustratively, when you have 5,500 summer youth jobs and Mayor Rendell has outlined the need for at least 2,200 more on a waiting list, those 2,200 can be accommodated, and there are more than 3,000 in addition, with the additional funds which would be available for the city of Philadelphia. Philadelphia now gets $4.97 million, I am advised, out of the total appropriation of approximately $690 million. so the $700 million will give Philadelphia, again illustratively, more than $5 million.

There would similarly be funds available for Pittsburgh, other cities in Pennsylvania, and cities across the country, including smaller cities like those in the Lehigh Valley, Allentown, Bethlehem, and Easton, which I visited this past Monday to get an assessment of the needs there. Mayo Goldsmith of Easton. Mayor Smith of Bethlehem, and Mayor Daddona of Allentown echoed the sentiments that I have heard that summer youth jobs are at the top of the list.

So I think this is important legislation, and I am pleased to see it moving forward.

In supporting the amendment offered by the distinguished Senator from New Jersey [Mr. LAUTENBERG] to waive the local match, I believe that is important to move ahead with the highway and transit moneys which have passed this Congress. When we authorized the $155 billion on the Intermodal Surface Transportation and Efficiency Act last year, we did so both for highways and mass transit, leaving substantial flexibility with the States and the regions to decide how to best deliver these allocations. That bill is indispensable to rework the infrastructure of the United States and also to provide desperately needed funding to transit propane.

Those commitments have already been paid for. They have been paid for out of the highway and transit trust funds, which are supported by a gasoline tax. There has consistently been a significant surplus in the highway trust fund. We have already bought and paid for that. I introduced a measure in the budget bill last year to take the highway fund off budget so that instead of having billions of dollars which, by bookkeeping system, is allocated to offset the size of the Federal deficit. Where we allocate funds in trust for the development and maintenance of our Nation's highways and mass transit, they ought to be used for highways and mass transit. Anybody but the Federal Government who used trust funds for a purpose other than that which intended can be prosecuted for fraud and conversion.

So that when we set aside those moneys in trust, they ought to be used for that purpose. And where local government cannot afford the match, these projects ought to go forward. These Federal dollars are tremendously important for the infrastructure and also very important to put people to work, but they are not job creation. They are items which have been deemed very necessary, very vital, but they have the corollary effect immediately of putting people to work. So I think that the amendment offered by the Senator from New Jersey is well-founded.

I thank the Chair and yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair. I thank the distinguished Senator from Pennsylvania for supporting this amendment, for making it known that the mayor of the city of Philadelphia, Mayor Rendell, has lent his support to it. And I would also like to call attention to those gathered that the mayor of Boston, Mayor Flynn, who is the president of the Conference of Mayors, gives this amendment his support as well. As a matter of fact, he said to me on the telephone last night that it lent a certain degree of urgent support that he was looking for in this supplemental. He lent his support because he thought it would be an immediate stimulant. And though he is disappointed we are not proposing all of the funding, he was happy to see this amendment proposed.

While we have enough people on the floor, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. ADAMS). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LAUTENBERG. Mr. President, I want to go on and respond to comments by the distinguished Senator from Pennsylvania in which he identified the area of investment in jobs for youth as being so critical, investment in our children as being so important. I certainly agree.

Mr. President, to summarize, this amendment is jobs, let us say, for adults. This amendment will provide immediate relief in many areas for the jobless. This will free up the remainder of whatever has not yet been spent this year of $5.8 billion. The $5.8 billion translates to an equivalent of somewhere around 280,000 jobs.

Further, not only does it put people to work, this is getting on with the job that we must do in this country, and that is to rebuild our infrastructure so that we can move people and goods with efficiency, not contaminate our air any further, reduce our dependence on foreign oil, get jobs going that will be decent paying, and have people understand that perhaps there is a future for them, that perhaps there is a light at the end of the tunnel. It will provide an immediate stimulus.

Senator MOYNIHAN is the prime cosponsor of this amendment, Mr. President. He is the chairman of the Subcommittee on Infrastructure within the Environment and Public Works Committee, on which I also sit.

Now, I want to make it clear so that there is no doubt, CBO has reviewed my amendment and they have confirmed that it would have no impact on the budget. So therefore, Mr. President, I think what we have is a total win for America. It is of the kind of investment that this emergency calls for.

So I think we ought to move ahead with this. The supplemental bill is a good one. This, I think, adds an impetus to it that will make it even more appealing for all of my colleagues. I hope that is the case.

I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I wonder if the distinguished Senator from New Jersey would be kind enough to remain because I have a couple of questions I would like to address to him if I might.

First of all, in connection with the amendment of the Senator from New Jersey, I think it is important to point out that under the existing law the match is as follows: The Federal Government puts up 80 percent, and the

locals—it can be the State or it can be the city—puts up 20 percent.

The rationale for that, Mr. President, is as follows. By requiring that the locals put up something, it means that a more careful prioritization, or more careful attention to what should be built, is given. I have had the experience, as many have here, of being a Governor. When we found out that a program was 90-10, 90 percent Federal, 10 percent local, there was a casualness involved, a feeling, oh, well, the Federal Government is paying for most of it. So what is the worry?

We just passed the surface transportation bill at the end of last year. So it was a very short time ago that we passed this legislation of which the distinguished Senator from New Jersey was one of the key authors.

So in connection with that legislation, we had what we thought was a very modest local share, 20 percent. there are many programs, as you know, which are way less—less Federal contribution, 75 percent, 65 percent, and so forth.

We thought this was fair. We thought it would accomplish two goals: One, the first goal that I mentioned, that it would cause the locals to pay careful attention to what they wanted to spend the money on, what was worthwhile since they had to come up with 20 percent.

The second rationale for the 20 percent, if you want to call it match or contribution by the locals, was that it made the money go further.

Obviously, if you have the Federal Government working from a set lump sum and provide that for a project, they will pay 80 percent and the locals will pay 20 percent, that means this lump sum of money will be able to go further.

Putting it another way, I think the Senator from New Jersey would readily concede that under his amendment the amount that will be built will be 20 percent less. In other words, we are very anxious to get on with these infrastructure improvements, and we need many of them. But under his program there will be 20 percent less built.

In looking over the categories he has chosen, I think they are good categories. If I were doing what he proposes, I would support these two categories; namely, the congestion mitigation, which deals with the improvement of the air quality, and the second deals with surface transportation.

I know the Senator has carefully thought about these matters because these he selected out of a series I think of eight programs that we have under the Surface Transportation Act.

So my first question to the Senator is as follows: Is it his intention to extend this further? In other words, I think we would be on a slippery slope if we extended this say to the national highway system. Are we setting some kind of a precedent here? Is it the Senator's intention to restrict it to this? Is it going to extend to interstate maintenance, for example? That would be my question to the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank my colleague from Rhode Island.

I want it known that the Senator from Rhode Island worked as diligently as anyone to help get the ISTEA legislation passed. In no way am I attaching any doubt on his views of what we have to do with our transportation infrastructure. But in response to the question about whether or not we look to extend this, the answer is absolutely not. This is attached to this bill because it is emergency funding.

While we have been looking, examining ways of helping—and I went through a review of the bill's components earlier—the one thing that seemed to be a missing ingredient in the supplemental was something that would put people to work immediately.

This will do that. And because in my conversations with mayors, who said they just do not have the 20 percent available for the match, we said all right, in support of an emergency, we will waive it this year.

Mr. President, I would like to point out that any States that have already put in money are not going to be disadvantaged by having advanced their money early. Everybody is playing on the same level field. This does not favor cities over rural areas.

What I see happening is that we will be waiving $1.4 billion, in round terms, out of a total bill that will be in the neighborhood of $180 billion when you add the 20-percent non-Federal match to the $150 billion that is authorized in ISTEA; $1.4 billion is still a lot of money. When it is targeted to the areas that it would be under the bill, I think it is going to be very helpful.

It is true that one reason we put the 20-percent matching requirement in ISTEA is to make the communities think more thoroughly about that which they are going to do.

I want to point out to the Senator that no matter what happens, these communities will still have to do the enhanced planning requirements of ISTEA. They still have to pass all of the same tests that help protect against waste.

Mr. CHAFEE. Mr. President, I point this out: The Senator from New Jersey is quite right when he says it is $1.4 billion out of $186 billion. I want to also point out that $186 billion is over the 6 years.

So while it is true that this is a modest amount out of the grand total out of 1 year's expenditure, of course if you divide 6 into the 186, it would be a more significant amount.

But I am encouraged by what the Senator indicated. It is not his intention to have this a precedent and to apply, for example, to the other categories—the bridge categories, the interstate maintenance that I mentioned previously, the National Highway System. So I am reassured by those comments.

Mr. President, before closing, I would like to comment about the work that Senator COATS has done in connection with the interstate transportation of solid waste. That was mentioned by the Senator from Pennsylvania.

As a member of the Environment and Public Works Committee, I want to say that the work that Senator COATS has done in trying to resolve this very, very difficult issue—which he has been working on for some 3 years now, I believe, certainly more than 2 years—is extremely commendable.

I am glad that we are able to arrive at a conclusion that seems to have the approval of the Senators from New Jersey, New York, Pennsylvania, Ohio, and across Indiana—Virginia likewise, all States affected plus others which were likewise affected.

Trying to work out this compromise was extremely difficult. If there is ever a case of pushing in a balloon and having it come out somewhere else, this was that situation. If we tried to do something to help those States that were receiving the trash, we were encountering legitimate difficulties by those States that were exporters.

So I am happy we were able to resolve this. I give a lot of credit to everybody involved, but especially to Senator COATS, who has been tackling and dealing with this issue for so many years.

I thank the Chair.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, the pending amendment of my good friend from New Jersey waives, as I understand it, the State and local match requirements for certain highway and transit program funds.

I first say that if we waive the matching fund on a temporary basis because a State, or what have you, had a problem coming up with matching money in a short-term situation, with the agreement that they paid it back through the program, so that it came out even, that would be one thing, because as a matter of fact, in the transportation bill, we made provisions for those kinds of temporary match waivers in highway programs in order to get those funds out and allocate and apportion those funds out and get the contracts started and get the roads and the transit projects underway. That is one thing.

But this amendment, as I understand it, would authorize a permanent waiver of non-Federal match for some of these fiscal year 1992 funds.

I want to make two points to my colleagues so that they understand ex-

actly what it is that the Senator from New Jersey is asking. In a general philosophical sense, the concept of ISTEA was that we would try to raise the match. In fact, the administration, President Bush, Secretary Skinner, at the time their policy was that they wanted to even have a higher local and State match, so that there would be more local and State input into the decisionmaking process, because I think any of the Senators that have been in here that have been Governors and have been involved in the process from the States' point of view, there is a general tendency in the States that say: we will get this free money from Washington, and they are much less concerned about how they spend that then the money they actually have to go out their own constituents and raise the tax money.

So any area where you get 100 percent Federal funding totally at the control of the local people, whether it is the Governor or the county commissioner, or whoever it is, there is a tendency to be a little more free and easy with that so-called free money, and the decisions that come down sometimes are not as good as when the State matches. That is a basic fundamental principle that is behind ISTEA, that we try to increase the match.

Well, we told the administration—and as the ranking member of the subcommittee, I told the administration—early on that our States simply cannot meet the matching requirements that the President had asked for. In the theory of a civics class, any group of civics students, government students, or public administrators would tell you that the President had the right policy. From a practical standpoint, we simply did not think we could go as far as he went.

So most of this bill is based on an 80-10 basis, for the most part. Part of it is 90-10, 80 percent Federal, 20 percent State match. It encourages good, responsible planning and thought to the way the dollars are allocated and spent.

If we are going to just waive this, two things will happen: No. 1, you will have a little less discern and less accountability on the part of those people who spend these Federal dollars that they did not have to be responsible to raise the revenue for.

So in the long run of taking this policy, it is very bad policy. It should not be done, and I oppose it for that reason.

No. 2, though, what will happen is that you are going to get less roads and less transit projects built if you could lever the Federal dollars with higher State matches, as the President wanted to do.

I told him at the outset that we cannot do that; we do not have the votes. It may be good policy, but we have a lot of States like mine in the West that are huge geographical States with low population, and they are strained right now with the highest gas taxes in the country, and they simply cannot put up any more money. But, in theory, if you lever the Federal dollars and force the States to put up a higher percentage of the match, you get more roads built and get them built better because the States are very concerned about where they build them, how they spend the money, and they watch it very carefully.

So what we are going to have here, this is a lousy policy. The Senate may well do this, but it is lousy policy to do this. It encourages sloppy workmanship and dissemination and lack of accountability of these funds, because it is so-called free money that comes from Washington. We know there is no free lunch, and it is our own constituents paying the fuel taxes.

The other thing is that the States do not put up the match, so they do not get that extra 20 percent roads built or 20 percent transit built or whatever the case may be. You do not have the State match.

So I think this is a very bad precedent. It may be a small part of this overall project, but this is a lousy precedent for this Senate to be taking, and this Senator wants to be on record in opposition to this amendment.

I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. We have heard some of the concerns of my friend from Idaho and expressed by others as well. I remind everybody here that this is emergency spending. We are not talking about long-term policy. We are talking about delinquent States.

We are talking about preventive medicine here. We are talking about catching up with some of our competition outside of our borders who invest appropriately in their infrastructure. We are talking about the implementation of the bill that the President of the United States signed with gusto in December, saying it was a great bill, $151 billion plus 20 percent match, some 188 billion.

There is an emergency and this amendment will put people to work immediately. All of the required planning programs still apply.

There is nothing footloose and fancy free, and, Mr. President, I urge that we vote.

Mr. SYMMS. Mr. President, if my colleague will yield on that, I reemphasize if we had in the Senator's amendment that we were going to have those States pay this match back even if it were 2 years from now, this Senator would say it is probably bad policy, but I will not object to it.

Since the Senator is waiving it permanently, that is my objection. I understand all the Senator's arguments about moving ahead and getting people to move ahead, do not stop the projects. I do not disagree with the motive. I think the Senator will have to admit it is poor policy.

Mr. LAUTENBERG. Mr. President, once again, in all due respect, I think it was lousy policy to put that money in the savings and loans bailout. That was terrible policy and we did it with rules that permit us not to charge it to the budget. It is off there somewhere in the middle of the smoke and mirrors.

I think it was terrible policy to jump in to save the democracies—I use the word facetiously—in Saudi Arabia and Kuwait. I am not sure it is good policy now to start putting out money that we are not going to get back for Russia and other republics.

So, Mr. President, we make decisions all the time around here about where we think it is good to employ our resources.

I would tell you that this one is carefully thought out. Again I remind my colleagues: CBO says there is no budgetary impact.

So I ask for the vote, Mr. President.

Mr. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered, the Chair will state to the Senator from West Virginia.

Mr. GRASSLEY. Mr. President, the Lautenberg amendment would exempt the match requirement under the Intermodal Surface Transportation Efficiency Act for fiscal year 1992. The bottom line to this amendment is that less money would be spent on the infrastructure requirements that our Nation needs to address.

We need more investment at all levels to prevent the decay of conditions of our country's highways, bridges and transit systems. We know that the needs of our transportation system far exceed the projected resources.

A matching share requirement is an essential device for increasing investment. At every level of government, priorities will be set regarding transportation spending. States must set these priorities using a portion of their own funds. The best decisions regarding highway and transit projects at the local level result when State and local areas have a financial interest vested in them. This is especially true when determining priorities.

The more local investment in transportation projects—the more local commitment—the more likely this money will be spent efficiently. There is a vested interest by localities and States to get the most out of their money. If we allow the match to be waived, this efficiency will be waived with it.

State highway capital investment already exceeds Federal matching requirements. The average State share of total Federal and State capital outlays

on all roads has increased from 43 percent in 1986 to 47 percent in 1989. Over this 4-year period, State spending increased about 11 percent.

By eliminating the necessary match on transportation projects, we would be eliminating millions of dollars that would otherwise be spent on transportation projects by States and localities. In addition, the Federal spending without a local match requirement would be less efficient spending.

In my home State of Iowa, less would be spent on the extremely important projects that are absolutely necessary for the growth of the Iowa economy. Projects such as the Avenue of the Saints, the Highway 63 corridor, the Highway 20 corridor, and the Des Moines-Burlington corridor, just to name a few.

Iowa is able to come up with the required 20-percent match for fiscal year 1992. The Iowa Department of Transportation and the local communities in Iowa had the foresight to plan ahead and are prepared to commit the necessary monies in order to provide the match requirement for Federal transportation spending.

In fact, if monies available because of the inability of other parts of the country to come up with the match requirement, the State of Iowa will be able to provide a 20-percent match for these reapportioned moneys. Iowa would be able to increase the Federal dollars that come to our State because they have planned ahead. If this amendment were to become law, it would mean less money for the State of Iowa.

This amendment is not good for Iowa's transportation infrastructure needs and it is not good for the America's infrastructure needs. It is for these reasons that I will vote "no" on this amendment.

The PRESIDING OFFICER. Is there any further debate?

There being no further debate, the Chair will put the question. The question is on agreeing to the amendment of the Senator from New Jersey. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—59

Adams	Burdick	Ford
Akaka	Byrd	Fowler
Baucus	Coats	Glenn
Biden	Conrad	Gore
Boren	Cranston	Graham
Bradley	D'Amato	Harkin
Breaux	Daschle	Hatfield
Bryan	Dodd	Heflin
Bumpers	Exon	Hollings
Inouye	Mikulski	Sarbanes
Jeffords	Mitchell	Sasser
Johnston	Moynihan	Shelby
Kennedy	Nunn	Simon
Kerrey	Packwood	Specter
Kerry	Pell	Stevens
Kohl	Pryor	Warner
Lautenberg	Reid	Wellstone
Leahy	Riegle	Wirth
Lieberman	Robb	Wofford
Metzenbaum	Rockefeller	

NAYS—40

Bingaman	Garn	Murkowski
Bond	Gorton	Nickles
Brown	Gramm	Pressler
Burns	Grassley	Roth
Chafee	Hatch	Rudman
Cochran	Helms	Sanford
Cohen	Kassebaum	Seymour
Craig	Kasten	Simpson
Danforth	Levin	Smith
DeConcini	Lott	Symms
Dixon	Lugar	Thurmond
Dole	Mack	Wallop
Domenici	McCain	
Durenberger	McConnell	

NOT VOTING—1

Bentsen

So the amendment (No. 1838) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this past weekend I visited a small community in my home State of Montana called Grass Range. I had the opportunity to attend the town's high school graduation where 11 young men and women were getting ready to face life's challenges.

Grass Range, MT, may seem light years away from the burned out streets of Los Angeles or the crack infested ghettos of Washington, DC. Yet I believe the problems affecting our cities affect us all.

Drugs, crime, racism, AIDS, domestic violence, illiteracy, pollution, and traffic congestion have ruined the quality of life for millions of Americans.

These problems tear at the moral fibre of the entire Nation. They undermine our competitiveness. They embarrass us. And they cost each and every one of us hard-earned tax dollars.

It would be easy to think of Montana as an island; a place where we need not care about such problems. But it would also be wrong. Those of us fortunate enough to live in Montana cannot turn a blind eye toward the problems and discontent facing urban America.

In his book, "The Disuniting of America," historian Arthur Schlesinger, Jr., talked about the centrifugal forces of our society which are tearing this country apart.

We are all conscious of them. Whether it is as seemingly small as 100 cable channels on our television sets, or as fundamental as the racial and ethnic divisions which have had such a tragic impact on Los Angeles, and others of our Nation's cities.

And here in Washington, we are all too conscious of the political divisions which separate us and immobilize us in gridlock. Nobody seems willing to look for solutions, and very little gets done.

Our country has some serious problems, problems that can be solved only if we can work together. Yet, the forces pulling us apart seem stronger than ever. Indeed, the fabric of our society, and our political institutions, already so fragile, seems close to rupture.

We are one nation. We must face our problems together. We must respect each others' different backgrounds, concerns, and points of view.

Fortunately, in Montana we have avoided most of the difficulties facing our big cities. However, we face problems of our own. And just as we Montanans cannot ignore the cities' problems in good conscience, neither can the residents of urban areas think that the problems of rural areas are none of their concern.

Every year, too many of Montana's young people are forced to leave the State to find work. Our State and local governments must struggle to make ends meet and provide essential services.

Increasingly, we see high paying jobs disappear only to be replaced with minimum wage service sector and tourism jobs; and you cannot raise a family on those low wages.

And there is a more immediate need. This year, the farmers and ranchers in my State, and indeed the whole Northwest, seem on the verge of the most severe drought in many years. The winter was warm and dry. And the spring saw very little rain.

Unless the weather changes, our farmers and ranchers are going to need drought assistance to survive. They are going to need the help, and the understanding, of Members representing more urban areas.

Now, before the distinguished chairman of the Appropriations Committee has heartburn, this is not a plea to add drought assistance to this bill.

It is, instead, a plea to remember that we are all in this together; that just as the death of one man diminishes us all, so to do the problems of any one part of our country, diminish our Nation.

So, Mr. President, today I will cast my vote in support of this supplemental appropriations bill, because after 12 years of neglect and indifference we must finally begin to address the problems that plague our cities and our country.

It is only when we come together as one country and one people will we be able to begin to restore the confidence of the American people that we truly are one nation, indivisible, with liberty and justice for all.

I yield the floor.

Mr. McCONNELL. Mr. President, the Senate's consideration of H.R. 5132 co-

incides with an interesting article in today's Washington Post. I think the headline says it all: "Many L.A. Riot Suspects Found To Have Criminal Backgrounds: Records Check Challenges Assumptions About Motives."

According to this article:

The statistics [on arrests and background checks] appear to contradict the initial assumption by many people that thefts, minor assaults and curfew violations were committed by people motivated solely by despair and anger after the King case verdict * * *.

Who were the rioters? Deputy City Attorney John Wilson breaks down the lawbreakers into three categories: professional criminals, illegal aliens, and first time offenders who were caught up in the melee. The deputy district attorney at the Los Angeles County D.A.'s office lends support to Wilson's assertion—40 percent of the felony cases he is handling involve defendants with criminal pasts.

I bring these findings up because I sympathize with the anger at the verdict in the Rodney King case, and understand the calls for reform in major urban areas. But I have to wonder if the bill we are considering today rewards hooliganism and violence.

I fear that this bill may be a nearly $2 billion message to the American people: that if you want to destroy your neighborhoods—to loot, rob, and kill—Uncle Sam will reach into his wallet and bail you out. The fact is, Uncle Sam's wallet is filled with IOU's.

I do not profess to have a magic elixir for the ills of urban poverty, but throwing taxpayers' dollars at inner-city problems is not a solution. We are all familiar with the stagnation that accompanies generational welfare.

We need to use this occasion to encourage small businesses to rebuild; to again provide employment opportunities and services to economically depressed neighborhoods. It is estimated that 10,000 businesses were damaged or destroyed by rioting in L.A., and some 40,000 people lost their employment. Where is the justice for these Americans, Mr. President?

Enterprise zones and the privatization of public housing will go a long way in helping the poor. There are already 2,200 enterprise zones in America, which have created 258,000 jobs and generated some $28 billion in investment in depressed communities. I firmly believe that if we can bring industry and pride to poor areas, and if we can encourage a sense of community and family, we will expand opportunities for countless citizens.

In using the L.A. riots as a catalyst to focus on the plight of the urban poor, we must not neglect the needs of the rural poor, or divert resources from struggling rural areas in order to make up for bad policies and destructive behavior in certain areas. The people who live in the towns and farming communities of Kentucky face problems just as pressing and real as those facing the inner cities of L.A. or New York. Job creation, education, health care and even crime are no less important to citizens of rural America as they are to the intended beneficiaries of this special legislation.

Above all, we must not reward random violence or incompetent government with Federal financial windfalls. If we pursue such a policy, we do a grave disservice to all those communities across America, large and small, that have worked hard to control crime, maintain good race relations, control government spending, provide quality services and maintain their economic base through probusiness policies.

THE WEED AND SEED PROGRAM

Mr. KENNEDY. Mr. President, the amendment Senator HATCH and I have offered would earmark $250 million for the Weed and Seed Program within the Department of Justice. At this time I would like to express my understanding regarding certain aspects of the program, and then ask the distinguished chairman of the Appropriations Committee whether or not he believes my understanding is correct.

Operation Weed and Seed is a multiagency program targeting violent crime, drug abuse, and gang activity in high-crime neighborhoods. The program seeks to weed out crime and then seed target neighborhoods with crime prevention and drug abuse prevention programs. The law enforcement component of this program provides assistance in arresting, prosecuting, and incarcerating offenders, with particular emphasis on gang leaders, violent criminals, and drug dealers. Operation Weed and Seed law enforcement funding is used for community policing, improved security, drug suppression, and coordination among State, local, and Federal agencies.

But despite the fact that it is administered within the Department of Justice, Weed and Seed contains a significant social service component. In addition to Federal and State law enforcement programs, Weed and Seed provides human services such as drug abuse prevention and treatment, education, recreation, and family services. The program also seeks to bring public and private resources to bear on economic development in targeted high-crime neighborhoods.

Operation Weed and Seed pilot programs have been in operation in Philadelphia, PA, Kansas City, MO, and Trenton, NJ. The Justice Department extended the program to 16 more cities earlier this year, including Chelsea, MA. The drug problem in Chelsea is acute; but, like a number of other cities, Chelsea offers the kind of foundation for community involvement that can make Weed and Seed work.

The administration's fiscal year 1993 budget submission for Weed and Seed indicates that a major share of the funding is for social service programs, although there is not a significant amount of new money for these programs. Since we are adding new money to the Weed and Seed effort, it seems to me vital that a major share of the new money be spent on such seeding activities as education, housing, and community development.

It is especially important that drug treatment programs be funded with this new money. Enduring gains in the battle against drug abuse will only be made when we offer treatment to all addicts who need and would benefit from it. The criminal justice side of the Weed and Seed Program will create new demand for drug treatment programs in the Weed and Seed neighborhoods, and it would be counterproductive to leave addicts on long waiting lists for treatment. The Congress will very shortly authorize the Capacity Expansion Grant Program, and either this program or the ADAMHA Block Grant Program would be a suitable vehicle for dispersing such funds.

Does the chairman of the Appropriations Committee agree with my overall description of the program?

Mr. BYRD. The Senator's description of the Weed and Seed Program is accurate.

Mr. KENNEDY. And does the Senator concur in the view that a majority of the newly appropriated funds should be used for social service programs, including drug treatment?

Mr. BYRD. I share the Senator's view of this matter.

EMERGENCY WEED AND SEED PROGRAM FUND

Mr. HOLLINGS. Mr. President, I rise today in support of the $250 million in additional funding provided the Weed and Seed Program in the bill before us, H.R. 5132. This innovative program is a comprehensive, multiagency approach to combating violent crime, drug use, and gang activity in high-crime neighborhoods throughout the country.

In a nutshell, the way the program works is by weeding out criminals in designated neighborhoods through stepped-up arrest and prosecution and then seeding the neighborhoods for redevelopment with a range of education, rehabilitation, and juvenile support programs.

The concept of Weed and Seed has been tested and the results have been encouraging. The Subcommittee on Appropriations which I chair, Commerce, Justice, State, and the Judiciary, began funding the Weed and Seed Program as a demonstration project in Philadelphia, PA, in fiscal year 1989. In fiscal year 1991, we added 3 more demonstration sites and this year expanded the program to 16 more cities.

The key factor in the success of the Weed and Seed Program is the act of will by the local community to revitalize itself. Once the local authorities

have designated a particular neighborhood, then Federal, State, and local criminal justice and social service agencies coordinate and target existing and potential new resources to that neighborhood.

Weeding, Mr. President, is accomplished through the use of intensive law enforcement efforts to remove violent criminals and eliminate drug activity from an area and prevent criminal activity from returning to the neighborhood. Under the program, the local U.S. attorney coordinates with State and local law enforcement officials to target and prosecute the most violent, repeat offenders, drug traffickers, and members of street gangs.

The bridge between the weed and the seed portions of the strategy is equally important and is accomplished through community policing. Local police departments are encouraged to implement community policing in each of the targeted sites. Under this approach, law enforcement works closely with residents of the community to develop solutions to the problems of violent and drug-related crime in their neighborhood. These activities focus on increasing police visibility and developing cooperative relationships between the police and the local citizens. This strategy supports suppression activities and provides a bridge to prevention, intervention, and treatment as well as the neighborhood reclamation and revitalization components.

Mr. President, the concept of seeding is accomplished by implementing and focusing a broad array of existing and new social, economic, and recreational programs in these targeted neighborhoods. For the most part, the funding for the seeding portion of this program is provided by Federal agencies other than the Department of Justice. However, I expect that at least $15 million of the Department of Justice's allocation of these new moneys will be distributed through the Office of Justice Programs in the form of grants to support seeding activities, such as the expansion of existing or the creation of new Boys and Girls Clubs, community policing projects which include education and prevention, Outreach, youth sports, and the establishment of safe haven-type alternatives for youths.

Upon enactment of this amendment, $250 million will be provided the Attorney General to carry out an expanded Weed and Seed Program. Not only does this amendment authorize the Attorney General to enter into cooperative agreements with State and local law enforcement agencies engaged in the investigation and prosecution of drug and violent crime in Weed and Seed designated communities, it permits him to reimburse or transfer moneys to appropriation accounts of other Federal agencies to execute the seed portion of the Weed and Seed Program strategy.

And, while $250 million is provided directly to the Attorney General to carryout the Weed and Seed Program, I expect that these moneys will be allocated on a prorated basis in line with the President's fiscal year 1993 budget request of $110 million in new appropriations. Under this approach, the Department of Justice would receive $68,500,000; the Department of Labor $36,250,000; the Department of Health and Human Resources $86,250,000; the Department of Housing and Urban Development $34 million; the Department of Education $22,750,000; and the Department of Agriculture $2,250,000.

Mr. President, the Department of Justice's share of the emergency Weed and Seed funding will allow full funding for the 20 existing projects and permit an additional 30 communities to be designated and supported through the Weed and Seed Program strategy. I am confident that Attorney General Barr is committed to making this program work, but it can only work and bring significant results in rebuilding our neighborhoods if the agencies work together and provide the critical element of seeding once the criminals have been cleared out.

Mr. DECONCINI. Mr. President, H.R. 5132 contains several provisions which affect the funding of programs under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. The bill provides additional funding of $5.5 million for salaries and expenses of the Bureau of Alcohol, Tobacco and Firearms [ATF]. ATF has lead jurisdiction in firearms, arson, and explosives violations and has expended extraordinary effort during the past few weeks investigating criminal acts committed during the Los Angeles riot and trying to bring calm to those areas hardest hit. Of the funds provided in this bill, it is the intent of the committee that $5 million be immediately made available to hire 200 additional ATF agents and support personnel for expanding violent crime task forces in urban areas across the country including, but not limited to, the following areas: Los Angeles, CA, 15 FTE's; New York, NY, 10 FTE's; Chicago, IL, 10 FTE's; Miami, FL, 10 FTE's; Washington, DC/Baltimore, MD, 20 FTE's; San Francisco, CA, 10 FTE's; Albuquerque, NM, 5 FTE's; Cleveland, OH, 10 FTE's; Phoenix, AZ, 7 FTE's; and Tucson, AZ, 5 FTE's. The remaining $500,000 is provided to cover the increased costs of overtime, travel, per diem, and related expenses associated with the Los Angeles investigations. To offset these costs, the committee has made reductions in coinage production activities of the U.S. Mint; from lower-priority activities of the Bureau of the Public Debt and the U.S. Secret Service; and from unobligated balances in the U.S. Customs Service's air interdiction program, and the Office of National Drug Control Policy. In addition, the bill contains an additional $1.5 million for salaries and expenses of the Federal Law Enforcement Training Center [FLETC]. These funds are needed to meet the increased demand for basic law enforcement training provided by the center in fiscal year 1992. An offsetting reduction has been made in the Secret Service salaries and expenses account to fund the increased requirements of the center in fiscal year 1992.

Mr. BIDEN. Mr. President, I rise in support of this emergency supplemental appropriations bill. In addition to providing much-needed resources to the Los Angeles area so devastated by the riots of a few weeks ago, Chairman BYRD, Senator HOLLINGS, and the other members of the Appropriations Committee have delivered dollars to address the epidemic of crime, drugs, and violence that plagues the entire Nation.

The administration recently offered a Weed and Seed plan to address this problem. While this plan calls for coordination of law enforcement, drug treatment and prevention, and community development programs, the administration's plan does not go nearly far enough. Quite simply, the administration plan adds few new dollars to the front lines of the fight against drugs and crime.

Chairman BYRD, Senator HOLLINGS, and the other members of the Appropriations Committee have addressed this shortfall. Let there be no mistake—the $250 million provided by this legislation would be the single, key aspect to the Weed and Seed Program. Instead of playing an empty shellgame of reallocating, repackaging, and renaming existing resources, this bill provides the real dollars desperately needed on the streets and in the neighborhoods devastated by the scourge of drugs, crime, and violence.

The $250 million provided by this legislation will more than double the administration's commitment to State and local law enforcement—adding the equivalent of 1,000 police officers to the communities hit so hard by drugs and violence. This legislation also offers $15 million of these new resources to the children in such danger of turning to drugs and crime—alternatives such as boys' and girls' clubs, a program that has a proven to reduce juvenile crime and gang activity among nearly every child involved in a club.

This legislation also provides an additional $180 million to the other necessary components of a comprehensive, all-fronts assault on drugs and crime. This will mean more drug treatment, more programs for public housing projects, and more drug prevention and education programs—valuable programs, going right where they are needed.

Mr. President, much more remains to be done, but this legislation makes an

impressive stride forward. Chairman BYRD, Senators HOLLINGS and RUDMAN, and the other members of the Appropriations Committee deserve great credit for their actions. I urge the Senate to adopt this legislation without delay.

The PRESIDING OFFICER (Mr. AKAKA). The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, may I first express the appreciation of a Senator from a very urban State for the remarks of the Senator from Montana, which were thoughtful and generous, as he is thoughtful and generous, and very much to the point. I hope it rains.

AMENDMENT NO. 1839

(Purpose: To partially restore obligation authority authorized in the Intermodal Surface Transportation Efficiency Act of 1992)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 1839.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . RESTORATION OF OBLIGATIONAL AUTHORITY.

(a) IN GENERAL.—$369,000,000 of the reduction in obligation authority for fiscal year 1992 required by section 1004 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240) as a result of the enactment of section 1095 of the Intermodal Surface Transportation Efficiency Act of 1991 is restored for programs subject to the obligation ceiling.

(b) CLARIFICATION.—Section 1095 of the Intermodal Surface Transportation Efficiency Act of 1991 is amended in the first sentence by inserting ", subject to appropriations," after "is authorized".

Mr. MOYNIHAN. Mr. President, this amendment is cleared on both sides of the aisle. Its purpose is to restore $369 million in surface transportation funds to be obligated in the remainder of this fiscal year, which is to say between now and next October. The money goes to all States in accordance with the established formula. There are no offsets or other matters. The Office of Management and Budget approves and supports the measure, as does the Budget Committee for which I express my appreciation, and for the managers of the bill.

I might just add that there is $42 million for California in this bill. I see the distinguished Senator from New Mexico has risen. That is a sizable sum and there are purposes to which it can be put in southern California today.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I might say to my friend from New York, I have previously cosponsored an identical bill—it had cleared the Senate—in an effort to rectify a situation that has a budget impact that apparently was not intended. It was not accepted by the House. This is an effort on his part, as I understand it, to put it on this bill to see if we can pass it.

Mr. MOYNIHAN. Precisely. The Senator is correct.

Mr. DOMENICI. I hope we adopt it, and I ask unanimous consent that I be added as a cosponsor since I was the one who urged the Senator to make this correction.

Mr. MOYNIHAN. I so request that the Senator from New Mexico be added as a cosponsor.

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

Mr. HATFIELD. Mr. President, as a comanager of the bill, we are prepared on both sides to accept the Moynihan-Domenici amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment No. 1839.

The amendment (No. 1839) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I would like to once again thank the distinguished Republican manager for his unfailing graciousness. I hope this helps Oregon, too.

I yield the floor.

Mr. DASCHLE addressed the Chair.

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

AMENDMENT NO. 1840

(Purpose: To express the sense of Congress that the President should exercise his authority to make emergency designations for rural agricultural disasters, as well as for the urban disasters in Chicago and Los Angeles)

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. CONRAD and Mr. RIEGLE, proposes an amendment numbered 1840.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . RURAL AGRICULTURAL DISASTERS.

(a) FINDINGS.—Congress finds that—

(1) like the residents of Chicago and Los Angeles who have suffered severe losses due to recent disasters, agricultural producers suffered severe losses as a result of natural disasters during the 1990 through 1992 crop years;

(2) repeated operating losses due to natural disasters have placed agricultural producers in financial stress and have caused increased loan delinquencies to agricultural lenders;

(3) the economics of communities in affected areas have been depressed as a result of crop failures; and

(4) the matter under the heading "COMMODITY CREDIT CORPORATION" of chapter III of title I of Public Law 102-229 (105 Stat. 1712) grants the President the authority to declare $755,000,000 as emergency appropriations for agricultural disasters during the 1990 through 1992 crop years.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should exercise the authority referred to in subsection (a)(4) to make emergency designations for rural agricultural disasters, as well as the urban disasters in Chicago and Los Angeles.

Mr. DASCHLE. Mr. President, there is a perception held by many in rural America that their emergency needs have largely been ignored. A major cause for this view arises from the President's failure to provide assistance to disaster stricken agricultural producers. At the close of the last session of Congress, a supplemental appropriations bill was enacted that appropriated $1.75 billion for agricultural disasters in 1990-92. The $995 million was made available to producers through a direct appropriation by Congress. An additional $755 million is subject to an emergency declaration by the President, exempting the expenditure from the requirements of the 1990 Budget Reconciliation Act.

An emergency declaration has not yet been made, nor is there a willingness to do so. At the same time, he has indicated that he is willing to declare emergency status for the Chicago and Los Angeles incidents. Producers in disaster affected areas around the country are angered that the President and Congress seem eager to redress urban ills, while ignoring the difficulties experienced by rural communities as a result of natural disasters.

The concerns of agricultural producers are real. Farmers across the country have experienced severe disasters in 1990 and 1991. Virtually every State in the country has been affected in one way or another. Floods and disease destroyed southern crops, while drought affected crop and livestock yields in the West, the Corn Belt, and the South. USDA estimated that producers would have been eligible for over $3.5 billion in claims for disasters in 1990 and 1991, but only $995 million has been expended. In 1992, threatening conditions exist in large areas of the plains and other parts of the country. Disaster payments, even when fully funded, are not intended to make a producer whole. They do not take the place of a

good crop. Rather, they merely attempt to keep a farm going through difficult times.

The $755 million we are asking the President to release would be available for crop losses for one of the years 1990, 1991, or 1992, at a producer's option; however, producers who received benefits from the $995 already appropriated by Congress would not be eligible for additional benefits for the year in which payments were previously provided to the producer. Consequently, the $755 in emergency funds would be used to address billions of dollars in losses resulting from disasters over a 3-year period that have not yet received Federal assistance.

The effects of disaster conditions are beginning to become evident through increased loan delinquencies and foreclosures. For example, the Farm Credit Bank of Omaha has reported that delinquencies on short-term commercial loans have increased 38 percent from 1991 to 1992, due in large part to disaster conditions in areas they service. Also, farmers aren't the only people who suffer when crops fail. Business activity in rural communities has declined because it is impossible to sell products to customers who do not have an income.

The people in Los Angeles and the farms of the United States are asking the same question. How much more can we take? Year after year of low grain prices, year after year of disasters, year after year of low Government support while at the same time our major competitor, the EC, continues to spend money on agriculture and rob more market share from our producers.

The level of frustration in rural America is real. They are looking for a way to show that frustration, but they have yet to find a way. They are frustrated because everywhere they turn they see empty farms, empty homes, and empty stores on main street. Small towns that once thrived are turning into ghost towns, right now today in the modern West, not the storybook West.

This resolution does not attempt to belittle the needs of residents of Los Angeles and Chicago, nor does it request the President to exceed authorities he currently has. It merely asks that rural issues be treated with the same regard as urban issues by calling on the President to release congressionally authorized agricultural disaster assistance.

Mr. President, the purpose of this particular amendment is to state that it is the sense of the Senate that the supplemental that this body passed last year appropriating $1.75 billion for agricultural disasters for the period 1990 to 1992 be fully implemented; that the additional $755 million that is subject to an emergency declaration by the President exempting the expenditure requirements of the 1990 Budget Reconciliation Act be implemented.

There are a number of dire needs in rural America, Mr. President, needs that have not been addressed, needs that ought to be addressed, needs that we are reminded exist as a result of the consideration of this legislation as it pertains to urban America.

We need to send the appropriate message that whether it is a riot in the middle of Los Angeles or a crop disaster in the middle of South Dakota or Mississippi, that we have the same kind of dedication and purpose in determining the needs, in recognizing our responsibility and advocating programs and assistance which deal with those needs effectively. That was the purpose of the supplemental legislation that was passed last year. The purpose of this amendment is simply to remind the President and those in the Congress of our continued responsibility to meet those needs effectively.

With that, Mr. President, I urge its adoption. As I understand, it does enjoy the support of both sides of the aisle. I hope it will be supported.

The PRESIDING OFFICER. Is there further debate?

The Senator from Oregon.

Mr. HATFIELD. Mr. President, again, speaking on behalf of the comanagers of the bill, both sides are willing to accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1840) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1841

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. CRANSTON, (for himself and Mr. SEYMOUR), proposes an amendment numbered 1841.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

SEC. . Subsection (b) of section 125 of title 23, United States Code is amended by striking "on the Federal-aid highway systems including the Interstate System" in two places and inserting in each place "on Federal-aid highways".

Mr. HATFIELD. Mr. President, this is an amendment presented on behalf of Senator SEYMOUR and Senator CRANSTON. It is a technical correction in relation to Federal-aid highways. It has been cleared on both sides of the aisle. I urge its adoption.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 1841) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we are trying to identify any remaining amendments Members may wish to offer to this, the dire emergency supplemental. We are reaching a point where the yeas and nays have been ordered for final passage, and I am very hopeful, if Members do have amendments, they will soon come to the floor and present those amendments so we may consider them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1842

Mr. HATFIELD. Mr. President, I send to the desk a group of technical amendments and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] proposes an amendment numbered 1842.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 10, line 3, insert "four" between "largest" and "central"; and strike "city" and insert "cities".

On page 10, line 8, insert "central" before "city".

On page 10, strike lines 20–22.

On page 10, line 23, strike "B".

On page 10, line 25, strike the "," and on page 11, strike lines 1 through the word "need" on line 6.

On page 11, line 11, strike "should take into account" through "these funds" on line 12 and insert in lieu thereof "shall be allocated on the basis of the number of Chapter I eligible students participating in the pro-

gram, adjusted for the cost of transportation".

Mr. HATFIELD. Mr. President, these are four technical amendments having to do with the incorporation of the so-called Kennedy-Hatch amendment to the dire supplemental. These have been cleared with the sponsors of the amendment, Mr. KENNEDY and Mr. HATCH. They have been cleared with the staff on both sides of the aisle, and the comanagers of the bill.

I ask they be adopted en bloc.

The PRESIDING OFFICER. Without objection, they will be considered en bloc.

The question is on agreeing to the amendment.

The amendment (No. 1842) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 1843

(Purpose: Expressing the sense of the Senate that the Congress should adopt Federal enterprise zone legislation)

Mr. LIEBERMAN. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN], for himself and Mr. KASTEN, proposes an amendment numbered 1843.

Mr. LIEBERMAN Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill add the following new section:

SEC. . SENSE OF THE SENATE WITH RESPECT TO FEDERAL ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) The crisis of poverty and high unemployment in America's inner cities and rural areas demands an appropriate and timely response from Congress;

(2) Manufacturing and industry has largely disappeared from many U.S. inner cities which, in turn, led to the severe decline in good high-wage jobs, wholesale trade, retail businesses, and a large source of local tax revenues;

(3) Encouraging small and medium-sized businesses, which create the majority of new jobs in the U.S. economy, to locate and invest in poor neighborhoods is one of the keys to revitalizing urban America;

(4) Enterprise zones will help convince businesses to build and grow in poor neighborhoods; they will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals; they will create jobs and stimulate entrepreneurship and they will help restore the local tax revenue base to these communities;

(5) Enterprise zones have been tested in 37 States since 1982 and have proven to be successful, having generated capital investments in poor neighborhoods in excess of $28 billion and having created more than 258,000 jobs; and

(6) Enterprise zones have been endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that

(a) Enterprise zones are a vital, proven tool for inner-city revitalization; and

(2) Congress should adopt Federal enterprise zone legislation and that such legislation should include the following provisions:

(A) Competitive designation which will maximize State and local participation;

(B) Tax incentives addressing both capital and labor costs;

(C) Tax incentives aimed at attracting investment in small businesses; and

(D) Tax incentives to encourage the hiring and training of economically disadvantaged individuals;

Mr. LIEBERMAN. Mr. President, this is an amendment which I offer along with the Senator from Wisconsin [Mr. KASTEN] who has been a cosponsor with me, I with him, in the interest of enterprise zone legislation beginning with our service together on the Small Business Committee of this Senate.

Mr. President, we are obviously not the only two Members of this body who support enterprise zone legislation. In fact, it commands wide support among Members of both sides of the aisle in the Senate, similarly in the House of Representatives, and similarly among groups in our population who care about the future and well-being of our cities.

This sense-of-the-Senate amendment, this resolution, is aimed at making a point which is that when we come back in June, having adopted the supplemental appropriation responding to the short-term needs and then begin to look to respond affirmatively to the longer term needs of America, urban and rural poor, enterprise legislation should be a component of that response.

Mr. President, the problems revealed in the aftermath of the riots in Los Angeles, poverty, disorder within our cities, are clearly not going to be resolved with a single program. But enterprise zone legislation holds the hope of beginning to turn around a cycle of poverty, despair, unemployment within our central cities and rural poor areas that can bring hope back to those areas.

Mr. President, if you look at the problems of the cities of America, they are multifaceted. But one key problem is the exit of business—manufacturing first then commercial—from the central cities of our country, taking with them not only jobs but the essence of, the strength of the urban tax base. Once those jobs and those tax-producing businesses left, taxes were raised on the remaining residential properties, often forcing hard-pressed middle-classed homeowners, looking at a rising local property tax bill and diminishing services, to exit the central city, compounding the problems of the city.

There are a lot of other solutions with which we need to deal to the problems of urban America and poverty. But unless we break the cycle that I have just described and begin to give businesses, manufacturing and commerce, an incentive to come back to the central city and rebuild the tax base and create jobs for economically disadvantaged people there, then we are never really going to make any progress in dealing with the problems of urban America.

The great thing about enterprise zones is that we know this is an idea that works; it is not just theory. There are approximately 37 States in the country which now have enterprise zone legislation, and it has created tens of thousands of jobs, brought in hundreds of millions of dollars of new investment into the disadvantaged areas of those States. It has done it without what is probably the single sweetest incentive the law could provide, and that is tax credits and incentives under Federal taxation. It has done it primarily with State tax and in some cases regulatory incentives.

So this is an idea that works, and it is an idea that commands a broad base of political support within the Congress and outside. It is supported by various advocacy groups for cities, for the poor. What I am saying, therefore, it is not only an idea which works but it is an idea that we can adopt on a bipartisan basis. And, of course, we know the President supports the concept and will sign the bill.

So I hope this Senate will go on record as making the adoption of enterprise zone legislation a priority for our longer term response to the problems of urban America which I hope we will adopt in June when we return. I urge adoption of the amendment.

Mr. HATFIELD. Mr. President, first I would say that we are prepared to accept the Senator's sense-of-the-Senate resolution.

I want to commend the Senator from Connecticut for his very eloquent statement on the value of enterprise zones. The Senator said that this was going to be achieved through broad bipartisan support. He has not just said words. He has demonstrated his actions now, and he is very much on target.

This has been one of the major planks of President Bush's administration. It has been stated, requested

many times by the President of the United States, and has especially been articulated by the Secretary of Housing and Urban Development, Mr. Jack Kemp. I have heard many times when Secretary Kemp has said what we must do is not only bring the job opportunities to that neighborhood, to that area of our great cities, but to give them the sense that they have not only employment, but they have a stake in the neighborhood.

Then Secretary Kemp was followed up many times about bringing home ownership to those same people who are being employed by these business activities so that they have a stake not only in their home as a part of the neighborhood, but in their job as a part of the neighborhood, recreating in this country a sense of community which we cannot legislate but we can facilitate and help embody through such an enterprise zone concept.

Senator LIEBERMAN has brought our attention I think to one of the very important tools, not a panacea, not the total answer, but as a building block that I would love to see this Senate and the Congress respond to the requests of the President and Secretary Kemp in bringing this to reality; and the Congress as well as on a bipartisan basis of support. It is going to take the Congress, both Houses of the Congress, and the White House, working together as well to achieve this very worthy goal.

I want to commend the Senator from Connecticut, and say we are ready to accept this very forward-looking sense-of-the-Senate resolution on our side of the aisle.

Mr. LIEBERMAN. Mr. President, I thank the Senator from Oregon for his kind words.

The Senate has already adopted enterprise legislation three times in various forms. So hopefully we are on the verge, within a matter of weeks, of adopting a plan; but at this time seeing it also adopted by the House and going to the President for his signature.

The PRESIDING OFFICER. Is there further debate on amendment 1843?

Mr. KASTEN. Mr. President, I am pleased to join my good friend and colleague from Connecticut, Senator LIEBERMAN, in offering this important sense-of-the-Senate amendment on enterprise zones.

In the wake of the Los Angeles riots, America is demanding action from both Congress and the President to empower those in our distressed inner cities.

We believe it is time to stop the partisan gamesmanship. It is time to stop the finger-pointing. It is time to break through the ideological conflicts.

The American people are sick and tired of hearing us debate whether the Great Society of 1960's or Reaganomics of the 1980's is to blame for the crisis in our inner cities.

We think it is time to act—and act quickly on something that will actually work. The Lieberman-Kasten amendment calls for the Congress to adopt Federal urban and rural enterprise zone incentives before July 4, 1992.

Like all Americans I watched on television as the streets of Los Angeles erupted in an inferno of anger and hopelessness.

There are no easy answers to these problems. It took America a long time to get in the mess we are in today when it comes to race relations—and it will take some time before we get out.

But we will never get out if we refuse to take the first small steps toward full empowerment of minorities and poor people in this country. We cannot afford to divide America between a class of property owners and a class of the dispossessed.

We have to get to work on this—and fast. We need to let the people in the inner cities know that they are first-class citizens—people who have rights and dignity. They need hope, they need jobs, and they need entrepreneurial opportunities.

It is the future generation that is most at stake. The poverty rate is 13.5 percent—but children under 18 make up 40 percent of those living in poverty. That is why Senator JOE LIEBERMAN and I are renewing our effort to target economic growth where it is needed the most through enterprise zones. Enterprise zones are the key to empowering the people of these blighted areas.

The people of inner city Los Angeles—central city Milwaukee—inner-city Bridgeport—need to become a working part of America. We can get the ball rolling by encouraging small businesses to invest in these areas through enterprise zone tax incentives.

New plants and factories and stores mean a new kind of life for inner city residents—a life that includes a better standard of living and a future to look forward to.

The goal of enterprise zones is to make sure that each individual has a full-time, private sector job. A job with a future, not a dead-end, make-work Government job.

Specifically, this sense-of-the-Senate amendment calls for the kind of enterprise zone bill that will really work—that will really spark our inner city economies.

We need to provide the strongest incentives we can so that job-creating small businesses will take the risk and locate in these areas.

We should eliminate the capital gains tax for all enterprise zone investments.

We ought to provide a tax deduction of up to $100,000 a year for the purchase of stock in companies located in an enterprise zone, with a lifetime cap of $500,000;

We must reduce the tax penalty of moving from welfare to work by providing a tax credit for zone employees of up to 7.5 percent for the first $13,000 of wages.

The main objection to enterprise zones is the cost. But the experience from successful State enterprise zone-tax incentives indicate that they actually pay for themselves, as more taxpaying small businesses create more taxpaying jobs.

During the 1984–88 period, New Jersey's enterprise zone program added about $1.90 in tax revenue for every one dollar it cost in tax breaks.

In my view, enterprise zones will not cost the Government.

Repealing the capital gains tax for people who live, work, save, and invest in our poorest cities would not lose tax revenue, because—by definition—there are no capital gains occurring in our poorest inner cities.

Enterprise zones-tax incentives will help us create jobs. For as long as I have been in the Senate, I have been pressing for enactment of enterprise zone legislation.

There is already broad bipartisan support for enterprise zones. Both Democrats and Republicans, liberals, and conservatives who appreciate the problem of the inner cities know that economic growth—economic empowerment—is the answer.

Let me quote a couple of liberal Washington Post columnists:

In an article entitled "Even a Liberal Is Ready To Try Kemp's Enterprise Zones," Richard Cohen wrote—and I quote:

> Back in 1988, when Jack Kemp was campaigning for the Republican nomination, he cornered me in a small plane and over the roar of the engine yelled, "Enterprise Zones." I was a liberal, he knew, and so instead of asking me if I agreed with him, he asked something else instead: Would I simply be willing to try enterprise zones to see if they worked? After the Los Angeles riots, here's my answer: I'll try anything.

William Raspberry, another Post columnist wrote—and again I quote:

> Whatever we do to rebuild Los Angeles, let's do it in a way that maximizes the creation of jobs.

Raspberry goes on to describe a tax incentive-based proposal to attract small businesses and risk capital into the Los Angeles riot area.

I ask unanimous consent to include these articles at this point in the RECORD:

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

[From the Washington Post, May 6, 1992]

CHANGE ONE TAX

(By William Raspberry)

> President Bush, through his spokesman Marlin Fitzwater, has blamed the Los Angeles riots on the "social welfare policies of the '60s and '70s." It's a low blow, crassly political (by Fitzwater's own admission), and it overlooks the contributions of a dozen Reagan-Bush years to the despair and anger that exploded last week.

But even the champions of the policies the White House castigates as "failed" have to admit they didn't quite work as billed. Both they and Bush ought to be thinking of ways to use the immediate crisis to fashion effective new policies. Paul Pryde, a Washington economic consultant, suggests a possibility.

"The easiest thing in the world is call for more government spending, more government action," says Pryde, "and I won't say that the government doesn't need to be involved. What I will say is that we need to figure out what are the key things we want to accomplish and then put our minds to figuring out the best way of accomplishing those things."

The first part is easy: jobs. Creating gainful employment for the residents of South Central Los Angeles and inner cities across America is more important than getting white people to acknowledge their racism, getting Korean shopkeepers to be more respectful of their black customers or getting Bush to find some spark of humanity to moderate his political calculations in the aftermath of the Rodney King verdict.

It isn't failed social policies but failed economics—the removal of jobs to the suburbs or out of the country—that accounts for so much of the hopelessness in America's ghettos. It is the lack of jobs that makes it more profitable for a pregnant teenager to marry the welfare department than the father of her child. The result: thousands upon thousands of single-family households, impoverished not just by loss of a husband's income but also by the loss of a father's presence.

Even the violence played out on TV last week (and before the eyes of innercity residents every week) is, in my opinion, at least partly a result of the absence of fathers to moderate their sons' behavior, and that absence is tied directly to joblessness.

So, yes: Whatever we do to rebuild Los Angeles, let's do it in a way that maximizes the creation of jobs.

And how do you do that? Don't look to Pryde for the usual nostrums of government money thrown around to create pretend jobs, although he would agree that the jobs created by the building itself ought to go preferentially to the residents of the affected neighborhoods. Pryde is talking about something else:

"For once, why can't we build in what we know about job creation? The first thing we know is that most new jobs come not from the corporate giants but from the creation and expansion of small local firms. The second thing we know is that businesses form, locate and expand on their ability to attract risk capital. The problem for black would-be entrepreneurs is their inability to attract private capital."

And the cure, says Pryde, is incentive. "The only incentive in the entire tax code for investing in minority enterprise is the rule that gives broadcast owners a tax benefit for selling to minorities, and as a result there's been a significant increase in the number of broadcast properties owned by blacks. How might we do the same thing for other types of entrepreneurial activity?

"One simple change in the tax code would do it: If you invest in a company in the riot area [or in officially established enterprise zones] you can deduct the amount of the investment from your taxable income. That would immediately spark investment. And if you also don't pay taxes on the gains from these investments for a time . . . well, you see what would happen."

What would happen, Pryde is convinced, is that people with money to invest would shift to these favored investments. Investment brokers would form pools—limited partnerships and other arrangements—to handle the investments and, because they would earn a percentage of the profits, they would be motivated to put together sound deals.

"The interesting thing," says Pryde, "is that once you made the change in the tax code, the government wouldn't have to be involved. The arrangements would be between private citizens. There'd be no observable change—except that deals would start to get done."

And banks, prompted by the increase in inner-city equity, would modify their lending policies; jobs and business opportunities would increase, and residents, at least perceiving "the system" as reasonably fair, would reduce the level of their rage.

The problem with Pryde's scheme is not that it is poorly conceived, but that it is dull. It is not the stuff of rallies and political slogans, he acknowledges. "If somebody proposed spending a billion and a half dollars for a Department of Black Entrepreneurship, everybody would sing Hosanna. Here is something that could be done primarily within the market place and without huge amounts of government money. Shouldn't we at least be thinking about it?"

[From the Washington Post, May 8, 1992]

EVEN A LIBERAL IS READY

(By Richard Cohen)

Back in 1988, when Jack Kemp was campaigning for the Republican nomination, he cornered me in a small plane and over the roar of the engine yelled, "Enterprise zones." I was a liberal, he knew, and so instead of asking me if I agreed with him, he asked something else instead: Would I simply be willing to try enterprise zones to see if they worked? After the Los Angeles riots, here's my answer: I'll try anything.

So, probably, would most Americans. But the political establishment has gone off in a different direction. Several of its more prominent members—and no one is more prominent than George Bush himself—seem more interested in assigning blame for the L.A. riots than in figuring out where we go from here. Worse, they keep trying to round up the usual suspects. For conservatives, everything comes down to a lack of values; for liberals, it's all economics. For me, though, it's a bit of both.

First the conservatives. He had not blamed the Great Society for the problems of the inner city and stuck to what we call "values," White House spokesman Marlin Fitzwater might have been to something. To the chagrin of Marxists (should there be any left), economics alone cannot account for the riots. Consider just one fact: Most of the poor neither looted nor burned nor did anything other than cross their fingers and hope they would be left alone.

Writing in the Wall Street Journal, James Q. Wilson of UCLA noted that of the 5,438 people initially arrested by the Los Angeles police, some were black, some were Hispanic, but not a single one was Japanese American. Now, why was that? The answer cannot be that the Japanese were not the victims of discrimination (during World War II, they were incarcerated in concentration camps), nor that they were always affluent. The answer must have something to do with culture—a term that embraces the concept of values.

I, for one, once recoiled at the term "values" because to me it smacked of snobbery and racism and was contemptuous of history—slavery and Jim Crow, for instance. The term was often used by those who maintained that the poor were poor because, in a sense, they chose to be poor. It reeked of pernicious social Darwinism once used to justify racism and discrimination.

But conservatives, too, have some reassessing to do. The loudest if not the most authentic voice of that movement, Patrick J. Buchanan, not only amplified Fitzwater's remarks but called for a return to the good old civic religion which included, in his faculty memory, the teaching of religion itself.

But Buchanan and his ilk (including Bush and Fitzwater) ought to at least consider some of the economic data. In just about ever way measurable, South Central L.A. is a blighted area. Upward of 40 percent of young black males (16 through 19) are unemployed. More than 70,000 manufacturing jobs disappeared from 1978 to 1982 alone. While some maintain that Hispanics and Asians seem more motivated to seek work than young, black inner-city males, it is also true that no one can work at jobs that don't exist—or reach those that do without public transportation.

But possibly the most critical trend is one that the Los Angeles inner city shares with those of other American cities: The black middle class and the black working class are getting out. South Central L.A. lost 48,000 black residents during the last decade. Washington, D.C., continues to hemorrhage its black middle class. While in the suburbs blacks have median household incomes in the $41,000 range, in Washington itself the figure is $24,624. Harlem, once glorious, is now one boarded-up building after another.

The upshot—in Washington, Los Angeles, New York and about any city you can name—is that the black ghetto has gotten poorer and poorer and more and more unstable. When the middle class leaves, more than people go. So, too, do institutions—churches, clubs, schools and, maybe most important, role models. The inner city is a calamity born of success—the desegregation of the suburbs and the blossoming of the black middle class.

In the meantime, what's been left behind needs tending to. It needs the values that conservative prescribe and the economic programs that liberals advocate and a fair amount of just plain experimenting—of the sort Kemp would attempt. What it does not need—what we no longer can afford—is the childish assignment of blame that President Bush and others have been engaged in.

Listen to the country, guys: There's a job to be done, and if you don't do it, we'll get people who will.

Mr. KASTEN. Mr. President, I ask unanimous consent that an article written by Senator LIEBERMAN and myself be entered in the RECORD:

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

[From the Christian Science Monitor, May 19, 1992]

ENTERPRISE ZONES: "GREENLINING" FOR GROWTH

(By Joseph I. Lieberman and Bob Kasten)

The startling verdict in the Rodney King case may have been the spark that ignited the Los Angeles riots, but the flammable material—unemployment, illiteracy, drugs—has been gathering in most American cities for decades.

Poverty does not justify crime; in fact, the poor are more often victims of crime. But in the wake of the recent violence, with law

and order restored, the economic and social ills of inner-city Los Angeles and other poor regions of our country remain. It is those problems to which we must turn if we want our urban neighborhoods to be places of peace and prosperity once again.

It is clear that the old answers of the left and the right won't suffice. Neither pouring money into people's pockets, nor raining nightsticks down on their heads is the answer to what ails urban America. We must stop the finger-pointing and blame-assigning and get to work solving the problem of poverty in America.

Enterprise zones are a good idea that we know work and can pass Congress. What poor people need most is jobs. Not dead-end, make-work government jobs paid for by taxpayers, but full-time, upwardly mobile, private-sector jobs. With jobs, the poor can get off welfare and out of public housing, can find better health care and save for a home, or education for their kids. Jobs equal hope, which is in short supply in south-Central L.A., Milwaukee, Bridgeport, Conn., and most other American cities, and in many poor, rural areas as well.

Encouraging businesses to invest in poor neighborhoods to create jobs is not an easy task. But enterprise zones can get us started. It's an idea with roots in England, and was first promoted here by then Reps. Jack Kemp and Bob Garcia, a conservative and a liberal, more than a decade ago. We believe enterprise zones will target economic growth where it is needed most. Not by law or by regulation, but by making investments along poverty-stricken streets so financially attractive that businesses will not be able to resist.

Actually, there are already more than 2,200 enterprise zones in America, created by 37 states in their impoverished urban and rural regions. With only state and local incentives to offer businesses, those zones have generated capital investments in poor neighborhoods in excess of $28 billion and created more than 258,000 jobs. What we propose, through our Enterprise Zone Job-Creation Act, is to add federal incentives to 50 enterprise zones around the country, such as:

A zero capital-gains rate for the sale of a business that has existed in a zone for at least two years;

A tax deduction of up to $50,000 a year for the purchase of stock in small companies located in an enterprise zone (up to a lifetime cap of $250,000); and

A 5 percent tax credit to low-income enterprise zone employees (up to $625 per worker per year).

The combination of federal, state, and local tax incentives will attract businesses to poor areas, will encourage people to invest in such businesses, and will stimulate businesses to hire and train unemployed and economically disadvantaged people. The resulting economic growth in depressed cities and rural areas will restore the tax base of those communities, while reducing the demand for expensive social services.

There is a price tag to create federal enterprise zones—it will cost $1.7 billion in lost tax revenues over a five-year period. But that price is worth bearing, especially when one considers the nearly $800 million cost of a couple of days of rioting in just one American city. There is also the likelihood that enterprise zones will, by virtue of the economic growth they stimulate, generate new revenues for local, state, and federal governments. As businesses thrive in enterprise zones, they will pay more taxes. And the poor people they hire as workers will no longer use as many tax dollars for their food, housing, and other basic needs. Poor communities in America, for too long "redlined" by banks and other businesses, must now be "greenlined" for growth, so that those who live there can be given the tools to succeed.

We hope that the crisis in Los Angeles, which has illuminated the crisis in poor neighborhoods across this land, will shed light in the halls of Congress, where enterprise-zone bills have languished for too long, it is time to break through the partisan stalemate, break through the ideological conflicts, and pass enterprise-zone legislation. As President John Kennedy said during the civil rights crisis in 1963: "We face a moral crisis as a country and as a people. . . . It cannot be quieted by token moves or talk. It is a time to act. Those who do nothing are inviting shame, as well as violence. Those who act boldly are recognizing right, as well as reality."

We don't pretend that enterprise zones alone will solve the crisis of the poor in America. Racism, disease, drug abuse, crime will all require new approaches. But enterprise zones are a start. They do work in the states, the laboratories of democracy, and they will work even better with federal incentives. So let's seize the moment, drop the politics, and get something done.

Mr. KASTEN. Cohen and Raspberry are not conservative supply-siders. They are self-proclaimed liberals who are willing to look at new incentive-based approaches to joblessness.

Talk to Mayor Tom Bradley in Los Angeles. Talk to the inner-city people in Wisconsin, where State enterprise zones are already showing promise. They will tell you that those communities need to be greenlined for growth—and that means enterprise zones. Now more than ever before, it is time to give new approaches a chance.

Enterprise zones are only part of the solution. We need to promote educational choice in our schools, reform our welfare system to encourage work, and bring the dream of home ownership to public housing tenants.

The saddest legacy of the L.A. riots would be if white America were to retreat into a self-protective shell, as if it is a question of defending a peaceful "us" against a rioting "them."

In America, there is no us versus them. There is only us. And we need to do all we can to start including those who are excluded from prosperity under the current system.

The only long-term prescription for prosperity, racial harmony, and social peace is economic empowerment at the neighborhood level. Today, we are throwing away far too many human resources in the inner city. It is time for a serious and fundamental change in how we look at this resource. And that's what the enterprise zone proposal is all about.

If we do not pass enterprise zones within the next 45 days or so, I am afraid that we will be waiting for another 10 years.

In the meantime, the people in our inner cities will continue to lose jobs, continue to lose hope, and continue to lose faith in America—and the American dream.

It is time for the Senate to send a message of hope to the unemployed and underemployed people in our poor neighborhoods that we will act on enterprise zone legislation by July 4, 1992.

A vote for the Lieberman-Kasten sense-of-the-Senate amendment is a vote to keep that hope alive. It is a vote to give enterprise zones a try. It is a vote to begin the process of bringing jobs to our inner cities.

I yield the floor.

Mr. DOMENICI. Mr. President, I, too, rise as my colleague from Oregon, Senator HATFIELD, has to congratulate and commend the Senator from Connecticut.

I talked a bit on the floor 3 or 4 hours ago about some of the proposals in this so-called urgent supplemental. Obviously, I do not see eye to eye with some of them. But I made a statement, and then I did not complete it because I thought I would wait for another time.

What I said was, surely we must do something, and probably it must be something we are not now doing. I said it had better be innovative and different.

I am very pleased that the new Senator from Pennsylvania [Mr. WOFFORD] has been speaking that way. He testified before one of the committees that I am on. He has been there. He is, too, saying we had better do some things different about the inner cities—new and innovative things.

One of the things, without question, that is part of the past 12, 15, or 18 years, that is now a truism about American economics, is that those who are undereducated, and who have not sought to become educated in the basics, get the worst jobs. In fact, much of the evidence of the decade plus the last 2 or 3 years is confused because some assigned the decade in a macroeconomic sense where the wealth went. And many say the poor did not get enough of the wealth.

The big truism is that part of that is that those who are undereducated are poor, for the most part. That means immigrants, that means dropouts, that means young people, who have for some reason or another not had family support and any discipline, have chosen to sidestep the process of getting their talents developed, are less apt to get good jobs.

Mr. President, that means that is one of our problems in the inner city. And it probably says we had better do two things we are not doing. One is we had better say to them if you get educated and trained, there is a job. You cannot have one without the other because you cannot ask the private sector to go there and hire people unless they can do the job. You cannot ask the young person or the unemployed or the underemployed to get trained because if they

do it over and over and there is no job, it is frustration instead of optimism. So one thing we ought to try is the enterprise zone concept.

But I do want to remind the Senate that the thing we ought to do, that is over the top of all of this, is do what we can to adopt policies that permit America's economy to grow. Enterprise zones without an American economy that is growing will, perhaps, work for a little while, or in an isolated manner. But if they truly are taking jobs from other parts of America, where there are not a growing inventory of jobs, it just will not work for very long.

So I want to try the enterprise zones. I hope we can tie to it real training and real jobs from the area for the enterprise zone businesses. That is not easy to do. You cannot tell private business you are private, you are entrepreneurs, you own and operate your business, but do it our way. They are just not going to do that with their own money. They are there to make money. That may surprise people—whether it is a bakery or a new manufacturer. I know the Senator from Connecticut knows that.

So I rise to indicate my support, and hopefully it will not be just this resolution but will lead to the legislation before we leave here this year that will start the ball rolling in the way suggested.

Mr. BYRD. Mr. President, I support the amendment. I do not believe we need a rollcall vote. I wonder if the Senate may proceed with a vote.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Connecticut, amendment 1843.

The amendment (No. 1843) was agreed to.

Mr. LIEBERMAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, do any Senators know of an amendment that may be called up?

Mr. WELLSTONE. Mr. President, I just wanted to mention to the Senator from West Virginia that I have one or two amendments. I am just waiting to hear from Senator BRADLEY who will be back in touch with me very soon. We will let you know. We will not delay at all.

Mr. BYRD. Very well. I thank the Senator.

Mr. DOMENICI. Mr. President, I heard from the distinguished minority leader that he, Senator DOLE, or someone in his stead, had an amendment. But I have not had a chance to ask him in the last 15 or 20 minutes. He told me that awhile ago.

Mr. BYRD. I wonder if we could ascertain whether or not there are other amendments. It would be desirable if we could complete action on this bill at a reasonably early hour today, and hopefully be able to go to the rescission bill tomorrow early.

I suggest the the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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. Without objection, it is so ordered.

ADDITIONAL COSPONSOR

Mr. DASCHLE. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa [Mr. HARKIN] be added as a cosponsor to the amendment that I offered this afternoon.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ADAMS. 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. ADAMS. Mr. President, I take this time to compliment the chairman of the Appropriations Committee and the ranking member for having brought this bill to the floor. I think it is a very historic bill in many ways, and a very important bill we are going to be discussing tomorrow; and at that time, we will go into it at greater length, the problems of the job situation in the United States and how we can move our country forward.

This bill is an emergency bill, the first step of trying to see to it that people throughout the United States know that there is hope, know there is a chance for a job.

The Lautenberg amendment is well stated to be an amendment to take care of adults, to show that there is an opportunity for jobs by accelerating the transit program and other related transportation programs. I think this is an excellent start.

We must also be taking care of our younger people, and this was the Kennedy-Hatch amendment, which is to say that we will have summer jobs this summer. And we are trying to advance fund this, and I hope the President will declare this to be an emergency, because we have the emergency of Chicago, and we have the emergency of Los Angeles. But the emergency of Los Angeles can be repeated if we do not take steps to meet the basic root problem of joblessness in our big cities among our youth. So we have that piece also in this puzzle that we are trying to push forward.

I hope that we will pass this bill tonight, and I hope the President will declare the necessary emergencies, so that we will begin to provide jobs for our people, and that we will look toward a type of Marshall plan—call it WPA, call it CCC, or call it anything you wish—but the type of plan where we begin to give jobs for people and give hope to them.

I hope that tomorrow we will also look at the long-range planning that is necessary for this country, where we will look toward a conversion from a cold war, or in effect, a war economy, a transition to a peace economy, and that in the course of that, this emergency bill that we pass today begins to mark the underpinning for a longer range program.

I still believe that it is very necessary that governments be involved in the manner in which people have their jobs, people have security, people have confidence in where and how they are going. Maybe this is because many of us grew up in the Depression, and thereafter, and were in World War II and saw the Government assist the people. We also know that the other nations with whom we compete, whether they be Germany or the European market or Japan in the Asiatic market, use their governments to great effect to produce jobs for their people and planning and organization for the direction for which their economy moves.

We have not chosen to do this. I am not saying that we should have a completely directed economy like Japan. I do not believe a country of our size will operate on that type of basis. But I do think that it is possible for this country to do some planning and to do some help through its Government agencies to see to it that the private sector operates both fairly, efficiently, and with a great deal of heart—not greed, but heart—toward its workers, toward its consumers, and toward the people of this country, who are dependent upon the great economic engine for their livelihood and for their quality of life.

I hope, therefore, that we will begin to do more both planning and Government assistance as we go along. Many of us have seen this done very well by governments. I know it is in vogue now to say government is bad or government cannot help, or that government is inefficient. Governments are not supposed to run every operation in the country. Governments are not supposed to be efficient. Governments are supposed to help private business by giving it direction and strategic planning and some assistance, as we are trying to do in this bill, when there has been a breakdown. I think this applies to many areas, and the summer youth program is one of them, a program to

assist people to obtain jobs; and the transit program is another.

We discussed this morning the education program, and I think the education program—I would not do what the President has suggested, taking $500 million and building 500 schools. I would take it and put it in five cities. Pick five cities and take your $500 million and put $100 million in each one and get a result; rebuild some of those schools and give hope to those areas. That is what this bill is really all about.

It has two parts. One is to give direct aid where we have had the disaster of the riots in certain cities, and the second part is to look at the future to prevent them from occurring again. Both adult jobs and summer youth jobs. I hope, as chairman of the Subcommittee on the District of Columbia, to work with the Mayor, board of trade here, and others to see to it that summer jobs are available in this city in sufficient quantity for the youth of this city. This is having heart in government, and I think this is the thing that is very necessary.

Again, I compliment the chairman of the Appropriations Committee, the ranking member, and the leadership for bringing this bill to the floor. But I think we should understand what we are doing. This is not a mechanical thing. This is not just waiving a percentage. This is an attempt by Government to say to its people: We are reaching out a hand, and we are trying to give you something that gives you an opportunity to participate in this society. And that is the great hallmark of America. I hope that we never forget it, and I hope that we have more days like today where we attempt to do something about it.

I think we can do a great deal more. I hope the President will sign this bill, and I hope he will recognize the emergency nature of all of the parts of it. As the Senator from Montana said, I hope he recognizes that there will be other bills that will come before us for other parts of the country. We are all in this together. We are one and, as one, the Government is our only common touchstone among all of these various businesses, all of these various geographic areas, all of these various States. The Federal Government should step up to its responsibility, as it is doing tonight. I hope it will do it tomorrow and the day after that and the day after that.

I thank the Chair for its time, and I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The President pro tempore [Mr. BYRD].

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. I ask unanimous consent that the 3-day layover requirement provided in section 1017(d)(4) of the Congressional Budget Act of 1974 be waived for the consideration of the conference report on H.R. 4990.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. Reserving the right to object, and I shall not object, let me just make a few comments, if the chairman will permit me to do this, as an explanation of sort of the feeling we have as to the importance of this unanimous-consent request.

First of all, I recount the fact that we are hoping to wind up on this supplemental. We have reached a finality of our rescission conference with the House of Representatives, so the Appropriations Committee really has two unfinished bills. Between now and our recess for the Memorial Day weekend, we have to complete these two bills.

I understand further that, under the Budget Act, if we did not gain unanimous consent, we could motion up the question in order to waive the 3-day requirement. I want to say, just as one leader of the bill, that we are bending; the chairman and I and other members of the committee are bending every effort to clean up this very important piece of business, dire supplemental and the rescission package coming along.

And if we can get these amendments completed we will have this out of our agenda very quickly. But we still have to get the 3-day rule waived. Therefore, I will not object, and I am very hopeful our colleagues on our side of the aisle will cooperate fully on both this particular bill and the rescission bill once it is either brought up by unanimous consent or motioned up restraining any efforts to amend on rescission matters. So I will not object.

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

Mr. BYRD. Mr. President, I thank the distinguished Republican counterpart on the Appropriations Committee, Mr. HATFIELD.

May I say to Mr. HATFIELD that I intend to oppose any amendment to the rescission bill. I hope that we can finish the pending measure soon and go home for the evening. My wife has the shingles, and had a very severe bout with the shingles and I need to be home with her. And both of us will be joined later this evening by our little dog Billy Byrd, and then on tomorrow I hope to finish action on the rescissions bill.

I have not opposed amendments to this bill, but I will oppose amendments to the rescission measure unless there is something that I do not see now that makes it absolutely necessary for me to support in order to get that bill through. And I do not foresee that.

I think we ought to act on that bill tomorrow and I hope no Senators will offer amendments. We have acted in good faith in the Appropriations Committee on this side, we have acted in good faith in the Appropriations Committee's conferences that have taken place on the rescissions bill, and we have worked hard. We have produced a good product. It is a product of compromise. It was not everything I like but that is the way with compromises.

So I join in the expression of intentions and wishes by the Senator from Oregon [Mr. HATFIELD]. And I assure him that, as I say, I will do everything I can to get the rescissions bill passed tomorrow, hopefully without any amendments, so that we can send it on down to the President.

Mr. HATFIELD. Mr. President, will the Senator yield a minute?

Mr. BYRD. I yield.

Mr. HATFIELD. I would like to add a further dimension to the Senator's request that we finish this very quickly. The Senator, the chairman of the committee indicated about his wife being home where she has been ill and he wants to be with her.

I would like to also say this is my grandson's 6th birthday. I would like to spend a little time before he has to go to bed tonight and get him ready to go to school tomorrow. I would like to add that dimension to get our colleagues here to complete the business on this bill.

Mr. BYRD. I certainly can appreciate the Senator's desire to be with his grandson on his birthday.

Mr. President, I have in the past moved third reading, and I have made threats to make that motion, and they did not prove to be empty threats last year on one particular occasion that Senators will well remember.

I say at this point just to urge Senators if they have amendments that they come to the floor now while there is an opportunity to offer them and get their amendments debated and acted on.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SEYMOUR. 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. SEYMOUR. Mr. President, I am very pleased that the Senate is acting today to provide needed funds for the Nation's disaster assistance programs.

And I want to recognize and thank the distinguished chairman of the Appropriations, Senator BYRD, and Senator HATFIELD, the ranking member, for their efforts to move this legislation expeditiously.

Three short weeks ago, beginning on the evening of April 29 this Nation was plunged into several days of the most destructive and bloody civil unrest in more than a century.

The wonders of electronic media gave the entire world the opportunity to watch as hoodlums, hooligans, and thugs proceeded to tear apart south-central Los Angeles and the greater Los Angeles area.

And when it was over—after a combined force of over 10,000 National Guardsmen, Federal, State and local law enforcement officers was able to prevail and establish law and order—Los Angeles looked to begin picking up the pieces.

The toll from these few short days of pillaging and rioting has been tremendous:

At least 58 deaths and over 2,300 injuries.

Over 5,300 structure fire calls.

City of Los Angeles estimates $33 million in extraordinary costs to respond to the rioting. LAPD put in almost 200,000 hours of overtime to respond at a rough cost of $21 million. And this is just the beginning. Local and State officials are still adding up the costs.

We saw entire communities go up in flames. Businesses that took years of sweat and hard work to build were destroyed. Livelihoods were destroyed. Property was pillaged. This was the most senseless and mindless looting and killing and burning we have seen in over a century.

Now, the time has come for the Nation to join hands—the political leadership to join hands on both sides of the aisle to help heal the wounds. We all recognize this fact, Members from both sides of the aisle, the President, and others have stated that we must move forward.

This supplemental appropriations bill is a necessary first step. And let me underline that this is just the first step. This is not a debate about urban policy. This is a bill that will ensure the Federal Government can make good on its obligations under Federal disaster assistance programs.

The funding in this bill will go into the Federal Emergency Management Agency and the Small Business Administration disaster assistance accounts to help all communities that have experienced disaster this year. It may come as a surprise to many, but the President has already declared 27 disasters this year. Just last evening the President declared a Federal disaster in response to major flooding in Virginia. This bill will help those Virginia communities.

Just a quick glance shows that 19 States and territorial possessions will benefit from this supplemental appropriations bill, including communities in Massachusetts, Maine, Washington, New Hampshire, Iowa, Texas, and Minnesota to name but a few.

Since the fiscal year began, California has seen the Oakland fires, Ventura floods, and the Humboldt earthquake devastate California's communities. The State of California and local governments are simply without the resources to respond to all of the needs created by these events.

And now Los Angeles. This supplemental appropriations bill is needed to help innocent victims of the Los Angeles riots; the families and shopowners and community residents who have seen their communities and livelihoods torn apart. We cannot turn a blind eye toward them and let this bill become hostage to a larger debate on urban policy. The time will come for that debate.

Let us take a lesson from the hundreds of volunteers that flooded the streets of Los Angeles, with brooms and shovels, to start the cleanup. Hollywood celebrities took up positions next to burned-out shopowners and suburbanites. People from all walks of life and others joined in and helped the firefighters respond to hundreds of fires in the L.A. area. Mr. President, this is what America stands for: helping people when they are down, lending a helping hand to those who are in need.

They saw the urgency of the situation and went to work immediately to effect change. They went to work to make a difference for their communities. Let us show them that we can do the same.

Mr. President, this supplemental appropriations bill is not the cure-all for Los Angeles or any other community that has been designated a natural disaster. It is a first start to help honest-to-good people get their lives back together.

I want to echo the remarks Chairman BYRD made at the outset of this debate. We are not here to condone or reward the lawlessness that occurred in Los Angeles. Like you, Mr. President, I was appalled and shocked—the entire Nation was disgusted—by the absolutely senseless beating of an innocent truck driver. I do not want one penny of the American taxpayer's hard-earned money to go to reward the looters or arsonists. Let us be clear, this bill will not do that, and I intend to clarify this point at a later time.

Finally, Mr. President, I am concerned with the additional $1.45 billion in funding this bill would provide to a series of programs that are, at this point, unrelated to the disaster assistance process. These are issues that should be debated in a larger context, not as a part of this vehicle. I am also concerned that this $1.45 billion is not offset, it is simply an add-on to the already too large deficit.

I understand the very good intention behind this provision of the bill. All of us agree, Mr. President, that if we are to have an urban initiative, it must be done very quickly. The programs work and they deserve our support. But they must be addressed in a larger context, not as a part of a disaster assistance bill, and we must do so in a fiscally responsible manner.

Mr. President, this is important legislation to the State of California and the Los Angeles community. I urge my colleagues to give it their full support.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. FORD). The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I had throughout this day given a lot of consideration to proposing several amendments. To make a long story short, these amendments would have provided some additional funding for the kind of package of resources that we have now developed to respond to our cities. One amendment would have taken several billion from rescissions, military budget, defense budget, and transferred that money, in addition to the package that Senator BYRD and Senator KENNEDY have offered.

The reason I considered that amendment with Senator BRADLEY from New Jersey, and indeed another amendment which went in the same direction, is that I believe that while this emergency supplemental appropriations bill is important, alongside the concerns and circumstances of people that live in our cities, it really is very little.

I want to, in a moment, defer to the Senator from New Jersey and then maybe speak in reaction to some of what he will have to say on the floor.

But I just want to hold up here, Mr. President, this survey of U.S.A. public works projects to fight the recession now, compiled by the U.S. Conference of Mayors. I have to tell you, maybe when the mayors say that in order to really respond to the pain in our cities and urban America they need $40 billion, that is too much, maybe it is $30 billion, but it certainly is a lot more than $2 billion.

Mr. President, I will support this emergency supplemental appropriations bill, but I do not believe we will be able to respond to joblessness, to homelessness, to children who do not have opportunities, to housing, and to so many pressing needs in urban America with so little by way of resources. This is important, but I want so much for it only to be the first step.

So, Mr. President, let me just say at the beginning that I think we will not be able to respond to our cities, we will not be able to invest in our own domestic economy, we will not be able to generate jobs and opportunities for people, and we will not be able to provide real educational opportunities for young people in our country until we have some real reduction in the defense budget, until we bring the wall down, and until we waive that budget agreement of 1990.

The Senator from New Jersey and myself did not introduce the amendment because the votes would probably not have been there tonight. But I am telling you something, Mr. President. I believe the votes will be there.

Mr. President, I apologize to the Senator from New Jersey—I am talking a little more at the beginning, but it is hard to stop—if he will just let me complete this thought.

Mr. President, when I woke up this morning, I looked at the front page of the paper and there was a quote from one of the leaders in our country, talking about how the problem in the cities is the values of the poor, the values of the poor that live in the city. I wonder about the values of those people in power who are pretty good when it comes to photo opportunities, but not so good when it comes to substantive public policy that will make a difference.

Mr. President, I just feel so strongly that we must get out of this straitjacket, we must be able to govern, we must be able to respond to what has happened in Los Angeles and other cities. And even if it had not happened, we still ought to be listening to people and seeing what is happening in our urban communities, and understanding that until we invest in people, until we invest in our communities, we will not do well as a nation. We will not do well. I think the key to that will be to keep a strong defense, but transfer some money from a $290 billion or thereabouts military budget to our cities, to our rural communities, to our own people.

I think that is going to be next on the agenda. It has to be, otherwise what we are doing is way too little.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the subject we are debating today is whether money should be spent to provide summer jobs for kids in urban areas. I will support this bill. I think it is an important bill. It is a kind of Band-Aid, but it is needed, and I think that it will pass overwhelmingly.

The question is, Are we going to do more? Are we going to expend the resources necessary to begin to make a difference in urban America in the prospects for jobs, in the efforts to confront and reduce violence, and in efforts to strengthen the families of urban America?

That will cost money. The question is, Where will the money come from?

We happen to be at a unique historical circumstance where the end of the cold war allows us to use resources which were used for defense expenditures to protect our Nation from an obvious military threat and instead use that money here at home to protect ourselves against the threat that exists here at home in terms of violence on the streets, family disintegration, and the need to create jobs.

We cannot seem to do that, however, because of the Budget Act of 1990, a provision of which was the capping folly on a decade of follies. It was the so-called budget wall which says that if you cut defense spending, you need 60 votes to take that defense spending and use it on domestic programs. Only 51 votes to increase taxes, however. But to cut defense spending and use that money for pressing domestic needs, it takes 60 votes.

That was an agreement entered into by few people in this body, but ratified by the majority of this body. This was an agreement entered into a good faith, even though it was wrong, and I said so at the time.

Subsequent to that, of course, came the end of communism in the Soviet Union and the end of the Soviet Union.

Subsequent to that, of course, came Los Angeles and a new focus on the needs of urban America. Yet here we are, locked in this straitjacket of a making in the fall of 1990, before the end of the cold war and before a new focus on the needs of urban America.

I began to try to tear down that wall in the spring of 1991. We did not do too well then. In the spring of 1992 we came back and tried again. And the last attempt to break the walls down so we could take money from defense and use it in nondefense was made March 26 of this year. We got 50 votes. We need 60 votes. If we do not get 60 votes, we will not be able to get the resources that are needed to deal with the problems of urban America—60 votes. So we need 10 more votes.

In the next month, during which time an urban initiative will be put together and an attempt will be made to try to achieve bipartisan support for that, we simply need to get those 10 additional votes. Otherwise, at a time where the needs are clear, we will have tied ourselves, like Gulliver with the Lilliputians, in the binds of arcane procedure. And the country will suffer.

So it is a very simple proposition. Do we take money that was meant to counter the threat that no longer exists and use that money here at home to counter the threats to the well-being of all of us, represented by the combination of joblessness, violence on the streets, and deteriorating family structure in our cities?

I can assure the Senator from Minnesota that I will be with him, and I will be working to try to get those 10 additional votes. Frankly, it is incumbent upon any Senator who talks about the needs of urban America, or who cares about the lives in urban America, to do everything he or she can, to not only produce those votes but to make sure that they are counted voting the breaking down these walls.

Mr. President, tonight is not a night to celebrate a great accomplishment. It is just a little beginning, a Band-Aid. But it is clearly a time to try to put the Senate on record as to what is before us, what the needs are, and what is required to make a difference.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me just thank the Senator from New Jersey.

I think our position has been made pretty clear. I think it is the position of many Senators. I thank Senator BYRD for his leadership.

I am going to be very pleased to vote for this. I just want to make sure when I go back to Minnesota and I meet with kids and I meet with people in our communities, whether they be urban or rural, that I am able to say to them, look, I know we are not yet responding in full—and I do not want to just tell them it is because of a budget agreement. That does not mean anything to people. People want to know whether or not we are really going to respond to their concerns, to what really faces them, staring them in the face.

I support the sentiments of Senator BRADLEY. I am pleased he spoke tonight. I hope with Senator BRADLEY, Senator WIRTH, who just came in, and many other Senators—60 at least—we will be able, the sooner the better, to really have some reductions in the defense budget and transfer that to our own domestic economy in so many areas where we now need to get strong.

In the last analysis, real strength begins at home.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

Mr. WIRTH. Will the Senator withhold for a moment?

Mr. GRAHAM. I will withhold.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Mr. President, if I might be recognized just for a minute, I thank the distinguished Senator from Florida for withholding. I just want to note again on the issue of the walls, if there is anything that we are here to do, as we have said in this debate, over and over and over again, it is to make decisions about national priorities.

The cold war is over. Here we are, beginning to focus at last on some domestic priorities, a very significant and pressing need. Yet we are trying to have it—in many ways—both ways, by saying what we are going to do is to put this on the further deficit. We are going to pass this debt on and not pay for it. We ought to be paying for it. I think most people in this country know how we ought to do it. Our job now is to get the 60 votes to make sure we can do that.

There is a lot of work to be done, but I look forward to working with the Senator from New Jersey, the Senator from Minnesota, the chairman of the committee, and others to do everything we can to get those 60 votes.

I once again thank the Senator from Florida, and I yield the floor.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Florida has the floor.

AMENDMENT NO. 1844

(Purpose: To amend title 23, United States Code, regarding advance construction)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 1844.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Insert the following at the appropriate place.

SECTION 1. TECHNICAL CORRECTIONS.

Section 115 of title 23, United States Code, is amended—

(1) by striking the heading of subsection (a) and inserting the following new heading:

"SUBSTITUTE, CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT, SURFACE TRANSPORTATION, BRIDGE, PLANNING, AND RESEARCH PROJECTS.";

(2) in subsection (a)—

(A) by striking clause (i) of paragraph (1)(A) and inserting the following new clause:

"(i) has obligated all funds apportioned or allocated to it under section 103(e)(4)(H), 104(b)(2), 104(b)(3), 104(f), 144, or 307 of this title, or";

(B) by striking subparagraph (A) of paragraph (2) and inserting the following new subparagraph:

"(A) prior to commencement of the project the Secretary approves the project in the same manner as the Secretary approves other projects, and"; and

(C) by striking paragraph (3);

(3) in the heading of subsection (b), by striking "PRIMARY" and inserting "NATIONAL HIGHWAY SYSTEM";

(4) in paragraph (1) of subsection (b), by striking "Federal-aid primary system" and inserting "National Highway System"; and

(5) in subsection (c), by striking "152,".

(6) by striking subsection (d) of section 115 and inserting the following new subsection:

"(d) LIMITATION ON ADVANCED FUNDING.—The Secretary may not approve an application under this section unless an authorization for section 103(e)(4), 104, 144, or 307 of this title, as the case may be, is in effect for the fiscal year for which the application is sought beyond the currently authorized funds for each state. No applications may be approved which will exceed the State's expected apportionment of such authorizations."

Mr. GRAHAM. Mr. President, the amendment I have offered is the essence of legislation I have earlier introduced. It relates to a subject very close to that which was raised by the amendment previously adopted by the Senator from New Jersey, Senator LAUTENBERG.

Since 1956, in our highway program, there has been a concept of advanced construction. Essentially, that concept said that if a project had been approved by the U.S. Department of Transportation, that a State could commence construction on that project and, when it reached the fiscal year in which the Federal Government was prepared to fund that project, we would be eligible for the regular Federal/State match.

It does not add any additional cost to the Federal Government. It does not result in any additional income to the States. What it does allow is for States to manage their transportation funds in a way in which they can accelerate projects as rapidly as possible.

This item continued this provision for advanced construction which was in the Federal highway law from 1956 until the adoption of the 1991 Surface Transportation Act. Most of those involved in that act state that it was an oversight, an error that it was not continued. This provision has the strong support of State highway officials, the Governors, and the Federal Highway Administration and the Secretary of the Department of Transportation.

I understand that this amendment has been cleared. I urge its adoption.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. GRAHAM. I yield.

Mr BYRD. Mr. President, I am advised all sides have cleared this amendment as well as have the authorizing committees.

I, therefore, am ready to proceed to a vote, and I am glad to accept it.

Mr. GRAHAM. I appreciate that very generous statement by the chairman and ask, Mr. President, if there is no further debate, the amendment be agreed to.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1844) was agreed to.

Mr. GRAHAM. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

AMENDMENT NO. 1845

(Purpose: To provide supplemental appropriations for the national and community service State grant program)

Mr. WOFFORD. Mr. President, for myself and Senator MIKULSKI, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. WOFFORD], for himself and Ms. Mikulski, proposes an amendment numbered 1845.

Mr. WOFFORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendmend is as follows:

Beginning on page 4 line 7 strike all through page 6 line 11 of the bill and insert the following:

DEPARTMENT OF LABOR

(a) SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS.—For an additional amount to carry out part B of title II of the Job Training Partnership Act, $675,000,000: *Provided*, That such amount shall be expended by —

(1) first allocating the amount so that—

(A) 50 percent of the amount shall be allotted on the basis of the relative number of economically disadvantage adults, as defined in accordance with section 4(8) of such Act, within each State, as compared to the total number of such economically disadvantage adults in all States;

(b) 25 percent shall be allotted on the basis of the relative concentration of such economically disadvantaged adults within each State as compared to the total concentration of such economically disadvantaged adults in all States; and

(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals, as defined in accordance with section 4(25) of such Act, who reside in each State as compared to the total number of such unemployed individuals in all States; and (2) adjusting the sums so allocated—

(A) to ensure that each State with a teenage youth unemployment rate above the 1991 average teenage youth unemployment rate, as calculated by the Bureau of Labor Standards, shall receive not less than the State would have received if such amount had been allotted in accordance with section 201(b) of such Act; and

(B) by reducing the sums received by States not described in subparagraph (A) on a pro rata basis.

(b) NATIONAL AND COMMUNITY SERVICE.—For an additional amount to carry out title I of the National and Community Service Act of 1990, $25,000,000.

Mr. WOFFORD. Mr. President, this amendment I just sent to the desk will provide $25 million to the Commission on National and Community Service. This year that commission received requests for over $226 million with only $67.5 million to distribute. These are projects in every State that are ready to go, to engage young people in projects that would make a difference in their community and in their lives.

This amendment would not add any new money to this bill. It would reduce the $700 million provided to the summer youths program and assign that $25 million to these youth corps programs which have proved themselves an effective way to transform the lives of the young people while making a contribution through work to their communities.

I have talked with Senator KENNEDY and Senator HATCH, and they support this amendment. I understand that it is supported on both sides of the aisle.

Mr. BYRD. Mr. President, I am personally glad to accept this, but I think we have to clear it on the other side of the aisle first, if the Senator will momentarily—I think if he will just give us a few minutes to clear it on the other side of the aisle.

Mr. President, in the meantime, if the Senator will allow us——

Mr. WOFFORD. I yield the floor.

Mr. BYRD. Mr. President, has the Senator yielded the floor?

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. I thank the Chair. Mr. President, I ask unanimous consent that the amendment may temporarily be laid aside and that the Senator from Florida may be allowed to offer his amendment with the understanding that, as soon as we can get clearance from the Republican cloakroom, that the amendment of the Senator from Pennsylvania has been agreed to over there, that the Senator from Florida then yield so that the Chair may put the question.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Florida is recognized.

AMENDMENT NO. 1846

(Purpose: To express the sense of the Senate concerning the use by the Secretary of Education of certain data from the 1990 decennial census in making allocations under part A of chapter 1 of title I of the Elementary and Secondary Education Act of 1965)

Mr. MACK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK] proposes an amendment numbered 1846.

Mr. MACK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert:

GENERAL PROVISIONS

SEC. . It is the sense of the Senate that the Secretary of Education should utilize the most recent satisfactory data available, including data contained in the 1990 decennial census as compiled by the Bureau of the Census if available, in making allocations under part A of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.).

Mr. MACK. Mr. President, the amendment I am offering is a sense-of-the-Senate resolution that in essence says that the Secretary of Education should use 1990 census data in allocating chapter 1 funds for the 1992 allocation. The reason that this has come forward is because several weeks ago the Secretary of Education made the decision to make the allocation based on 1980 census data because at that time he was of the opinion and had received information that the census data would not be available to him until August of this year and that would be too late for the allocation to be made.

Subsequently, I have learned that this information will be available to the Secretary on May 29, and so the sense-of-the-Senate resolution that I am offering basically says that since this information is going to be available, that the Secretary ought to use that in allocating these funds to the States.

Again, the reason I am offering this is because it is in line with a consensus, if you will, that has been established here for some time; and that is that the allocation of dollars in many different programs ought to be done on the basis of the most recent and satisfactory census data.

As you can understand, a State like mine, that grows as rapidly as it does—between 1980 and 1990, for example, we had a 33-percent increase in the population of my State. Therefore, we would see the State of Florida losing a substantial amount of money if this approach were not to be followed. In fact that dollar number is probably close to $50 million.

Again, Mr. President, this is very straightforward. It is just saying now that we have the information, that the 1990 census information will be available in the next couple of weeks, it is the sense of the Senate that information ought to be used in the allocation of chapter 1 funds for 1992. I yield the floor.

The PRESIDING OFFICER. Is there any further debate?

Mr. BYRD. Mr. President, I do not believe this amendment has been cleared on the other side. So if we can withhold any further action on the amendment by Mr. MACK until we can get clearance on the other side of the aisle and vote, and if no Senator seeks recognition, 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. BUMPERS. 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. BUMPERS. Mr. President, has the amendment of the Senator from Florida been set aside?

The PRESIDING OFFICER. The amendment of the Senator from Florida is the pending question.

Mr. BUMPERS. Mr. President, let me just say I am waiting to get a little piece of technical information and make a technical correction amendment that I intend to offer in a few moments, hopefully subsequent to the disposition of the amendment of the Senator from Florida. If there is nobody else here to speak, we might as well utilize the time by discussing it a little. Does the Senator from Florida have any objection to that?

Mr. MACK. I wonder if the Senator will repeat that.

Mr. BUMPERS. My question is, as long as there is nobody here to debate the amendment of the Senator from Florida right now—apparently they are waiting for some clearance on the other side of the aisle and I thought pending the time the Senator receives clearance that I might just discuss my amendment and not offer it, to save a little time when I do offer it.

Mr. MACK. I certainly have no objection as long as we have the ability to come back to the two amendments that have been offered and are waiting to be cleared.

Mr. BUMPERS. Technically, I should ask unanimous consent to do that.

The PRESIDING OFFICER. The Senator from Arkansas has been recognized and may proceed.

Mr. BUMPERS. Mr. President, my amendment in a sense is carrying water for the President. This bill contains an appropriation which will allow $350 million additional to what SBA has on hand right now, an additional $350 million in disaster relief to take care of the problem in Los Angles and Chicago. There is an additional $50,895,000 in the bill that is considered to be a contingency fund.

Mr. President, bear in mind that when we appropriate money to the Small Business Administration either for disaster relief, the 7(a) Guaranteed Loan Program, or the Microloan Program, we get a big bang for the buck. For example, my amendment would take this $46,895,000 of the contingency disaster money, and that will fund almost $1 billion in 7(a) guaranteed loans.

Mr. President, that is the principal function of the Small Business Administration. The 7(a) program is the program under which banks loan money.

The banks put up normally 10 to 20 percent of the loan, and the Government puts up an 80- to 90-percent guarantee. And since most of those loans are performing loans, OMB allows us to take this $46 million and convert it into almost $1 billion in loans.

Now, the administration is probably going to submit a request to this body in the immediate future for $1.45 billion, but pending that happy time and to make sure we do not run out of money in that program, I am asking the Senate tonight to take this $46,895,000 and put it into the 7(a) program to make sure that when July 20 comes we have an additional $1 billion to loan.

Now, also, Mr. President, I invite all of my colleagues to take a look at this three-page list which I have put on every desk in the Senate. This will tell you why I am doing this. We appropriated last year enough money to put $3.5 billion into the 7(a) loan program. That money is virtually already gone. We anticipate the program is going to require over $5 billion this year. But look at this chart and you will see why.

Now, a lot of things have happened. The recession is the primary culprit. The second culprit is the banks are not loaning very much money. Small business people are having the most difficult time they have ever had borrowing money.

But let me just read some of these figures to show you the difference be-

tween 1991 and 1992. In Boston, these 7(a) loans for 7 months so far this year are up 59.2 percent; Providence, RI, 128 percent; Concord, NH, 160 percent. You look at the cities in your respective States, and you will see what the demand is, and if we do not do this tonight, the 7(a) loan programs are going to come to a halt right in the middle of a recession when small business people need this money the most.

Now, Mr. President, the second part of my amendment takes an additional $9 million and puts it into the Microloan Program. The Microloan Program so far is one of the most successful small loan programs in the country. We got the idea from a program in Chicago and one in Pine Bluff, AR, the same city for which the horse that won the Preakness was named. There are several of these programs around the country.

Here is the way they work, Mr. President. Somebody has a good idea and no money. The banks will not loan him money because he has no collateral. We found that in Pine Bluff, AR, for example, you could loan $5,000 to a woman who wanted to run a catering business. She was struggling, making a little money, occasionally hiring a couple other people. They loaned her, I believe, $5,000 from what was called the good-faith fund. She is paying that loan back and just getting along fine.

Senator MITCHELL came and testified before our committee when we had hearings on the Microloan Program. The State of Maine has an exceptional Mircoloan Program.

Now, my point is this, Mr. President. People who have no collateral and really no business experience have no place to go to get money, no matter how good an idea they have. We have this program up and running. We have 35 what we call intermediaries who are going to make the loans for the SBA. The $5 million that we are transferring out of this contingency fund will fund almost $30 million in microloans.

Now Mr. President, that is all we do here. But when the authorization bill comes before the Small Business Committee, I intend to target some of that money for counties that have had a pervasive unemployment rate of 10 percent or more for the preceding 5 years.

Let me go back to the $1 billion for the 7(a) Guaranteed Loan Program. I think there is some dismay in this country about all the attention that is being paid in Congress to Los Angeles and Chicago. When you vote for this small appropriation, which will fund $1 billion in 7(a) loans, you are saying to the American people, "We are not forgetting the rest of the country; we are going to provide loans for you, too." And when you vote, hopefully, for this small appropriation for the Microloan Program, you are saying, "You people who cannot take advantage of the Job Training Partnership Act because you do not have any employers to participate, we are giving you this microloan opportunity so you can start your own business." And we intend to target areas like the Delta of Louisiana-Arkansas-Mississippi-Tennessee. We are going to target those areas, many of whose counties have 10 percent or more unemployment. And we are going to target people who are on welfare.

Now, Mr. President, the thing that made this whole Microloan Program so attractive and the reason Senator MITCHELL came over and testified strongly in favor of it and the reason it passed out of our committee unanimously is because we heard case after case of where a $2,000 to $5,000 loan took somebody off welfare.

If you want to give people a piece of the rock, here is a program that is sort of embryonic so far as we are concerned; we are just starting with it. But I can tell you in Mississippi, Arkansas, Louisiana, and that area of the Delta and this is not to diminish the problems in Los Angeles, but I can tell you the unemployment rate is higher and poverty is more pervasive in areas like the Delta. I see the senior Senator from Mississippi on the Senate floor. He knows this like I know it. I am not trying to denigrate the problems of the inner city. I am just saying rural America is suffering, too. So here is an opportunity to do something. It is not a grandiose scheme.

Finally, Mr. President, none of this money can be spent until the President declares an emergency, and incidentally, none of the $1.4 billion in here for the jobs program can be spent either. Until he does that, this money cannot be spent. And it is the same way with my amendment. The money I am taking out of the contingency disaster aid bill cannot be spent unless the President OK's it by declaring it an emergency. The $5 million will generate $30 million in microloans. Incidentally, there is $4 million in technical assistance because so many of these people never have been in business and they need technical assistance. Neither of those amounts can be spent either until the President says OK.

So I want to say to all the people on the other side of the aisle, when you vote for this, you are saying to your constituents, "We are concerned about you, too, not just Los Angeles and Chicago." And you are saying to people in rural areas, "We have not forgotten you either." And, finally, people on the other side of the aisle, when you go to vote, bear in mind the President has to sign off on this by declaring an emergency.

Now, it seems to me that this is the best of all worlds, Mr. President, and I will offer this amendment without much further debate after we dispose of the amendment of the Senator from Florida. I thank him very much for his indulgence.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Was the Chair about to take a vote on the Mack amendment?

The PRESIDING OFFICER. The pending question is the Mack amendment.

Ms. MIKULSKI. If the Chair is about to take a vote on that, I will withdraw my comments.

The PRESIDING OFFICER. The Senator may proceed.

AMENDMENT NO. 1845

Ms. MIKULSKI. Mr. President, I wish to rise in support of the Wofford-Mikulski amendment that would take that million dollars out of the JTPA and put it into the National Service Commission focused on youth service work.

Mr. President, that might sound like, gosh, why are you taking money out of job training to put into national service when everything is needed? Well, that is true. What I will tell you is that the summer youth corps projects are uneven in the way that they are run nationwide. And by placing that million dollars in the national service component, title I(c) of the national service bill, focusing on youth corps, we are going to do a couple of things.

First of all, we are going to give a summer job to kids so they learn the skills, work ethic and get some more enriched academic training so that while we give them a job today they learn what they need to know to be able to get a job tomorrow. It is a specific, immediate, realizable public investment in young people to put them to work this summer so that they can learn what the skills integrated with an academic background means.

Too often Youth Corps work has meant make-work projects. They rake a leaf here, drink a Coke there, rake another leaf, do a little bit of light lifting, and then they go home.

In the Youth Corps projects that we are talking about in the national service program, No. 1, students will learn and develop through active participation in thoughtfully organized service experiences that will meet real community needs and coordinate with the community and nonprofit groups.

This will be integrated into a student's learning curriculum in which they will have structured time to learn academic skills and work in a way that will enhance either their full participation in school or be able to move to a GED.

It will also provide students with opportunities to use new skills in real-life situations in their own communities. We will be saying yes to the kids who say no. We will be saying yes to the kids who said no to drugs. We will be saying yes to the kids who said no to riots. We will be saying yes to kids who say no in terms of getting into deviant or even criminal behavior.

But we will be saying yes, this is an opportunity for you if you say no to all of those other activities.

In that process we will be sending funds through community service projects not only to the big cities but also to the small towns where they need this.

I know that this modest public investment over this summer will result in many young people being able to provide community service, learn skills, enhance their reading, writing, and mathematics skills.

Also, Mr. President, for once the poor will not feel like they are beneficiaries of a program. They will not feel like tin-cup kids out there waiting for some other do-good program. They will be actually working in their own communities. They will have a sense of being a contributor, being a producer, being what voluntarism is all about.

What they are going to learn is a work ethic, and they will learn a volunteer ethic. They will learn how, when we say yes to the kids who say no, it is going to mean something for their future, and for their community's future.

I think this is a very modest investment to accomplish those goals.

I would like to salute the junior Senator from Pennsylvania who comes having had much experience in running these programs in local communities. He brings an added contribution, a practical know-how to this. I thank him for moving this amendment. I am happy to lend my support on this, and I think we are going to do a lot of good for a lot of kids that are going to mean a lot of things in the future.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, I will just take a moment.

I rise in support of the Wofford amendment, and I would like to be listed as a cosponsor.

I applaud the remarks of the Senator from Maryland, and I know, had I heard them, I would applaud the remarks of the Senator from Pennsylvania because I very much agreed with this amendment.

Mr. President, I believe that all of us would agree that we should provide some kind of help for the immediate and tangible difference in our urban communities. We would all agree we should make a special effort to improve educational opportunities for our young people. I think we all agree that we should help people in low-income neighborhoods to empower themselves through community improvement efforts based on their own assessment of community needs.

I think we would also all agree that we should find ways to deliver social services in urban areas that cut through bureaucratic procedures to reduce administrative costs. And I also believe we would all agree that we need to draw private businesses, private nonprofit corporations, churches, synagogues, community groups, and volunteers from all walks of life into the efforts to address our social problems.

I think we would further agree that we need to unite all of our people, rich and poor, black and white, urban and suburban, in a common effort reflecting our common citizenship and our mutual obligations.

We should all agree that any initiative that satisfies all of these criteria simultaneously at a relatively low cost is a must for this particular package of legislation.

Mr. President, I believe that this amendment will put money where it can be spent very quickly, in a very meaningful way, because the process has been underway for 2 years under the legislation which I sponsored.

We now have, under former Congressman McCloskey, a series of applications that have come in with innovative ways to pilot project this program. I believe that they have received about six times the amount of applications that are good, sound applications for a youth program, than they can possibly fund in this national service concept.

So I think this $25 million can be allocated quickly. It can be done not only quickly. It can be done after a 2-year process has been gone through to make sure it is going to be very meaningful work and very meaningful projects.

Mr. President, encouraging community and national service efforts in our cities will do more long-range good and build more long-term capacity for community self-improvement than any one measure we can take. It will represent a priceless dual investment in our future—through the service performed by volunteers, and through the positive impact on volunteers themselves, whether we are talking about the work ethic and civic consciousness earned by an occasional volunteer or the college education earned by a full-time national service volunteer.

To cite just one specific example of what volunteers could do—most of you know about President Jimmy Carter's landmark effort called the Atlanta project, aimed at systematically addressing social problems at the grassroots level in 13 low-income neighborhoods in and around Atlanta.

Volunteers could be recruited from those neighborhoods—deployed at solving their own community's problems—taught work skills, team spirit, tolerance, and self-esteem—and then given the opportunity for higher education or job training through benefits they earned with their own sweat equity. If any Senator can think of a more creative, more synergistic effort we could take to help nongovernment urban efforts like the Atlanta project—please let me know about it.

If we are serious about doing everything we can as quickly as we can, Mr. President, then including funding for community and national service is not the last place we should look, but the very first place we should start.

This amendment I hope will be accepted by the Senate.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

AMENDMENT NO. 1846

Mr. BYRD. Mr. President, the amendment offered by Mr. MACK has been cleared on the other side of the aisle. I am willing to go forward with it on a voice vote. Let the record show that I am opposed to it.

I do not ask for the yeas and nays. So if we could dispose of that amendment, then we will be down to the amendment by Mr. WOFFORD.

The PRESIDING OFFICER. Could I ask the Senator from West Virginia whether he asks for the yeas and nays?

Mr. BYRD. No.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 1846) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BOND. I move to lay that motion on the table.

AMENDMENT NO. 1845

Mr. BYRD. Mr. President, the amendment by Mr. WOFFORD and Senator MIKULSKI is the pending amendment. That has been cleared on this side. It is awaiting clearance on the other side. I hope we can get clearance soon. Otherwise, I will ask for the yeas and nays on it and we will try to have a vote on it.

I hope we can avoid the yeas and nays and save time.

The PRESIDING OFFICER. Is there further debate?

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. SEYMOUR. Mr. President, is it in order to send an amendment to the desk?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Pennsylvania.

Amendments are in order to that amendment. But additional amendments can be only offered by unanimous consent.

Mr. SEYMOUR. Mr. President, I ask unanimous consent to offer an amendment.

Mr. BYRD. Mr. President, I temporarily object, and I do not intend to prolong that objection.

The PRESIDING OFFICER. Objection is heard.

Mr. BYRD. I think Senator BUMPERS should at least be on the floor because he had stood in line and would have offered his amendment earlier but for the fact that two amendments were pending. He did not speak on his amendment. If he has no objection, I certainly have no objection.

Mr. SEYMOUR. Mr. President, I yield to the chairman of the Appropriations Committee.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. BOND. Mr. President, as this discussion proceeds, I want to add my support to those who are supporting the amendment of the Senators from Pennsylvania, and Maryland. I had some ideas and observations that I wanted to share with my colleagues as we debate this particular amendment, and this supplemental bill, because I believe that there has been far too much rhetoric from pundits and candidates as of late, and instead, we need to take a look at some of the significant achievements that have occurred in recent years.

Too often these past weeks, liberals blame the LA riots on the Reagan-Bush administration's decade of neglect, ignoring or oblivious to the fact that we spend more in inflation-adjusted dollars on antipoverty programs now than we did in 1968, in the midst of the Great Society. During these past 30 years an entire infrastructure of advocates and bureaucrats has been built up around the poor and the homeless. Many have taken over the issues of housing, health care, nutrition, and education and have developed a single test for success: Did we get more money? If the answer is yes, then the program, policy, or idea is successful. Unfortunately, the question does it work? Either never comes up, or is conveniently ignored.

Similarly, conservatives wrongfully blame President Johnson and the Great Society for the plight of young city dwellers, claiming we have wasted $2 trillion since the 1960's. They conveniently ignore the indisputable successes of the War on Poverty, a vibrant growing black middle class, a 60 percent reduction in infant mortality, one-third decline in the poverty rate, and a narrowing of the gap between minorities and whites in the unemployment rate. These are real successes and should not be overlooked. Unfortunately, with all of the attention focused on finger-pointing and defensive reactions, the reasoned voices, such as that of Mayor Emanuel Cleaver, of Kansas City, and others, are being drowned out.

Mr. President, I ask unanimous consent that a column which appeared in the Kansas City Star by the mayor of Kansas City be included in the RECORD after my remarks.

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

(See exhibit 1.)

Mr. BOND. Mr. President, the fact is, if there were ever a time for an honest evaluation of the plight of our cities and the programs designed to aid them, this is the time. The public wants pragmatic solutions and results-driven approaches, not rhetoric or partisan finger pointing. A little honest analysis would show that we do have the building blocks for creative solutions in place. We know what approaches work, and what fail. We find success when a lean, nonbureaucratic Government intervention that meets the pragmatic test is at work. Programs like Parents as Teachers, public housing reform, and enterprise zones, which I know from experience in my State work and school-to-work transition programs work. They work because they foster family, community, private enterprise, and self sufficiency.

Straightforward ideas sometimes are rejected initially. The public housing reforms that I proposed 2 years ago were objected to. They found no great supporters. Some felt they were an attack on public housing, instead of an effort to make public housing work. But my approach was simple. How can we make public housing serve the residents, rather than get caught in a finger pointing cascade of accusations from both sides saying it does not work because they are at fault?

Programs meeting the "does this work?" test all exhibit strong partnerships between the public and private sectors. And yet, these straightforward ideas that work are often rejected politically because they have the smallest constituencies—they challenge both the liberal and conservative orthodoxies which assume either that nothing works or that current programs would work if only we pumped more money into them.

As one who has made housing issues and particularly public housing a priority during my time in the Senate I can speak from experience that having an open-minded view of what can be accomplished is not necessarily viewed as a plus. For example, as we entered the 1990 housing bill reauthorization debate I had two major goals: First, to recognize there were unmet needs which deserved attention and second, to improve the programs to insure the tenants were being served.

This novel approach won me no adherents from either side: in fact, the public housing authority directors were very distrustful of a Republican looking to change public housing policy. But we kept at it, arguing that some PHA's were poorly run, that we needed mechanisms to protect the residents in these cases. I also argued that a housing labyrinth which had no lines of responsibility and thus no accountability was a recipe for disaster—HUD, city officials, PHA officials, and advocates all pointing fingers, while the residents of public housing continued to suffer the poor condition and the waiting lists for others lengthened. My solution was fairly simple. I proposed a set of objective criteria to measure a PHA's effectiveness, and a mechanism to take them over if they failed. I coupled this with a formula for a steady funding stream for modernization and rehabilitation which would not penalize residents while the bickering went on.

Many saw my proposals as a Republican effort to discredit the program. Eventually, however, I received an award from the Public Housing Authority Directors Association for my efforts to make public housing work. That meant both reforms and adequate funding.

Last Friday I had a meeting with inner-city leaders in Kansas City who are seeking answers to the pressing problems there. I told them I wanted to hear again what they thought would work, but noted we cannot measure the success of any program simply by the money spent on it. Instead we must measure success by success.

And they agreed—spending in the right place, on the right programs is the key. Specifically they noted the most successful of the social programs are the ones that use Federal dollars to encourage local, private, and nonprofit investments.

As Congress has attempted to deal with social programs over the last 20 years, one lesson is clear: When the Feds go it alone, the program fails. Many a good idea has been killed in the implementation phase, simply because it did not generate enough commitment or was subject to competing demands on the local level. We have seen what happens to neighborhoods when local investment fails.

Government programs cannot substitute for capital investment which creates jobs. One proper role for the Government is to combat redlining. I have supported the Community Reinvestment Act, which requires banks to help meet the credit needs of the entire community, because of my belief in the critical importance of private investment in our city neighborhoods. I have also supported efforts to strengthen antidiscrimination laws that apply to both bank lending and loan purchases by the secondary market agencies like Fannie Mae. Access to credit should not be arbitrarily denied because of the race of the loan applicant or the location of the property and it is the Government's job to see that these laws are vigorously enforced.

Another mechanism to spur private investment is enterprise zones. Enterprise zones create jobs and stimulate investment in needy communities. According to Business Facilities magazine, State-level enterprise zones in 1989 generated over 184,000 jobs, sustained almost 170,000 other jobs, and

brought in 18 billion dollars' worth of new capital investment. As Governor of Missouri I recommended and signed into law enterprise zone legislation which has brought thousands of jobs and tens of millions of dollars of investment into the zones. Despite this success, Congress has not enacted enterprise zone legislation. In fact, to my recollection, we have not even debated the issue on the floor of the Senate since I arrived in 1987.

We must also do a better job of preparing inner-city youth to take jobs in their own neighborhoods. This is really an 18-year process. The first step is to get them ready to attend school.

Parents as Teachers is an innovative early childhood/parent education program which teaches parents how to maximize a child's language, social and motor skills so that they enter school ready to learn. Many in Missouri are familiar with the program—and its success in ensuring school readiness. In my view it is superior to Head Start because it emphasizes that parents are ultimately responsible for the education and positive development of their children—not Government or the schools. And PAT gives parents the tools they need to encourage positive, healthy development in their children. Yet how we have struggled against both conservative and liberal coalitions to obtain even modest Federal funding for demonstration projects for this novel, proven-effective approach.

Once they enter school, we must keep them there. The Census Bureau reports that high school dropouts are three times as likely to be poor than highschool graduates, and twice as likely to have low-wage jobs than highschool graduates. Hardly surprising, but this points out the desperate need to keep kids in school in inner-city areas, like Kansas City, where the drop-out rate approaches 50 percent. This Nation's cities need more school-to-work transition programs like Jobs for America's Graduates. These programs provide kids with an incentive to stay in school—job skills and job search assistance, and provide them with a connection between what they're learning and the real world. Teamwork and partnership are evident in these programs, which rely on the combination of Government funds and local business involvement. Today I am cosponsoring the administration's Youth Apprenticeship Program, introduced by Senator DOLE, which would direct funds to school-to-work transition programs like Jobs for America's Graduates.

In the meantime I am pleased that this bill calls for an additional $700 million for the Summer Youth Program. Both Kansas City and St. Louis desperately need Federal money to supplement their efforts to put inner-city youth to work this summer. Providing these kids with jobs is one antidote to escalating tension.

The simple answer is that we must spend more on what works and less on what does not. An example of the latter category is the current foster care system. Few people are aware of the fact that thousands of children across America are removed from their families each year, not because of abuse or neglect, but simply because of inadequate housing. Several thousand dollars are then spent to keep them in foster care. This is absurd. Yet until this year, Government has failed to adopt the more obvious solution of providing special housing assistance to those families. I worked with Senator BARBARA MIKULSKI to secure $50 million to begin a pilot project in 11 States called Family Unification. This type of bipartisan effort is essential if we are to achieve success in other areas of urban need.

Finally, as a society we must come to terms with the fact that government cannot do everything. Government can reinforce, but not replace, family, community, and private enterprise. The best social program is still a job; the best social services agency is still the family. Of far more importance than Government programs operating at the margins are the choices made by individuals, behavior modeled by parents and witnessed by children, and values transmitted from this generation to the next. Government should help make this possible, then get out of the way.

Mr. President, I urge my colleagues to join in support of the Wofford amendment.

EXHIBIT 1

WORKING TOGETHER

(By Emanuel Cleaver)

For the past two decades this country has placed race relations at the bottom of the American agenda. Rather than building on the success and, yes, the failures of our past efforts, we instead chose to relegate progress made to be the back burner.

While it is convenient and easy in our society to do this, recent events have clearly shown what occurs by ignoring and neglecting our social ills.

In many respects this country is still segregated. Many of our children will come into adulthood without developing friendships or relationships across racial or cultural lines.

For those left behind in the ghetto or in the barrio, crime, unemployment and poverty are everyday reminders that the first step on the career ladder is out of reach, compounding a sense of hopelessness.

We, as Americans, are challenged to create a society that is inclusive, not exclusive. We must create a society in which our cultural, ethnic, religious and racial differences are embraced as enhancing our character.

This must happen if we, as a nation, are to move forward together. Locally, it is imperative if Kansas City is to achieve world-class status.

Kansas City is not alone in having long-term problems in this area. It is a national problem calling for national solutions. There are, however, some things that can be accomplished by local citizens working together to confront these issues. My feeling is that we have an opportunity to forge some unique relationships at the neighborhood level that will pay a dividend to the city.

Among several actions that needed to be taken in the face of strained race relations, I announced that formation of a Human Rights Commission. The commission is intended to be an anti-riot program. In fact, it had been on the drawing board for some time. It is intended to and will spearhead the city's efforts to improve race relations, understand the problems of civil and human rights and bring interested and affected parties together to work toward solutions.

The Commission will be composed of seven outstanding citizens who are knowledgeable and interested in making a difference in the area of human rights.

In order to broaden participation within the commission, the members will also establish task forces in the areas of youth, media, education, business, law enforcement and a host of others. This will be done to allow individuals with expertise and knowledgeable in a particular area to bring their skills to bear on the problem.

The commissions as a whole and the individual task forces will conduct hearings, give reports and take action to address problems. It will not and cannot be just another commission that fails to act on its own recommendations. Neither, however, will it reinvent the wheel.

Kansas City has numerous organizations that are actively working to improve race relations, increase cultural awareness and solve the problem of hopelessness.

The Urban League and Full Employment Council are busy training and placing people in jobs. Harmony in a World of Difference is working to promote cultural awareness. They and others have been hard at work tackling these problems before they became fashionable. The trouble is that they work with limited budgets and could have a greater impact with more resources.

The Human Rights Commission is not meant to replace these organizations or other civil rights groups. It is meant to supplement their activities and enhance them.

Unless Kansas City deals with the question of race today it will be a crisis tommorrow. Through the Human Rights Commission. I believe we have an opportunity to bring these issues to the forefront of the public's awareness. If we do that, I fear the consequences.

Mr. BYRD. Mr. President, it is my understanding that the other side is not ready to vote on the amendment by Mr. WOFFORD, and the effort is still going forward to try to clear that.

Mr. COCHRAN. We are trying to clear that amendment. We have not been able to clear that at this time, but we are continuing to try.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending Wofford amendment may be set aside temporarily, that Mr. BUMPERS may be allowed to proceed on his amendment, upon which he has already spoken.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 1847

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 1847.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, line 2 of the bill strike from "Disaster" through to and including "1985" on line 18, and insert in lieu thereof the following:

DISASTER LOANS PROGRAM ACCOUNT

For an additional amount for the cost of direct loans, $118,755,000, to remain available until expended to subsidize additional gross obligations for the principal amount of direct loans not to exceed $350,000,000, and in addition, for administrative expenses to carry out the disaster loan program, an additional $20,000,000, to remain available until expended, which may be transferred to and merged with appropriations for "Salaries and expenses": *Provided*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

BUSINESS LOANS PROGRAM ACCOUNT

For an additional amount for the cost of section 7(a) guaranteed loans (15 U.S.C. 636(a)), $46,895,000, to remain available until expended, and for an additional amount for the cost of direct loans authorized under the Microloan Demonstration Program (15 U.S.C. 636(m)), $5,000,000, to remain available until expended, and in addition, for grants in conjunction with such direct loans, $4,000,000, to remain available until expended and to be merged with appropriations for "Salaries and expenses": *Provided*, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Control Act of 1985, is transmitted to the Congress: *Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

Mr. BUMPERS. Mr. President, we have already debated this amendment. I think it is cleared on both sides of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. COCHRAN. Mr. President, the distinguished Senator from Arkansas has made a very compelling argument in support of this amendment. It does provide very needed assistance to areas of the country that were not contemplated, I think, when this bill was first passed in the House and sent over here to the Senate. We do not have an objection to the passage of the amendment, as offered by the Senator.

I might have to say, though, that in looking at the wording of the amendment, if there is a finding that an emergency exists on the part of the Congress and under the Budget Enforcement Act, it requires a similar finding on the part of the President in order to trigger the allocation of funds under this amendment.

This is an invitation to offer an amendment under this procedure on a wide range of subjects. We have seen that now brought to the attention of the Senate tonight on the subject of disaster assistance for farmers. I have no doubt, if we stay here longer tonight, we will probably see other amendments generated along this same line.

I have no quarrel with this amendment, but it is just to point out that it provides an opportunity for the President to be put in an awfully awkward position when he had reached agreement with the Congress on the budget enforcement account that was codified in the Budget Enforcement Act.

Having said that and made that observation, he reached the agreement with Congress knowing that that was a possibility. I suppose that he now lives with that decision and, from a political standpoint, that may not be to his advantage. Having said that, we have no objection, and we do not oppose the adoption of the amendment.

Mr. BYRD. Mr. President, as the manager of the bill on this side, I am happy to accept the amendment.

Mr. HOLLINGS. Mr. President, I rise in support of the amendment by my good friend, the Senator from Arkansas. His amendment will provide almost $1 billion in additional Small Business Administration section 7(a) business loan guarantees, and will provide an additional $29.6 million in microloans.

The demand for the SBA Business Loan Guarantee Program is up all around the country. And, we find ourselves in a situation where the section 7(a) program could be shut down by July.

Mr. President, this situation has not occurred through any fault of the Congress. Quite the contrary, we rejected the credit cuts that were proposed by the administration's fiscal year 1992 budget. The Office of Management and Budget got its wish. It put SBA's credit programs on-budget—requiring appropriations pursuant to the Budget Enforcement Act—and then it cut them. In fiscal year 1992, the Commerce, Justice, and State Subcommittee had to add $215 million to the President's budget request for SBA business loan programs in order to keep these programs functioning. Without this action, the section 7(a) program would have been shut down a long time ago.

The Reagan administration tried to terminate SBA programs outright. At least they were upfront. Instead, this administration proposes fees, increasing the risk to banks, and Washington Monument offsets—all the while professing its support for small business. And this present shortfall was hastened when the administration conveniently decided to initiate a new program this January in New England to convert to SBA guarantees loans at banks that had failed.

Senator BUMPERS has put the burden back where it belongs—on the White House. This amendment gives the President the ability to keep the section 7(a) program going. It seeks not just to provide temporary employment for the summer of 1992, but instead to create long-term jobs. I urge its adoption.

Mr. KASTEN. Mr. President, I rise in support of the amendment offered by the chairman of the Small Business Committee. This amendment would provide additional funding for the Small Business Administration's Guaranteed Business Loan and Microloan Programs.

These programs are critical to promoting private sector job creation across America.

As the ranking member of the Small Business Committee, I am proud to have worked with Senator BUMPERS in creating the Microloan Program last year. And I look forward to working with the chairman in carrying out the original intent of the Microloans Program by targeting this program to our economically distressed inner cities.

These high unemployment and poverty stricken areas truly need access to credit so that low income and minority small entrepreneurs can prosper and create jobs.

The PRESIDING OFFICER (Mr. HARKIN). Is there debate on amendment 1847?

If not, the question is on agreeing to the amendment.

The amendment (No. 1847) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1845

Mr. BYRD. Now, Mr. President, the pending amendment before the Senate is Mr. WOFFORD's amendment. I ask unanimous consent that it may temporarily be laid aside so that a Senator may call up an amendment.

May I also say that I hope that we can reach an understanding soon as to the remaining amendments so that we will know precisely how many amendments remain to be called up.

Mr. COCHRAN. Mr. President, I can now say that we have cleared the Wofford amendment, and we are able to agree to that.

Mr. BYRD. Very well, I thank the distinguished Senator.

Mr. President, that amendment is acceptable on this side, and we are ready to vote on that amendment.

The PRESIDING OFFICER. Is there further debate on amendment 1845?

If not, the question is on agreeing to the amendment.

The amendment (No. 1845) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. WOFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

Mr. SEYMOUR addressed the Chair.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized.

AMENDMENT NO. 1848

(Purpose: To prohibit the use of funds to provide assistance to persons arrested or subject to pending charges for, or convicted of, riot-related crime in the City or County of Los Angeles, California)

Mr. SEYMOUR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from California [Mr. SEYMOUR] proposes an amendment numbered 1848.

Mr. SEYMOUR. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

GENERAL PROVISIONS

SEC. 101. (a) IN GENERAL.—None of the funds made available in this Act may be used to provide any grant, loan, or other assistance to any person who—

(1) is under arrest for;

(2) is subject to a pending charge of committing; or

(3) is convicted of committing,

a riot-related crime in the City or County of Los Angeles, California, during the period of unrest occurring April 29 through May 9, 1992. All appropriate Federal agencies shall take the necessary actions to carry out the provisions of this section.

(b) APPLICANTS CERTIFY.—Any applicant for aid provided under this Act shall certify to the Federal agency providing such aid that the applicant is not a person described in subsection (a) or acting on behalf of such person.

(c) DEFINITION.—For purposes of this section, the term "riot-related crime" means any Federal or State offense committed in connection with rioting, including murder, arson, looting, theft, assault, and vandalism.

Mr. SEYMOUR. Mr. President, I offer this amendment along with my good friend the distinguished Senator from Texas [Mr. GRAMM], to simply clarify who it is we are helping in this important supplemental appropriations bill.

This amendment simply states that no funds in this appropriations bill may be made available to any person who is convicted of committing a riot-related crime in the city and county of Los Angeles and, furthermore, no funds shall be made available to any individual who is arrested or indicted until that individual is cleared of any wrongdoing.

Mr. President, there seems to be some confusion as to who we are helping in this supplemental aid bill. To me, it is very clear who we are helping. We are helping the citizen who stayed home rather than loot and pillage but went to work the next day to find that his or her job was gone. We are helping the store owners, those who ran the mom-and-pop shops who watched years of hard work wiped out in a matter of minutes, livelihoods turned into stinging smoke and burning ash. We are here to resolve livelihoods, not reward rioters, looters, arsonists, and murderers. We are here to help the law-abiding citizens and not the law breakers. We are here to help the good people of Los Angeles.

The amendment before us is designed to erase any doubt that exists that the results of this amendment may stray beyond our intentions. This amendment puts teeth into our good intentions, to make sure that not one penny of the taxpayer's money goes to those who destroyed both lives and livelihoods in Los Angeles.

This is a very simple amendment, Mr. President. It simply makes real our good intentions. It ensures the results of this supplemental bill will match our intentions and, for that reason, I strongly urge my colleagues to support this important amendment to the bill.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second at the moment.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on amendment No. 1848 by the Senator from California?

Mr. BYRD. Mr. President, there are some Senators on both sides of the aisle who are not necessarily close by. So, I suggest that if we could get up another amendment——

Mr. SYMMS. Mr. President, I have an amendment, and I am ready to go.

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside so that Mr. SYMMS may offer an amendment.

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

AMENDMENT NO. 1849

Mr. SYMMS. Mr. President, I call up an amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 1849.

Mr. SYMMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

SEC. . CONTROL OF OUTDOOR ADVERTISING.

Section 131(n) of title 23, United States Code, is amended by adding at the end the following new sentence: "Funds apportioned to a State under section 104 of this title shall not be treated for purposes of the preceding sentence as being available to the State for making such a payment except to the extent that the State, in its discretion, expends such funds for such a payment.".

Mr. SYMMS. Mr. President, it will not take long to explain this amendment. I will not speak very long on it because the issue is very simple. In the Intermodal Surface Transportation Efficiency Act, commonly known as ISTEA, we allowed the States for the first time to use the regular highway construction funds to pay for the removal of nonconforming billboards. These are not illegal billboards which are erected illegally and must be removed without payment. Rather, these are billboards which were erected legally but subsequently became nonconforming under the Highway Beautification Act. And Congress requires that States pay the owners when these signs are taken down.

Mr. President, I find it unfortunate to have to offer this amendment because the Federal Highway Administration has interpreted the statutory language to require—I repeat "to require"—that the States use their highway funds to remove nonconforming signs.

Mr. President, as a member of the transportation conference committee I can flatly say that the Federal Highway Administration interpretation is totally contrary to the intent, and I believe contrary to the intent of the majority, contrary to my intent, and I believe contrary to the intent of the conferees. What we intended—and this is the important part, I hope my colleagues who are in the Chamber will get this point—what we intended was to allow the States to use their regular highway funds to pay for the removal of nonconforming billboards at the discretion of the States.

In other words, if the States choose to do this, they may use their highway funds to take down these billboards. That is fine. If they do not choose to do so, they do not have to.

This amendment simply clarifies the statute so that the use of highway construction funds to pay for the removal of billboards will indeed be a matter left to the discretion of the States.

Mr. President, in addition to this, I would like at the end of my remarks to print in the RECORD a letter from the office of Senator HARRY REID to Secretary Andrew Card, signed by three other Senators, and a letter initiated in the other body by what they call the big four in the House which deal with highways to the Honorable Andrew Card which goes into detail and explains why this amendment is necessary, signed by Congressman ROE, Congressman HAMMERSCHMIDT, Congressman MINETA, and Congressman SHUSTER.

I ask unanimous consent at the end of my remarks that those two letters be printed in the RECORD.

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

(See exhibit 1.)

Mr. SYMMS. In addition, I would like to print in the RECORD the job and infrastructure impacts of using Federal highway funds to remove nonconforming billboards. If the Federal Highway Administration interpretation in the March 6 regulation which we have all objected to sticks and holds into law, there will be a total of 98,000 nonconforming billboards removed at a cost of $1.2 billion, and jobs lost in infrastructure would range somewhere between 19,000 and 48,000 and the miles of road not built, lane miles, would be somewhere between 4,557 miles and 11,000 miles.

Mr. President, I wish to call this to the attention of Senators. I will pass this out so Senators can look up their State. I have already heard from my State. What is happening is, because of this interpretation, which was not what was the intent of the Congress, now they are threatening to withhold highway funds from States.

Our State DOT's are calling us saying "What in the world is going on? We thought we had this issue settled by Congress. It was worked out." We had these votes on the floor. I apologize to my colleagues to have to offer this amendment, but it is the only way I know how to get the intent of Congress enforced with the Federal Highway Administration.

Mr. President, I ask my colleagues that are interested—they can look up their respective States of how many jobs will be impacted. It is a considerable amount.

Another job loss, besides those highway jobs that are lost, is many of these nonconforming signs—I repeat they are not illegal signs, they are nonconforming—are the lifeblood of small mom and pop stores, communities and businesses that are off of the respective highways. It is the way people find out that those businesses are available, and without those signs those people lose jobs. So I hope that my colleagues would accept this amendment and we would this way be able to work this out agreeably at the Department of Transportation.

Mr. President, I ask unanimous consent to have this job data printed in the RECORD.

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

THE JOB AND INFRASTRUCTURE IMPACTS OF USING FEDERAL HIGHWAY FUNDS TO REMOVE NONCONFORMING BILLBOARDS

State	Signs to remove	Cost (Ind. est.)	Cost (DOT est.)	Job lost	Lane miles not rehabed
Wisconsin	10,195	$124,389,195	47,427,140	1,924–5,046	474–1,243
Pennsylvania	7,688	93,801,233	35,764,576	1,449–3,805	357–938
Texas	7,535	91,934,535	35,052,820	1,421–3,731	350–919
Florida	6,584	80,331,384	30,628,768	1,242–3,260	308–803
Kansas	5,396	65,836,596	25,102,182	1,019–2,671	251–658
Indiana	5,340	65,153,340	24,841,680	1,006–2,643	248–651
Tennessee	3,704	45,192,504	17,231,008	698–1,831	172–451
Arizona	3,514	42,874,314	16,347,128	661–1,737	163–428
Ohio	3,481	42,471,681	16,193,612	653–1,721	161–424
North Carolina	3,296	40,214,496	15,332,992	621–1,632	153–402
Missouri	3,221	39,299,421	14,984,092	604–1,591	149–392
South Dakota	3,036	37,042,236	14,123,472	572–1,502	141–370
Michigan	2,989	36,468,789	13,904,828	564–1,477	139–364
Alabama	2,959	36,102,759	13,765,268	556–1,465	137–361
California	2,884	35,187,684	13,416,368	544–1,425	134–351
Georgia	2,563	31,271,163	11,923,076	483–1,266	119–312
Oklahoma	2,494	30,429,294	11,602,088	470–1,234	116–304
New York	2,314	28,233,114	10,764,728	434–1,144	107–282
Virginia	2,164	26,402,964	10,066,928	406–1,071	100–264
South Carolina	1,971	24,048,171	9,169,092	369–974	91–240
Illinois	1,950	23,791,950	9,071,400	365–962	90–237
Nebraska	1,805	22,022,805	8,396,860	336–893	83–220
Wyoming	1,642	20,034,042	7,638,584	308–812	76–200
Maryland	1,450	17,691,450	6,745,400	272–714	67–176
Mississippi	1,077	13,140,477	5,010,204	203–531	50–131
Arkansas	1,060	12,933,060	4,931,120	198–523	49–129
Colorado	965	11,773,965	4,489,180	178–475	44–117
New Mexico	965	11,773,965	4,489,180	178–475	44–117
Montana	748	9,126,348	3,479,696	138–369	34–91
Kentucky	677	8,260,077	3,149,404	125–332	31–82
Louisiana	629	7,674,429	2,926,108	117–308	29–76
New Jersey	491	5,990,691	2,284,132	113–239	22–59
Iowa	461	5,624,661	2,144,572	85–227	21–56
North Dakota	359	4,380,159	1,670,068	64–174	16–43
Idaho	142	1,732,542	660,584	24–69	6–17
New Hampshire	135	1,647,135	628,020	24–64	6–16
Delaware	103	1,256,703	479,156	16–48	5–12
Connecticut	85	1,037,085	395,420	15–40	4–10
Rhode Island	71	866,271	330,292	12–32	3–9
Minnesota	60	732,060	279,120	8–28	3–7
West Virginia	47	573,447	218,644	8–20	2–6
Massachusetts	42	512,442	195,384	7–20	2–5
Washington	32	390,432	148,364	5–15	1–4
Oregon	14	170,814	65,128	2–6	6–2
Nevada	12	146,412	55,824	2–5	5–1.5
Alaska	0	0	0	0	0
District of Columbia	0	0	0	0	0
Hawaii	0	0	0	0	0
Maine	0	0	0	0	0
Puerto Rico	0	0	0	0	0
Utah	0	0	0	0	0
Vermont	0	0	0	0	0
Total	98,350	[1] 428	[2] 1.2	18,499–48,610	4,557.1–11,980.5

[1] Millions.
[2] Billions.

Source: American Road & Transportation Builders Association analysis.

EXHIBIT 1

U.S. SENATE,
Washington, DC, April 1, 1992.

Hon. ANDREW CARD,
Secretary of Transportation, Washington, DC.

DEAR SECRETARY CARD: As Senators who participated in the debate on the Intermodal Surface Transportation Efficiency Act of 1991, we must take issue with the guidance published in the March 6, 1992, Federal Register by the Federal Highway Administration. These guidelines are completely contrary to the intent of Congress when it passed the bill. If followed, the guidelines would erode state flexibility, drain funds from other important surface transportation programs, and cost many thousands of jobs.

In its guidance, FHWA erroneously concludes that ISTEA requires states to begin the immediate removal of nonconforming signs, and it gives them two years to complete the job. That was never the intent of the legislation.

The ISTEA simply made nonconforming sign removal eligible for funding under the federal-aid highway program. Our intent was

clearly to give the states the flexibility to use their federal-aid highway funds for removal of nonconforming signs if they chose to do so.

We gave no deadline for the removal of nonconforming signs. Had we intended that states be required to remove these signs within two years, we would have said so, and we would have stated it explicitly, as we did in setting a 90-day deadline for the removal of illegal signs.

In addition to taking from the states the flexibility to decide how to spend their highway funds, the FHWA's proposed deadline would take funds away from important highway, transit, highway safety, congestion mitigation, and air quality improvement programs. By doing so, it would undermine the job creation potential of the ISTEA. Many thousands of jobs would go unfilled.

It is shocking that a federal agency in this administration would propose an action that is well beyond the intent of Congress and do so in a way that robs states of the flexibility they want, need, and deserve. In addition to burdening states with new requirements, the FHWA guidance has a damaging impact on business and, in this case, many tourist-related small businesses. All of this comes at a time when we can ill afford to create additional problems for the American economy.

For all of these reasons, we demand that action be taken to rescind this guidance as quickly as possible.

Sincerely,

HARRY REID.
TOM DASCHLE.
JOHN BREAUX.
STEVE SYMMS.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, March 30, 1992.

Hon. ANDREW CARD,
Secretary, Department of Transportation, Washington, DC.

DEAR MR. SECRETARY: We are writing to express our strong disagreement with a proposed interpretation of the Federal Highway Administration regarding outdoor advertising provisions in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). In a March 6, 1992 notice, FHWA indicates that it will require States to remove all nonconforming signs within 2 years. This result is completely contrary to the intent of Congress in passing ISTEA, and in addition, it is inconsistent with the language of ISTEA when read in its entirely.

The amendments made by ISTEA permit, but do not require, the use of highway apportionments for removal of nonconforming signs. Specifically, a new sentence added to the law states that ". . . a State *may* use any funds apportioned to it under section 104 of this title for removal of any sign, display, or device lawfully erected which does not conform to this section" (emphasis added). This approach is consistent with the overriding theme of the bill: flexibility by the States in the use of transportation funds. The bill provides States with an unprecedented amount of discretion in spending funds on a wide range of transportation activities. The Congress felt it to be of paramount importance to reduce the Federal mandates in transportation decisionmaking and to permit the States to make funding choices among the many competing projects.

Congress retained the requirement that cash compensation be paid when nonconforming signs are removed. At the same time, Congress included billboard removal among the eligible purposes for apportioned funds in order to allow those States that want to aggressively remove nonconforming signs to do so. In taking this action Congress believed that it was taking a step forward in meeting the goals of the Highway Beautification Act by giving the States the tools they would need if they chose to remove the signs.

It is important to note that we included in the bill a requirement that 10 percent of the surface transportation program funds be spent for activities like billboard removal ("transportation enhancements") that might otherwise have difficulty competing for funds. We were clearly trying to find ways to encourage States to use their discretion to achieve the goals of the Beautification Act, in lieu of an approach that would have mandated removal of nonconforming signs. We would not have needed to provide this encouragement if we had in fact provided such a mandate.

Simply put, an interpretation like that now proposed by FHWA was never proposed, suggested, or discussed. Indeed, such a proposal would have been rejected as inconsistent with the thrust of the legislation and the intent of the Congress in dealing with the issue of billboards. Not surprisingly, various FHWA documents produced after the enactment of ISTEA failed to mention this interpretation. For example, a January 9, 1992 memo to Regional FHWA Administrators indicates that "states may want to consider giving some priority in the use of * * * funds" for sign removal (emphasis added). The March 6 notice itself states that "we do not believe that the Congress intended that the removal of signs take precedence over all other title 23 projects and programs". What is surprising is that FHWA would propose a policy that would have the opposite effect, namely to require expenditures for billboard removal ahead of other projects.

The FHWA position is premised on section 131(n) of title 23, United States Code, which states that signs are not required to be removed if the Federal share of the compensation is not available. The FHWA view is that the authority to use apportioned funds for billboard removal makes them available within the meaning of section 131(n).

Another reading of this language is that funds are not available for purposes of section 131(n) until the State, in the exercise of its discretion in the use of its apportioned funds, chooses to make them available. The opportunity to use these funds for sign removal, based upon State choice, is quite different from the availability of funds that were previously appropriated under section 131(m) for billboard removal; those appropriated funds were dedicated to sign removal and could be used for no other purpose. this reading, and not the FHWA reading, is consistent with the language of the statute that makes the funding for sign removal permissive.

Very significant support for this reading is also found in the fact that the Congress did not repeal section 131(n). Indeed, the retention of this section is incompatible with the FHWA interpretation. If funds are now automatically available for billboard removal, as the FHWA has stated, then there would be no need to retain a condition providing for what happens when funds are not available. Courts are compelled to give meaning to all provisions in statutes. This condition only has meaning if there are circumstances in which funds are not available for sign removal. As we have suggested, our intention was to give the State the choice of making those funds available for removal of nonconforming signs, and that should be clear from the Act when read in its entirety.

The proposed FHWA interpretation would be a dramatic change in federal policy toward billboard removal. It is inconceivable that Congress could have legislated such a change without even mentioning that result. Nowhere in the legislative history is there any discussion of this result. Instead, all discussion is of discretion in the use of funds for this purpose. In contrast to the treatment of illegal signs, which the statute explicitly requires to be removed within a time certain, no mention is made of requiring the removal of nonconforming signs. Surely, if we had meant to require the removal of these signs we would have done so explicitly and would have provided a phase-in of the requirement.

In summary, by making removal of nonconforming signs an eligible purpose for the use of apportioned funds, the Congress provided States with an important tool for meeting the goals of the Highway Beautification Act. But we always intended that this tool be used in the discretion of the State. States for which removal of nonconforming signs is a high priority will be able to use their apportionments as quickly as they wish for this purpose. By the same token, those States for which this is a low priority will be able to choose to fund their higher priority highway or transit projects.

For all these reasons, we believe that the FHWA notice of March 6 is contrary to the ISTEA and should be rescinded.

With highest regards,

Sincerely,

ROBERT A. ROE,
Member of Congress.
JOHN PAUL HAMMERSCHMIDT,
Member of Congress.
NORMAN Y. MINETA,
Member of Congress.
BUD SHUSTER,
Member of Congress.

Mr. PRESSLER. Mr. President, I rise today to support the amendment offered by my colleague from Idaho.

Under current law, the Surface Transportation Act allows States to use regular construction funds to pay for the removal of nonconforming billboards. The Federal Highway Administration has interpreted this to require that States use these funds for that purpose. This was not the intention of the law. The amendment offered tonight clarifies this intent by allowing States to use construction funds for this purpose only if they want to do so. If the States want to use these funds for other purposes, such as the construction of roads, they will also have that option.

I am pleased to support this technical amendment, which will give States the flexibility to determine how to best use their construction funds. Thank you, Mr. Chairman.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first of all, I want to say that I think the Federal Highway Administration has done the right thing in enforcing or attempting to enforce the law. And, by the way, there is no enforcement yet under it. What they are doing is send-

ing out some potential rules under it as they interpret the law. And they would give the States 2 or perhaps as many as 5 years to take down nonconforming boards. So I think they are correct in doing that. However, we have been over this many times in the past and I know what the situation is here on the floor of the Senate as regards to this billboard situation.

I must say, we made considerable progress under the Surface Transportation Act of 1991 in providing that Federal highway moneys can be used to take down nonconforming boards. And even under the interpretation of the Senator from Idaho, that money would still be available at the option of the Senate. The difference is whether it is mandatory or whether it is optional.

I would prefer it be mandatory, get these nonconforming boards down once and for all. But I know what the sentiment was in the conference. Indeed I can only say the Senator from Idaho is accurate in his interpretation of what the belief was in the conference that we held. Nonetheless, I applaud the Federal Highway Administration for having the courage to stand up to the billboard lobby. But I think that the Senator from Idaho has given an accurate interpretation of what the belief was when we drafted the bill.

So I do hope that the States will move ahead. Every State has the option to go ahead and take down these nonconforming boards.

Mr. SYMMS. Mr. President, if I could just comment. I thank the Senator for his comments. Senator CHAFEE was a bulldog, literally, in that conference. He finally, at one point in the scenic highway section, had the conferees agreeing with no new billboards. I think Senator CHAFEE deserves that commendation. I appreciate his comments on the accuracy of this and I hope the committee could accept this amendment.

Mr. CHAFEE. Mr. President, I am not in favor of it, but I do not want to carry this on any further. I am not going to object to it.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, would the Senator from Idaho, the sponsor of this amendment, respond to a question?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. GRAHAM. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, we are temporarily, or at least momentarily, trying to get some advice from the appropriators on the subcommittee that has jurisdiction to see if we might go ahead and accept this amendment. So if we might defer action on the amendment for the moment and have the amendment temporarily set aside so another Senator can call up an amendment.

Mr. SYMMS. That is fine.

Mr. BYRD. Mr. President, I do not have the floor. The Senator from Florida has the floor.

Mr. GRAHAM. Mr. President, while we are in this position, would the Senator from Idaho be willing to respond to a short question on this amendment?

Mr. SYMMS. Yes.

Mr. GRAHAM. Mr. President, the amendment states that: "Funds apportioned to a State under section 104 of this title shall not be treated for purposes of the preceding sentence as being available to the State for making such a payment except to the extent that the State in its discretion expends funds for such a payment."

Is it the Senator's intention that a State would still have the authority to expend Federal highway funds for this purpose, but it would be at the State's election as to whether to do so; it could not be directed or mandated by the U.S. Highway Administration or Department of Transportation?

Mr. SYMMS. Yes, the Senator is correct. That is my interpretation. I can read right from the United States Code. No sign, display, or device shall be required to be removed under this section if the Federal share of the just compensation to be made upon removal of such sign, display, or device is not available to make such payment.

But the money is available. If the State chooses to do it, they may do it. What we are saying is the Federal Highway Administration has no authority to direct that they must do it.

Mr. GRAHAM. I thank the Senator.

I yield the floor.

Mr. BYRD. Mr. President, on this side, I am advised that we are ready to accept the amendment by Mr. SYMMS.

Mr. CHAFEE. Mr. President, might I ask another question of the Senator from Idaho?

As you know, this is a very tricky section. We have had a lot of experience with these sections referring back to the highway beautification section.

Again, following up on what the Senator from Florida said, there is no question whatsoever under the amendment of the Senator from Idaho, his interpretation of it, that highway funds can be used to take down nonconforming billboards should the State so choose to use those funds?

Mr. SYMMS. That is correct. That is my interpretation.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no further debate, the question is on agreeing to amendment No. 1849 offered by the Senator from Idaho.

The amendment (No. 1849) was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1848

The PRESIDING OFFICER. The question occurs on the amendment, No. 1848, offered by the Senator from California [Mr. SEYMOUR].

Mr. BYRD. Mr. President, I ask unanimous consent that Mr. HOLLINGS be added as an original cosponsor to the amendment offered by the junior Senator from California prohibiting the use of funds in this bill to assist persons arrested on pending charges for riot-related crime in the city of Los Angeles.

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

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from California [Mr. SEYMOUR].

Mr. President, I do not believe that any of the emergency funds provided in this bill should be made available to a person who participated in the looting, burning and murdering that took place in Los Angeles after the verdict in the case involving the assaults on Rodney King. Nor do I think that any U.S. Senator wants these funds to go to any of these criminals.

However, this amendment flies in the face of our Nation's two-century tradition of jurisprudence. In America, an individual is innocent until proven guilty by a jury of his peers. That is arguably the single most important protection that citizens of a free society can be guaranteed against an arbitrary and abusive police state.

The standard set out in this amendment is not innocent until proven guilty. The standard is guilty until cleared. Under this amendment, none of these funds can be provided to a person who was arrested for a riot-related crime in Los Angeles between April 29, and May 9. Arrested, Mr. President. Arrested by the Los Angeles Police Department.

Since when do we impose penalties on people who have not yet received the benefit of a fair and impartial jury trial? Do the Members of this body believe that every single person who was arrested during those violent days was guilty? And yet, this amendment would stigmatize the innocent along with the guilty.

Moreover, Mr. President, what is a riot-related crime? Under this amendment it "includes an offense committed in connection with rioting, including murder, arson, looting, theft, assault and vandalism."

After the LA riots started, the mayor of Los Angeles declared a dawn to dusk curfew. Many citizens, some inten-

tionally, others inadvertently, violated that curfew and were arrested. Charges are still pending against those individuals. Are these riot-related crimes because the curfew resulted from the riots?

Even if a person was convicted of violating the curfew, should that conviction preclude the individual from receiving Federal funds?

Mr. President, the sweep of this amendment is far too broad. I urge my colleagues to reject this amendment.

Mr. BIDEN. Mr. President, I would like to point out to all Senators that if the Seymour amendment to this bill were adopted, numerous important provisions would be eviscerated.

Most importantly, the Seymour amendment would hamstring local law enforcement's efforts to use the $250 million provided by this bill for the Weed and Seed Program. For example, the Seymour amendment would prohibit local law enforcement from using Weed and Seed dollars to put offenders—if they were rioters—in boot camp prisons. And, the Seymour amendment would prohibit local law enforcement from using Weed and Seed dollars to target rioters with antigang enforcement efforts.

Quite simply, local law enforcement will need to use Weed and Seed dollars—particularly the weeding funds—to target the thugs and criminals involved in the Los Angeles riots. The Seymour amendment would prohibit the use of these dollars to arrest, prosecute and punish these dangerous criminals. Such a prohibition cannot stand.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent the amendment by the distinguished Senator from California be temporarily laid aside so Senators may be informed on both sides of the aisle that there may be one or more rollcall votes in the reasonably near future.

The PRESIDING OFFICER. Without objection, the amendment by the Senator from California, amendment No. 1848, is temporarily laid aside.

AMENDMENT NO. 1850

(Purpose: To provide a limitation on the effective date)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 1850.

On page 4, between lines 6 and 7, insert the following new section:

LIMITATION

SEC. 101. Notwithstanding any other provision of law, the appropriations authorized under this Act shall not become effective until such time as legislation is enacted and becomes effective that rescinds funds appropriated prior to the date of enactment of this Act for fiscal year 1992 in an amount at least equal to the aggregate amount of appropriations authorized under this Act.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, there are many laudatory purposes in this act. We are dealing with emergency issues to be funded through the Federal Emergency Management Agency, through the Small Business Administration, and a number of laudatory social and economic programs.

There is a fundamental question, and that is, Who should pay for these programs? If we adopt the position that these should be treated as an emergency outside of our current budget restraints, what we are essentially saying is that these programs are important enough for us to get the benefits of the current spending but for our grandchildren to pay for by an addition to the Federal budget deficit. I do not consider that to be an acceptable transfer of responsibility to the next generation of Americans.

What I have proposed is a linkage of current proposals to rescind appropriations already embedded in the 1992 Appropriations Act, that is for the current fiscal year, to link the rescission of a sufficient number of those currently authorized accounts which, in aggregate, would have to equal or exceed any funding under this act.

As you know, Mr. President, this Chamber has already passed such a rescission bill. I hope that soon we will have the opportunity to vote on a rescission bill that has emerged from conference. I want to see that rescission bill goes into effect, has the force of law, actually deletes current appropriations, and reduces the level of spending in an amount at least equal to any new spending that we are now about to ask be appropriated. That is, at least, a statement that we are not going to add, by this action, to the already some $400 billion of deficit that will be 1992's gift to the future of America. We will say that we will discipline ourselves to the extent that we will rescind current spending as a precondition to the appropriation of any new spending under this act.

I believe it is also important that we look at a couple of policy issues within the proposed appropriations. One of those policy issues is the bill, as it came from the House, focused on emergency spending in SBA and the Federal Emergency Management Agency. I am concerned that there appears to have been a pattern in recent years of the President systematically asking for substantially less money in these programs than their history would indicate is required. As an example, in 1985, the President requested for the disaster relief fund, $100 million. We actually had expended in the previous year $243 million and would expend in 1985, $191 million. In 1986 the President asked for $194 million for disaster relief. We actually expended $335 million. In 1987, the request, $100 million; expenditures, $219 million.

There has been a consistent pattern that goes forward up until the current fiscal year of requests that have consistently been significantly less than the pattern of expenditure. The consequence is we are asked, year after year, to pass supplemental appropriations bills, adding them to the Federal deficit, unfunded, in order to make up the gap. I believe that is a practice that we need to reverse.

Second, the programs that have been added to this bill since it has been in the Senate, such as the job training programs, Chapter I programs, Head Start—all very positive programs—these are not programs we expect to disappear after the summer of 1992. These are long-term commitments. I know the President has been one of the strongest advocates for full funding of these programs, particularly the Head Start Program. I do not think we want to send the signal that this increase in Head Start that we will be authorizing here is a one summer only phenomenon and will be crushed after the summer of 1992. Rather, we want it to be presented as a new commitment to our children, especially to the children in our cities, that these programs will be available on an expanded basis and, hopefully, soon for all eligible children.

Therefore, Mr. President, since we cannot fund these programs forever by just adding them to the deficit, why not start now by saying that these programs will be funded by the discipline of terminating, through rescission, appropriations that are already authorized in an amount at least equal to that which we will now appropriate under this legislation?

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I regret to have to oppose this amendment. I thought I indicated to the distinguished Senator from Florida that I would oppose it. Having said that, I recognize his right to call up the amendment, but I will have to oppose this amendment.

First of all, there is no assurance that the President will sign a rescission bill. We on the Appropriations Committee, on both sides in this body and on both sides in the other body, have worked hard, have worked conscientiously, diligently, and with great dedication, and, I think, with reason to develop a rescission bill. We have completed our conference, and the rescission bill that is the work product of the conference rescinds over $8 billion.

I do not have any assurance the President will sign that bill. I hope he does. But I call to the attention of Senators that if the President were not to

sign that rescission bill, then this amendment, if adopted, would prohibit the obligation of any funds in the act, not just the funds that were added in the committee by the Byrd/Hatfield amendment, but would prohibit the obligation of any funds in the act, the funds that the President requested, until rescissions are enacted to cover them.

So, Senators ought to be aware of what they are doing in voting on or in relation to this amendment. If they vote for this amendment they are saying the bill that we have spent all afternoon on today and which the House has acted on and which we marked up yesterday in the Appropriations Committee is in limbo until such time as rescissions are enacted by both Houses and signed into law by the President. So, if Senators want to kill the supplemental appropriations bill, this in one way to do it—vote for this amendment. I shall oppose it, and I shall move to table it at the appropriate time.

Mr. President, I do not yield the floor for the moment. If the Senator, my friend, would just—I want to see what Senator HATFIELD has to divulge to me in confidence.

Mr. President, I do not want to delay the Senator from Oklahoma, if he wishes to call up an amendment. I ask unanimous consent that the pending amendment be laid aside.

Mr. NICKLES. If the Senator will yield, I want to speak on his amendment for a moment and then I will be happy to speak on my amendment as well.

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

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to compliment my colleagues, Senator GRAHAM from Florida and Senator BROWN from Colorado, for their work on this amendment. I understand Senator BROWN was close to proposing the same amendment. I think it is an excellent amendment. Before we pass this urgent supplemental that includes a lot of money for a lot of programs that are not in the urgent category, we should rescind at least that amount of money.

In other words, let us not be creating or adding to the deficit.

I compliment my colleague from Florida. I compliment my colleague from Colorado. I think this is an excellent amendment. I hope it will be adopted. It is an important amendment. This is an amendment that says we will not be adding to the deficit by this urgent supplemental. I hope that is the case.

So, again, I compliment my colleague from Florida, and I ask unanimous consent to be added as a cosponsor to this amendment.

Mr. BYRD. Mr. President, will the Senator from Oregon get recognition and yield to me?

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. Without objection, the request of the Senator from Oklahoma is granted. The Senator from Oregon.

Mr. HATFIELD. I yield to the Senator from West Virginia.

Mr. BYRD. Mr. President, I suggest we alert our colleagues who are off the Hill to come back to the Hill because I anticipate a rollcall vote in the near future.

Mr. HATFIELD. Mr. President, I, too, will have to oppose this amendment. Let me suggest that this amendment really has a rather devious possibility—not devious perhaps, but unexpected possibility—of the President being able to use one veto and veto two bills. I do not think that is a procedure that we want to open up.

It seems to me that when the President has the rescission package that we will act on tomorrow, and if he should decide to veto that rescission package tomorrow once it is placed on his desk, he then, in effect, would be vetoing the supplemental appropriations bill. Two for one.

I think we have heard many times about trying to keep the balance among the three branches of Government, and I really feel that the amendment invites mischief. I do not care whether it is a Democratic President and a Republican Congress or a Republican President and a Democratic Congress, as we are now constituted. I just think the Congress ought to protect, jealously protect the mixing of powers as well as the separation of powers.

No bill can become law unless it passes two Houses of the Congress and is signed by the President. The President has an option to veto a bill, but one bill at a time, not two for one. This is not a discount sale we are engaged in. And this process invites, I say, from my perspective, political mischief.

I could give all kinds of examples out of this kind of a procedure if we allow this procedure to take precedent here tonight that could involve major policy questions, as well as financial matters in the appropriations process.

Let us not link two bills as we are doing. This is dangerous. I just cannot help but feel that maybe the proponents of this have not thought this out clearly. I think when we begin to tamper with the process that involves the mixing of powers between the legislative branch and executive branch, we better make certain that we are not yielding, or that we are not violating, the basic authority that we have under the Constitution to be a check and balance.

Bear in mind, the President could veto the rescission package, once enacted tomorrow, and in vetoing that, he has, in effect, by this provision, been able to veto the supplemental appropriations bill. But you say, oh, the President wants the supplemental appropriations bill. That is neither here nor there. The point is we are giving him, we are delegating, we are abdicating authority and power to the Presidency that I think we would live to regret, and I am not speaking to the merits of the components of either bill. You can argue for or against the rescission package, you can debate for or against the supplemental, but let us keep them unlinked in the sense the President has to act independently on each one.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I rise in favor of the Graham amendment, and I ask unanimous consent that I be added as a cosponsor.

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

Mr. BROWN. Mr. President, it may be that the experience of the distinguished Senator from Florida in State government has led him to this process. Whether it is simply sound judgment on his part or that experience in making budgets balance on the State level that brought him to this point, I do not know. I do know this is a good amendment. It is a responsible and honest amendment.

Mr. President, it is the way our States in this Nation balance their budgets. Unlike the Federal Government, most States make their budgets balance and the way they do it when they find emergencies or important events that come about during the year is by setting priorities.

All this amendment says is this Senate is going to set priorities. It says that we are going to decide that there is some spending that is more important than other spending. This is responsible, it is reasonable and it is the example followed by most of the States in this Nation. What we are suggesting is, that because we want money to deal with the emergencies related to the disasters in Los Angeles and Chicago, we are going to find other spending that is less important, and we are going to honor the budget resolution.

The amendment of the Senator from Florida says nothing more than this: That when we set budget targets, we mean it. We are going to abide by them and we are going to do a responsible job of legislating. Some very distinguished Members of this Chamber have expressed concerns about this amendment. They have pointed out that the rescissions that have been passed by this Chamber and by the House have not yet finally received the President's signature. I think that is a reasonable observation. It is certainly an accurate one. The 1992 rescission bill has not been enacted at this point. Is it possible the President could veto it? Yes,

of course, it is. But I would like to point out that the amendment is not dependent upon that specific rescission bill.

The language is very clear. It states: "Legislation is enacted and becomes effective that rescinds funds appropriated prior to the date of the enactment of this Act for fiscal year 1992."

We are not tied to one particular rescission bill. We are tied to the concept of making sure that if we are going to increase spending in this country, that we subtract it from somewhere else in the budget. There is flexibility under this amendment, but the bottom line is we are going to honor the concept of sticking within our budget limits.

Mr. President, in the last decade, there is not a single year, not one year that the Congress of the United States has abided by the budget targets it set.

Is there an American in this country who believes this Congress is serious about meeting its budget targets? I do not think so. I think all they have to do is look at what we have done in the past. Every single year we set targets and every single year this Congress exceeds them.

This amendment says we are going to have honesty in budgeting. This amendment says we are going to live by what we said. This amendment says we are going to cut enough spending to provide for the additional spending that is proposed in this bill.

I suppose a legitimate question would be are there enough rescissions to provide for the large amount of money proposed to deal with this emergency? For those who have asked, I think it is worth looking at the fact that the President requested rescinding budget authority in the amount of almost $7.9 billion; that the House-passed version, which was the lowest version, came up with almost $5.8 billion, and that the Senate-passed version, the one that this body passed, is $8.267 billion.

I suppose an additional question could be asked, where does it lie in terms of 1992? The Senate version, the one this body has already passed, rescinded $2.699 billion in authority. Mr. President, I did not think it was nearly large enough. Some of the Members may recall I offered an amendment that would have rescinded an additional $61 million. They were, incidentally, programs that I cannot imagine anyone would oppose eliminating. Certainly no one came on this floor and said what great programs they were.

The fact is they were not great programs. The fact is this Nation can abide by its budget; can honor its word; can live within its budget.

This amendment is much more important than simply the money that is involved in this bill. This amendment involves integrity in the budgeting process.

I support that integrity, and I salute the Senator from Florida for his efforts to make sure this country and this body honors its word with regard to the budget.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I would like to take this opportunity to speak in favor of both amendments that are pending, and let me start with the amendment of our dear colleague from California, Senator SEYMOUR.

Mr. President, I had an opportunity to be in California last weekend, and on Saturday night I met with leaders of the Korean-American community to talk about the riots and to talk about the impact it had on them with the destruction of some 2,200 businesses. The people I talked to were very concerned about what was happening with the congressional response to the riots.

They made it very clear to me they were concerned we were responding with legislation that has been used historically to deal with floods and hurricanes and earthquakes where everybody in an area is equally a victim, when in fact in this case there were people who were real victims, people who were brutalized, people whose stores were looted, people whose stores were burned down, there were people who were affected indirectly by these events, and then there were the people who imposed these costs on the people who lived and worked and invested in Los Angeles, CA.

The concern expressed to me was that the initial programs which were available for disaster assistance were all available on a needs basis. Their concern was that many of the people who owned the stores that were burned down, many of the people who bore the heaviest burden of the cost, did not qualify for any of these programs and were not eligible for the benefits.

They were deeply concerned, as many of our fellow citizens are, Mr. President, that we were going to respond by throwing a whole bunch of money at this problem and much of the money was going to go to the people who burned the stores down; that much of the money was going to go to the people who imposed costs on other people; and that maybe they, the people who invested sweat equity by working 16, 18 hours a day, people who had saved, and scrimped, and worked a lifetime to build a business, were not going to benefit.

Mr. President, the amendment offered by Senator SEYMOUR is an effort to deal with this problem. What the amendment says is, if you were engaged in criminal activity in these riots, you cannot qualify for disaster relief because you participated in imposing the disaster on Los Angeles, CA.

Now, I know there are many here who are saying, or who believe that this was the result of people who were in despair, people who were angry, and there is no doubt, tragically, that there was some of that. But I ask colleagues in looking at this amendment to look at some cold hard facts. The Attorney General tells me that of the first 5,000 people who were arrested in Los Angeles, CA, during these riots, one-third were illegal aliens. Of the first 5,000 that were arrested, one-third were illegal aliens.

Now, we have new data on a sample of 1,000 people who were arrested and charged. Out of that 1,000 people who were picked up, many of them on simple misdemeanor charges, 257 of them were out on parole or probation after felony convictions; 25.7 percent of the 1,000 people that were selected in this random sample of the people who were arrested were people who were out on the streets after felony convictions.

Mr. President, these are hardened criminals; these are people who took advantage of the circumstances; and these are not the people the American taxpayer wants to spend money to help. These are people the American taxpayers wants put in jail and kept there.

I thank our dear colleague from California for giving us an opportunity to vote to assure that none of the taxpayers' hard-earned money is going to go to people who took advantage of the situation, who burned and looted and killed in Los Angeles, CA. I think this amendment is excellent, and I commend the distinguished Senator from California for his leadership.

Mr. President, I also want to endorse the amendment of our colleague from Florida, Senator GRAHAM, and our colleague from Oklahoma, Senator NICKLES. It may well be some people say this is an amendment that creates a two-part legislative process, and they are right; it creates a two-part legislative process. One part is pay and the other part is go.

Now, there are some people who want to go but who do not want to pay. What this amendment says very simply is that we have a $400 billion deficit, and before we go out and spend a lot of money we do not have, maybe we ought to look at the Federal budget and out of a $1.5 trillion budget find some programs we do not need, that we can rescind, that we can terminate or cut in order to pay for these benefits we are handing out. So I strongly support this amendment.

Finally, Mr. President, let me say that I am concerned about this supplemental appropriations bill. We started out with a bill fairly modest in scope. We now have a bill that costs $1.94 billion. What we have done is exactly what critics of the Congress said we were going to do. If you listened to the critics after the riot, they predicted what Congess was going to do was not start a single new program, not bring forward a single new idea but what we were going to do was respond by simply throwing money at the problem.

I submit, Mr. President, that is exactly what we are doing, throwing almost $2 billion of money on programs which, to one degree or another, are already in effect. We are not adopting enterprise zones. We are not addressing fundamentally new initiatives. I support many of the things on which we are spending money. The Weed and Seed Program is a good program, but we do not see any new and powerful ideas which did not exist in law before this crisis occurred. All we see is an effort to respond as Congress always responds—by spending more and more money we do not have.

Now, I know we are going to have some who are going to respond by saying, well, there is a little catch in this bill. The little catch is unless the President declares it is an emergency, he does not have to spend the money.

Mr. President, obviously, there are many here who hope he will declare it an emergency and will spend the money, and there are also some who I suspect hope he will not, so that if he does not they can blame him by saying he is holding back this much-needed aid.

I think if we are going to spend $1.9 billion, that we ought to go back into our annual Federal budget and take the money away from something that is not as important. I suspect if we were doing that, we would be spending a lot less than $1.9 billion. I think the amendment that requires us to pay for this program in order to fund it is important.

Finally, I would like to suggest that the President has an alternative other than busting the budget, or other than not declaring an emergency, and thereby putting himself in the position where some could go out and say if only George Bush were not holding up assistance we could have this money.

I would like to suggest that if the President decides to sign this bill, that he sign it and send rescissions to the Senate with proposed spending cuts to pay for it and say to us, you make the cuts and I will spend the money. I suspect if he did that, there would be many who would not be willing to make the cuts but who would like to spend the money.

So I want to thank our colleague from Florida. I certainly want to thank our colleague from California. I hope the Seymour amendments gets 100 votes in the Senate. It deserves 100 votes. I appreciate the leadership that is being provided here tonight on these important issues.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. The distinguished Senator from Texas expressed the wish that the President would send up some additional rescissions. I know of one or two I hope he will send up. One would deal with the superconductor super collider, and another would deal with the spaceship. And there are some other rescissions that perhaps we ought to think about adding when the President sends up another request.

We did not do anything to the Senators from Texas in the last rescission bill but the Senator so much desires that the President send up additional rescissions.

I suggest we take a closer look at the next group of rescissions that are sent up, and remember those Senators who have urged the President to send more and more rescissions up so as to balance the budget.

Of course rescissions will never balance the budget, even if they rescind the entire domestic discretionary fund.

The President has never sent up a balanced budget. This President has not. His predecessor has not.

To those who continue to criticize the Congress for spending, let me say to the distinguished Senators that since 1945 up to 1991, the various Presidents—I hope all Senators will get this; take down the figures—have requested $11,710,201,833,552. All the Presidents, beginning with 1945. Take down these figures—Congress has appropriated during those years $11,521,432,604,188.

What is the difference? To Congress' credit, Congress appropriated $188,769,229,364 less than the combined requests of all the Presidents, Republican and Democrat.

Where are those who want to challenge me on those figures? Where are those who wish to blame the Congress for spending? Where are they? Challenge the figures. I stated them from memory. I did not have them written down in front of me, but they are there.

So I hope we will at least have some people who are watching through that electronic eye up there and who are listening and who will hear what has just been said.

The Congress, I think, has acted responsibly. But there are those in this body—and John Heywood in the 1500's or early 1600's, I think it was, said, "It is a foule byrd that fyleth his owne nest."

I am sorry, I continue to be sorry, there are Members of this body who stand up on the floor and castigate the Congress of which we are Members and blame the Congress for the deficit. There is enough blame to go around. Congress can share some of the blame, but the Presidents can send up balanced budgets if they wish. Why have they not done it?

Mr. President, I am ready to vote on the amendment by Mr. GRAHAM.

Mr. NICKLES. Will the Senator yield the floor for a second?

Mr. BYRD. Yes.

Mr. NICKLES. I have an amendment. We have two amendments stacked right now. If the Senator would like to, I would be happy to take up my amendment, and my discussion of my amendment will not take very long. I have been waiting for some time to offer the amendment.

Mr. BYRD. What is the pending amendment?

The PRESIDING OFFICER. First of all, the Seymour amendment No. 1848 has been temporarily set aside and the pending amendment is No. 1850 of Senator GRAHAM of Florida.

Mr. BYRD. So the vote would occur on the Graham amendment?

The PRESIDING OFFICER. On the Graham amendment.

Mr. BYRD. If Senators are ready, I am ready to vote on the amendment. I hope that Senators will vote the amendment down.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, there is no Member of this body that I have a higher regard for than the distinguished Senator from West Virginia. But I want to respond to the comments that he has made.

First of all, my point is that we have added almost $1.5 billion to the initial emergency appropriation. We can say that it is somebody else's fault. We can say Presidents have asked for more spending in the past than Congress has provided, but the bottom line is we have provided $1.449 billion of additional spending on this bill.

Second, let me make it clear that I am proud to be a Member of the U.S. Senate. I am proud to represent Texas, but this is not my nest. Texas is my nest, And I am here to represent my State.

Finally, let me say that if I have committed myself to anything in 14 years, it is to fiscal responsibility.

I am for a balanced budget amendment to the Constitution. I was a leader in the effort to enact the Gramm-Rudman law which forced tough spending choices. I think it is important that we look at the space program, that we look at the SSC, that we look at science and technology. My own belief is that I believe we overinvest in programs that have a return in the next election. I think this is one of those programs, and I think we underinvest in programs that have a return in the next generation.

But I do not love spending money, and I am very happy to put every program I support on the table with every other program supported by every other Member of this Senate, and require fiscal restraint and require programs to compete against each other. I am willing to accept the results and live with them.

But I am deeply concerned that we are here tonight adding another $1.5 billion of spending above the level we started out with. And we are doing it in

such a way that if the President declares it as an emergency, then it does not count against the binding spending constraints we have in place, and if he does not declare it as an emergency, then there will be those who say that we could have spent that money but for the President.

There are many lessons in history, and we can appeal to them to make our own case, and I have appealed to those lessons on many occasions myself. But I believe the bottom line is this: We are asking tonight for $1.5 billion more than the President asked for. And so no matter how you want to add that up, that still adds up to spending.

I think it is important that if we want to spend that money, we find a way to pay for it. I am willing to put my programs, and programs that other people support, into the hat, go through them and debate them, set priorities, and if we want these programs, pay for them. I might add, however, that I am not going to vote for this bill. I did not put this $1.5 billion of additional spending in here. It was added. And I feel the people who added it have an obligation to say how they would like to pay for it. I did not put it in there, but I am willing to participate in trying to come up with a way of paying for it, if others are willing to do so.

I yield the floor.

Mr. KOHL. Mr. President, most people said two things in the aftermath of the Los Angeles riots. First, they said "we understand the frustration and the anger which greeted the Rodney King verdict and initiated the disturbances." But second, they said that "no matter how great the provocation, there is no justification for the looting and violence which took place."

We need to say the same things about the bill before us today.

First, I understand the need to offer the kind of help and hope to urban areas that this bill does. But second, no matter how great the need, there is no justification for—and ultimately no real help provided by—spending money we do not have.

Indeed, the fact that we have spent money we do not have is, in part, why we have problems in our cities and towns and villages. The deficit is a major cause of reduced economic growth: That means fewer jobs, fewer opportunities, fewer avenues to escape poverty. The deficit also destroys our ability to fund needed governmental programs: The money we spend on interest payments is money we cannot spend on the very programs this bill seeks to fund, programs like summer jobs and Head Start. The deficit is both a cause of the urban problems we face and a barrier to responding to them.

Those problems need to be addressed: They are serious and they are real. In fact, they are so serious that, if we had to, we would find the money to pay for the solutions we need.

But given our rules, we do not have to. We have an escape clause—we can declare an emergency and then we do not have to pay for anything.

Well, Mr. President, a lot of my constituents think they have an emergency: People who are hurt by the luxury tax; people who can't get a decent education for their kids; people who live in fear of crime in their neighborhoods; people who see their family farms threatened by declining prices and increasing costs. They all think they face an emergency. And they are. But when they come to me for help, I have to say "I agree with you—but the PAYGO rules say that before I can help you, I have to find a way to pay for the aid you want." How can I keep saying that, how can they keep believing it, after this bill passes. Why won't they listen to me, very politely I'm sure, and then say "Mr. Senator, I hear you, but how come you didn't have to pay for a $2 billion package to respond to the urban emergency?"

Well, Mr. President, the Graham amendment gives me a way to answer that question. We will pay for the emergency spending in this bill by linking that spending to the enactment into law of either the recision package already approved by the House and the Senate or some other mechanism for reducing spending or raising revenues to offset the costs of this bill.

Mr. President, there is a need to help people—and there is a need to pay for the help we provide. This amendment lets us do just that. I am pleased to support it.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I do not consider the amendment that I offered to represent a conflict between political institutions, between the Executive and the Congress. We both have responsibilities under the Constitution for the future of this Nation. We both have responsibilities for the prudent fiscal management of this Nation.

I do believe, however, Mr. President, that there are conflicts which this amendment raises. The most fundamental conflict is an intergenerational conflict. I suggest that when the history of the 1980's is written, one of the ways in which it will be written will be that there was a massive transfer of this generation's responsibilities to our grandchildren, in area after area, whether it is the underfunding of our infrastructure, a failure to provide adequately for educational system, or the massive Federal budget deficit, of over $3 trillion that we have accumulated in the past 12 years; all of those represent obligations of this generation which we have chosen to transfer to our grandchildren. The issue here tonight is: Are we going to make yet another deposit in that transfer of generational responsibilities?

I have no particular breach for the concept contained in this amendment as to the method of avoiding such a transfer to our grandchildren. There are other options. We could do it by having someone come forward with a tax bill, which would say here is how we are going to raise the approximately $2 billion that we now propose to spend. Unless I missed it, I did not see anybody propose such a tax bill.

Or, Mr. President, we could take another approach, which would be essentially an across-the-board cut. We can say: let us reduce all programs, the most meritorious and the least worthy, by an amount which will aggregate to the approximately $2 billion that we now propose to spend.

Not only has no one come forward with such a proposal, I would think it would be dubious public policy and an avoidance of our responsibilities to make discrete judgments as to relative levels of importance.

So the amendment that I offered is a simple one. It says that if we are going to spend 2 billion new dollars of these programs, if we think these are more worthy, then let us find $2 billion in currently authorized areas of spending, and let us terminate them. That is not different than what families would have to do if they faced an immediate emergency that required spending beyond what they had previously budgeted. It would not be different than what most local or State governments are required to do, if they operate under the discipline of living within a balanced budget.

Mr. President, I said there was a conflict, and the most basic is that between generations. There is another conflict, and that is the conflict of political integrity. In a few weeks, we are going to be debating a balanced budget constitutional amendment. Some of us are going to be advocating that amendment. It seems to me that if we are going to say that a concept of a balanced budget is an idea of such importance and value, that it should be embedded in our U.S. Constitution, we are going to face the question of when you had to show your fidelity to that concept, without the lash of a constitutional amendment, what did you do?

Here is one of those times when we are being asked to be tested. So the conflict is going to be: Do we think this is a good idea as a matter of theory, or do we think it is a good idea as a matter of today's fiscal practice?

Mr. President, I think this is a pivotal question. I, for one, will say the resolution of this is going to have a great deal to do with my support for this supplemental appropriations bill, because I think the time has come and long since passed when we can continue to operate on the basis that everything that we think is desirable is good enough for our grandchildren to pay for.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the amendment by Mr. GRAHAM, the Senate, without further debate, motion, amendment, or action of any kind, proceed to vote on the amendment by Mr. SEYMOUR.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. Is there further debate on the Graham amendment?

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN] and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 52, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—45

Bingaman	Gramm	Nickles
Bond	Grassley	Nunn
Brown	Heflin	Pressler
Bryan	Helms	Robb
Chafee	Hollings	Roth
Coats	Jeffords	Rudman
Cochran	Kasten	Sanford
Cohen	Kohl	Shelby
Conrad	Lott	Simpson
Craig	Lugar	Smith
DeConcini	Mack	Symms
Dole	McCain	Thurmond
Durenberger	McConnell	Wallop
Gorton	Metzenbaum	Warner
Graham	Murkowski	Wirth

NAYS—52

Adams	Exon	Mikulski
Akaka	Ford	Mitchell
Baucus	Fowler	Moynihan
Biden	Garn	Packwood
Boren	Glenn	Pell
Bradley	Gore	Reid
Breaux	Harkin	Riegle
Bumpers	Hatch	Rockefeller
Burdick	Hatfield	Sarbanes
Burns	Inouye	Sasser
Byrd	Johnston	Seymour
Cranston	Kennedy	Simon
D'Amato	Kerrey	Specter
Danforth	Kerry	Stevens
Daschle	Lautenberg	Wellstone
Dixon	Leahy	Wofford
Dodd	Levin	
Domenici	Lieberman	

NOT VOTING—3

Bentsen	Kassebaum	Pryor

So the amendment (No. 1850) was rejected.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, may I have the attention of the Senate.

Mr. President and Members of the Senate, under a previous order there will now be a vote on an amendment proposed by the distinguished Senator from California, Senator SEYMOUR. Prior to that vote, the chairman of the Appropriations Committee will propound a unanimous-consent agreement request. If the agreement is approved, it will identify and limit the amendments to the bill, and the vote on the Seymour amendment will be the last vote this evening. We will return and there will be a vote at 9:30 a.m. on a resolution relating to Yugoslavia, reported this week by the Foreign Relations Committee. And then we will complete action on this bill.

If the request is not agreed to then we will, regrettably, have to remain and see how much further progress we can make on the bill.

I have discussed this with both the chairman of the committee and the distinguished Republican leader. It is my hope that our colleagues will permit the agreement to be entered which will then enable the succeeding vote to be the last vote this evening and will also enable us to complete action on this bill during the day tomorrow.

Mr. President, I yield to the distinguished Republican leader.

Mr. DOLE. I hope that can be accomplished. I understand the agreement will be propounded soon.

Mr. MITCHELL. Mr. President, I want to withdraw one statement. I said the vote will be at 9:30. I will have to discuss that further with the distinguished Republican leader and the chairman. It will not be any earlier than 9:30. It may be a little bit later depending upon some other factors which we have to discuss. An announcement will be made prior to the time we go out of session on that. There will be a vote first thing in the morning, no earlier than 9:30, possibly a little bit later than that.

Mr. President, I yield to the distinguished chairman.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

I ask unanimous consent that further amendments on the pending bill be limited to the following amendments: an amendment by Mr. THURMOND dealing with stricter penalties for those involved in riots, with a proposed time limit thereon of 10 minutes to be equally divided; an amendment by Messrs. SEYMOUR and DOLE, flexibility for summer jobs, time limit to be 20 minutes equally divided and controlled in the usual form; an amendment by Mr. LOTT and Mr. DOLE to strike the Kennedy-Hatch provisions, with a time limit thereon to be 30 minutes equally divided and controlled in accordance with the usual form; an amendment by Mr. NICKLES dealing with Davis-Bacon, time limit thereon 30 minutes to be equally divided and controlled in accordance with the usual form; an amendment by Mr. DOLE dealing with Bosnia, 10 minutes to be equally divided and controlled in accordance with the usual form; and an amendment by Mr. GRAHAM of Florida dealing with summer jobs, time limit thereon to be 30 minutes equally divided and controlled in accordance with the usual form; an amendment by Mr. SPECTER on the same subject, summer jobs, 30 minutes to be equally divided and controlled in accordance with the usual form; that there be no motion to reconsider with instructions.

On the Thurmond amendment, I amend the proposed request to provide for 20 minutes to be equally divided instead of 10 minutes to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, and I very well may, does the agreement preclude the raising of points of order with respect to these amendments when they are offered?

Mr. BYRD. Mr. President, I ask unanimous consent that no points of order be waived by virtue of the agreement just entered into.

Mr. METZENBAUM. That satisfies part of my concern.

But with respect to the Thurmond amendment, I believe that 20 minutes is an inadequate time. I would like to suggest that there be 40 minutes.

Mr. BYRD. Mr. President, I ask unanimous consent that the time on the amendment by Mr. THURMOND be limited to 40 minutes equally divided and controlled in accordance with the usual form instead of 20 minutes as previously requested.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, did I say that there be no motion to reconsider? I meant no motion to recommit with instructions.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators. I thank both leaders, and I believe, as the majority leader has indicated, there will be one rollcall vote on the amendment by Mr. SEYMOUR, after which if Senators wish to remain and debate any of the amendments, I will be willing to stay around and accommodate them.

I yield the floor.

AMENDMENT NO. 1848

The PRESIDING OFFICER. The question is now on agreeing to the Seymour amendment No. 1848. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Arkansas [Mr. PRYOR], and the Senator from West Virginia [Mr. ROCKEFELLER] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is necessarily absent.

The result was announced—yeas 68, nays 28, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—68

Akaka	Exon	Mikulski
Baucus	Ford	Murkowski
Bond	Fowler	Nickles
Boren	Garn	Nunn
Breaux	Glenn	Packwood
Brown	Gorton	Pressler
Bryan	Graham	Reid
Bumpers	Gramm	Riegle
Burdick	Grassley	Robb
Burns	Harkin	Roth
Byrd	Hatch	Sanford
Coats	Helms	Seymour
Cochran	Hollings	Shelby
Cohen	Inouye	Simon
Conrad	Johnston	Simpson
Craig	Kasten	Smith
D'Amato	Kohl	Stevens
Danforth	Lieberman	Symms
Daschle	Lott	Thurmond
DeConcini	Lugar	Wallop
Dixon	Mack	Warner
Dole	McCain	Wofford
Domenici	McConnell	

NAYS—28

Adams	Heflin	Moynihan
Biden	Jeffords	Pell
Bingaman	Kennedy	Rudman
Bradley	Kerrey	Sarbanes
Chafee	Kerry	Sasser
Cranston	Lautenberg	Specter
Dodd	Leahy	Wellstone
Durenberger	Levin	Wirth
Gore	Metzenbaum	
Hatfield	Mitchell	

NOT VOTING—4

Bentsen	Pryor
Kassebaum	Rockefeller

So the amendment (No. 1848) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIXON. Mr. President, I rise today in support of H.R. 5132, the dire emergency supplemental appropriations bill, which contains emergency relief funding for the Chicago underground flood disaster and the riots in Los Angeles.

On April 13, 1992, Chicago was hit with a major flood, caused by a break in a tunnel wall crossing under the Chicago River. This tunnel system extends for more than 50 miles in the central city area, and more than 250 million gallons of water poured into the 100 year-old system, resulting in water levels of 20 to 30 feet and more in building basements throughout the downtown Chicago area.

Both Governor Edgar of Illinois and President Bush declared Chicago a disaster area, and I am pleased that the House and Senate included this necessary funding in the bill.

Mr. President, the disasters that took place in Chicago and Los Angeles are not natural occurrences, such as tornadoes, hurricanes, or earthquakes. However, the economic and physical losses because of these disasters—the flood in Chicago and the riots in Los Angeles—are, indeed, very real to the people in these cities.

Just like the riots in Los Angeles, the flood in Chicago affected the entire Nation, not just the folks within the city limits. The Chicago flood of 1992 closed the Chicago Board of Trade and the Chicago Mercantile Exchange, futures markets that serve not just the city, but the entire world.

City Hall, Sears Tower, department stores, hotels, restaurants, and other businesses were all closed because of the flood. In addition, the closed mass transit stations resulted in traffic congestion and major highway detours. Residents, commuters, and visitors alike faced the results of the flood.

The city of Chicago estimates that the flood of 1992 has caused more than $50 million in damage and emergency costs to the city and other public agencies, including the Chicago Transit Authority. This does not even begin to take into consideration the economic and physical losses to businesses in Chicago.

While the distinguished mayor of Chicago, Richard M. Daley, was quick to respond to this disaster by deploying equipment and people to fight the flooding, the damage done was extraordinary. Chicago's underground tunnel system is in dire need of repair and replacement. The century-old network of tunnels that lies beneath the loop area in Chicago needs to be repaired and protected in order to prevent any potential repetition of this type of disaster.

The funds in this dire emergency supplemental appropriations bill are desperately needed to get this major city in our country back on its feet.

I commend my friend from West Virginia, the chairman of the Appropriations Committee, and the ranking member from Oregon, on their leadership on this bill and for providing these necessary relief funds.

I urge my Senate colleagues to support H.R. 5132, and the funding for disaster relief.

Thank you, Mr. President.

Mr. HARKIN. Mr. President, I rise in support of H.R. 5132, the dire emergency supplemental appropriations bill before the Senate today. The bill provides a total of $1,944,185,000 in funding to meet the emergency needs of Los Angeles, Chicago, and other urban areas. Included in that amount, is an amendment I cosponsored in full committee to provide $1,450,000,000 for a number of initiatives which were formulated in the wake of the civil disturbances in Los Angeles. This bill before us today provides funding for a number of Great Society programs that have proven to be effective.

Mr. President, Los Angeles was a wake up call, and we can't afford to hit the snooze bar and roll over again. Today, more than ever, our urban agenda must include a commitment to the long-term programs which have helped others climb out of poverty and make such a difference in millions of American lives.

In the past 10 years, the number of children living in poverty in California alone, for example, increased 84 percent, while the total number of children in that State grew by only 21 percent. In fact, if we made a city of all the poor children in California under age 18, it would be the second largest city in the State, ranking behind only Los Angeles. Many of those youngsters live in Los Angeles.

What can we do to help these children? That was the question I asked at hearings of my Labor, Health and Human Services and Education Appropriations Subcommittee the past few weeks. During those hearings, I heard testimony from a number of big-city mayors, including Mayor David Dinkins of New York City, Mayor Mike White of Cleveland, and Mayor Norm Rice of Seattle. I also heard from a number of noted economists, including Drs. Jeff Faux, Ray Marshall, and Alan Blinder. And in each case, I heard the same three answers every time I asked what can we do to help out children: early intervention, education, and job opportunities for our youth.

The message is simple: give children a job, and chances are, they will find their own way out of poverty. But to be able to succeed in those jobs, they need an education first.

A few weeks ago, the President used the children of the Challengers' Boys' and Girls' Club in Los Angeles as a backdrop for a speech on children. Problem is, by the time many of those children are at the age of 6 or 7, they do not start school ready to learn, because the stimulation and nutrition just weren't there. That's why the Head Start program is so important to them: because it gets children prepared to start school ready to learn—which I might remind you, Mr. President, is the first goal of the President's Education 2000 Plan. Yet, in Los Angeles today, for example, only 25 percent of the children who need Head Start receive it. This bill provides $250 million for summer Head Start programs, to serve about 200,000 more children. We know it works.

But unfortunately, many children haven't gone through Head Start, and find themselves falling behind in school. As a result, they're in need of remedial reading, remedial math and other programs to help them keep pace with other students and graduate to become productive members of our work force. That's where chapter I

"Compensatory Education for the Disadvantaged" comes in. This bill adds $250 million to chapter I, which will be provided to each of the 50 States, and the territories to carry out summer education and work programs. Again, we know this program works. It will also give kids ages 6 to 18 something constructive to do away from the drug dealers and criminals and other temptations of the streets, and add to the chances of success in the coming school year.

In that same vein, $700 million is provided in this bill for the Summer Youth Employment Program. This funding will provide an additional 500,000 summer jobs for kids 14 to 19 years of age. Many Members in this body probably worked a summer job of one sort or another when they were in school. I worked many of them, and I can tell you it gave me pride and taught me responsibility. These kids deserve the same chance. Little wonder the three mayors testified before my subcommittee to the effectiveness of the program and the need for summer jobs—give kids something to do and you not only improve their chances of becoming productive members of society, but you reduce the temptations of the streets.

We know how dangerous those streets are. All you need to do is walk about eight blocks from this very building, and you'll see how dangerous urban streets can be: drugs, violence, crime. This bill tries to address that, by providing $250 million to the Department of Justice for weed and seed programs. This funding will not only provide assistance to urban areas for such programs as community policing, but will also provide a concentrated effort to targeted urban areas to provide education, training, and social services.

Again, Mr. President, we know all of these programs work. In fact, all of the these programs have four things in common: They're successful, they're cost effective, they reach people in need, and they require no great new bureaucracies to implement. The framework has been there since the days of the Great Society. They have proven track records of providing children in need with services when they need it.

And while they do not single-handedly provide a long-term solution to what ails our urban areas, they are desperately needed as a first step to begin to address some of the problems facing our urban areas. A more comprehensive program is certainly needed to make up more than a decade of disinvestment by the Reagan and Bush administrations. For now, I urge my colleagues to support this bill.

Mr. SEYMOUR. Mr. President, I rise to seek clarification from the distinguished Chair of the VA-HUD-Independent Agencies Appropriations Subcommittee, Senator MIKULSKI, regarding the administration of Federal disaster relief programs for fire and non-fire disaster victims in the Los Angeles area.

Ms. MIKULSKI. I am pleased to respond to Senator SEYMOUR's request for clarification. As my colleagues know, the bill before us, H.R. 5132, appropriates funds to address the Nation's disaster relief needs, including the aftermath of the riots and civil disturbance in the city of Los Angeles and the county of Los Angeles. Based on a request from Gov. Pete Wilson of California, President Bush declared a major disaster for the city and county of Los Angeles. The President's declaration was based on the Stafford Act's definition of a major disaster.

Mr. SEYMOUR. Mr. President, that is my understanding as well. As a result of President Bush's declaration, a wide range of disaster assistance programs are now available to the victims. This Federal assistance includes temporary housing assistance, grants for lost personal property to the extent they cannot repay a SBA loan, disaster unemployment, crisis counseling, and disaster assistance loans through the Small Business Administration.

As I know my friend from Maryland would agree, these tragic events have caused widespread suffering and need. We were all witnesses to the tension and anger. It has taken extraordinary measures from all levels of government to sustain a fragile calm in the area and to provide a foundation for long-term recovery. We must now ensure that relief is provided to those in need.

Ms. MIKULSKI. The Senator from California's point is well taken. FEMA officials have interpreted the Stafford Act broadly to be inclusive, rather than exclusive, in providing assistance to both individuals and governments in the Los Angeles area. I believe it would be extremely difficult to distinguish between fire or fire-related consequences and those civil disturbances occurring with the fire but not as a direct consequence of the fire.

Mr. SEYMOUR. What the Senator from Maryland is saying then, is that a part of the funds we are appropriating today will be available to individuals, families and businesses in California who were affected by riots and looting as well as those who were affected by fire. The fires were a central part of and integrally related to the civil disturbance.

Ms. MIKULSKI. Precisely. I want to ensure Senator SEYMOUR that the legislative intent behind this appropriation is to make no distinction in the administration of Federal disaster relief programs between fire and non-fire victims of the Los Angeles disaster.

Mr. SEYMOUR. I concur with the assessment made by the distinguished Chair of the VA-HUD-Independent Agencies Appropriations Subcommittee. We are all in agreement that in administering these funds, the responsible Federal agencies are not to make distinctions between fire and non-fire disaster victims.

Mr. President, I thank my distinguished colleague from Maryland, Senator MIKULSKI, for helping make this important clarification, and I appreciate her efforts to bring this urgently needed FEMA and SBA funding bill to the Senate for consideration.

Mr. CRANSTON. I greatly appreciate the assurances of the Senator from Maryland that the funds appropriated in this bill for disaster assistance programs are intended to provide assistance to both fire and nonfire victims of the Los Angeles disaster. This is very helpful to all those who suffered losses. I thank the Senator for the clarification.

UNANIMOUS-CONSENT AGREEMENT—S. 474

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate considers Calendar No. 381, S. 474, Professional and Amateur Sports Protection Act, that it be considered under the following limitation: that it be in order for Senator DECONCINI to modify the committee-reported substitute; that there be 90 minutes of debate on the bill and committee substitute, as modified, if modified, inclusive; with 60 minutes equally divided and controlled between Senators DECONCINI and HATCH, and 30 minutes under the control of Senator GRASSLEY; that the agreement be in the usual form; that the only amendment in order, other than the committee-reported substitute, as modified, if modified, be one offered by Senator GRASSLEY regarding a 2-year window for States to opt out of coverage under the bill, on which there be 2 hours debate on the amendment, with 1 hour under the control of Senator GRASSLEY and 30 minutes each under the control of Senators DECONCINI and HATCH; that when all time is used or yielded back on the Grassley amendment, the Senate proceed to vote on or in relation to the amendment; that upon disposition of the Grassley amendment, and all time on the bill is used or yielded back, the Senate proceed to vote on the committee substitute, as amended, if amended, to be followed immediately by third reading and passage of the bill; that all of the above occur without intervening action or debate; that no motion to recommit be in order.

The PRESIDING OFFICER (Mr. EXON). Is there objection to the unanimous request? Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. 474, the Professional and Amateur Sports Protection Act, that it be in order for the Senator from Arizona (Mr.

DeConcini) to modify the committee-reported substitute.

Ordered further, That there be 90 minutes for debate on the bill and the committee substitute, as modified, if modified, inclusive, with 60 minutes to be equally divided and controlled by the Senator from Arizona (Mr. DeConcini) and the Senator from Utah (Mr. Hatch), and with 30 minutes to be under the control of the Senator from Iowa (Mr Grassley).

Ordered further, That the only amendment in order, other than the committee-reported substitute, as modified, if modified, be one offered by the Senator from Iowa (Mr. Grassley) regarding a two-year window for states to opt out of coverage under the bill, on which there shall be 2 hours for debate, with 1 hour under the control of the Senator from Iowa (Mr. Grassley) and 30 minutes each under the control of the Senator from Arizona (Mr. DeConcini) and the Senator from Utah (Mr. Hatch).

Ordered further, That when all time is used or yielded back on the Grassley amendment, the Senate proceed to vote on, or in relation to, the amendment.

Ordered further, That upon disposition of the Grassley amendment, and all time on the bill is used or yielded back, the Senate proceed to vote on the committee substitute, as amended, if amended, to be followed immediately by third reading and passage of the bill, and that all of the above occur without intervening action or debate.

Ordered further, That no motion to recommit be in order.

Ordered further, That the agreement be in the usual form.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. HATFIELD. Mr. President, I have two unfinished pieces of business on the appropriations supplemental that we have acted upon today.

AMENDMENT NO. 1845, AS CORRECTED

Mr. HATFIELD. First of all, on behalf of Senator WOFFORD, I would like to send to the desk a correction for his amendment 1845.

Mr. President, what happened in this case was that the amendment was debated and discussed and accepted, but Senator WOFFORD mistakenly sent the wrong piece of paper to the desk. I am now sending the actual working of that amendment. Further, I ask unanimous consent that Senators MIKULSKI, NUNN, and SPECTER be added as original cosponsors.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 1845), as corrected, is as follows:

Page 4, line 11, strike "$700,000,000" and insert in lieu thereof "$675,000,000".

On Page 12 after line 3 insert the following:

NATIONAL AND COMMUNITY SERVICE

For an additional amount to carry out title I, section C of the National and Community Service Act of 1990, $25,000,000: *Provided*, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, is transmitted to the Congress: *Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

Mr. HATFIELD. Mr. President, on behalf of Senator BYRD and myself as the managers of this bill, I would like to lay down for the first amendment to be on the road to completion of this bill the Nickles amendment on the Davis-Bacon issue, on which there is 30 minutes equally divided, and Senator NICKLES will be ready to take that up the first part of the morning when we return to the bill.

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

AMENDMENT NO. 1851

(Purpose: To waive the provisions of the Davis-Bacon Act and the Service Contract Act of 1965 with respect to any construction or repair project which receives financial assistance under this act)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD] for Mr. NICKLES, proposes an amendment numbered 1851.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 13, after line 2, insert the following:

GENERAL PROVISIONS

SEC. 101. Notwithstanding any other provision of law, the Act of March 3, 1931 (commonly referred to as the Davis-Bacon Act (40 U.S.C. 276a et seq.)) and the Service Contract Act of 1965 (41 U.S.C. 351 et seq.) shall not apply to any construction or repair project which receives financial assistance under this Act.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate now proceed to morning business, with Senators allowed to speak therein.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

IMPLEMENTATION OF THE CLEAN AIR ACT

Mr. MITCHELL. Mr. President, the Clean Air Act of 1990 requires that the public be informed of increases in emissions above the permitted levels before any such increases occur.

President Bush reportedly decided last week that the public need not be informed ahead of time about emissions increases above permitted levels at major industrial sources of air pollution.

His decision is inconsistent with the law. It is also inconsistent with a legal opinion of the former General Counsel at the Environmental Protection Agency, E. Donald Elliott, who concluded that public comment is required by law. Most States already provide for public comment before they grant any permit changes. Such public comment is the norm, not the exception.

Who is the President representing when he tries to shut out the public? He is surely not representing the American people.

Unfortunately, the President may require States to follow his lead. These regulations may require States to eliminate public notice and comment before emissions are increased as part of their required State permit program.

There were other, better options available.

Not all increases in emissions must result in increases above the permitted level.

As drafted by the EPA, the regulations would have authorized a company to increase its emissions at one place and decrease them elsewhere, so the overall level of permitted emissions would not increase. But this was not enough to placate the special interests to whom the President has now capitulated.

The administration's position takes the country back to an earlier time when the concept of public involvement in such decisions was seen as unnecessary. Today it is the foundation of most of our environmental statutes, including the Clean Air Act.

In the 18 months since the Clean Air Act was proudly signed into law by the President, his administration has missed 35 statutory deadlines. The toxic air pollutant standards would control over 1 billion pounds of toxic chemical releases into the air every year. This rule was finished by EPA last December 24, but the White House still will not allow it to be issued.

The President claims to be giving a hand to industry, but he fails to accurately count the cost: the cost in lives cut short due to pollution, the cost in lost worker productivity, the cost in lost jobs.

The Clean Air Act can create jobs, but it must be effectively implemented in order to do so. A study conducted for the EPA estimated that revenues in the pollution control industry will increase by $4 to $6 billion annually in the next 3 years. Between 1995 and the year 2000 these revenues are expected to increase by $7 and $9 billion annually. Cumulatively, this is $50 to $70 billion in increased revenues by the year 2000.

Cleaner air and more jobs are an irresistible combination. But administra-

tion seems intent on forgoing both benefits. I am disappointed that the President has chosen to shut the public out of the process.

The Environmental Protection Agency is required by law to issue the permits regulations within 1 year after enactment of the 1990 Clean Air Act Amendments, or by November 15, 1991. It is unfortunate that the delay in issuing these rules has also resulted in shutting out the public in a manner contrary to the law.

I hope that EPA Administrator Reilly will yet issue regulations that comply with the law.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

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

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

AUTHORIZATION FOR MAJORITY LEADER TO PROCEED TO H.R. 4990

Mr. FORD. Mr. President, I ask unanimous consent that the majority leader, upon consultation with the Republican leader, may at any time proceed to the consideration of conference report on H.R. 4990.

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

AMENDING THE NATIONAL SCHOOL LUNCH PROGRAMS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2759, introduced earlier today by Senators LEAHY, HARKIN, and others; that the bill be deemed read the third time, passed; that the motion to reconsider be laid upon the table; that any statements in relation to this item be placed into the RECORD at the appropriate place.

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

So the bill (S. 2759) was deemed read a third time and passed, as follows:

S. 2759

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 "Homeless Children Nutrition Improvement Act of 1992".

SEC. 2. HOMELESS CHILDREN'S FEEDING PROJECTS.

(a) IN GENERAL.—Section 18(c) of the National School Lunch Act (42 U.S.C. 1769(c) is amended—

(1) by inserting before "private nonprofit" each place it appears in paragraphs (2)(A), (2)(B), and (5)(A) the following: "State, city, local, or county governments, other public bodies, or'";

(2) in paragraph (3)(A), by adding at the end the following new sentences: "The projects shall receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the sponsor of any such project. The meal pattern requirements of this subparagraph may be modified as necessary by the Secretary to take into account the needs of infants.";

(3) in paragraph (5)(A), by striking "and not less than $350,000 in each of the fiscal years 1991, 1992, 1993, and 1994," and inserting "and not less than $350,000 in each of the fiscal years 1991 and 1992, $650,000 in fiscal year 1993, and $800,000 in fiscal year 1994,"; and

(4) by adding at the end the following new paragraph:

"(7) The Secretary shall advise each State of the availability of the projects established under this subsection for States, cities, counties, local governments and other public bodies, and shall advise each State of the procedures for applying to participate in the project.".

(b) OTHER MEANS.—The Secretary of Agriculture may conduct demonstration projects other than those required under section 18(c) of the National School Lunch Act (42 U.S.C. 1769(c)) to identify other effective means of providing food assistance to homeless children residing in temporary shelters.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

IMPROVING CERTAIN PROGRAMS FOR CHILD NUTRITION

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2760, introduced earlier today by Senators LEAHY, MCCONNELL, and others; that the bill be deemed read a third time, passed; that the motion to reconsider be laid upon the table; that any statements in relation to this item be placed in the RECORD at the appropriate place.

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

So the bill (S. 2760) was deemed read a third time and passed, as follows:

S. 2760

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 "Child Nutrition Improvements Act of 1992".

SEC. 2. PURPOSE.

The purpose of this Act is to promote breastfeeding and improve other child nutrition programs.

SEC. 3. BREASTFEEDING PROMOTION PROGRAM.

The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) is amended by adding at the end the following new section:

"SEC. 21. BREASTFEEDING PROMOTION PROGRAM.

"(a) IN GENERAL.—The Secretary shall from amounts received under subsection (d), establish a breastfeeding promotion program to promote breastfeeding as the best method of infant nutrition, foster wider public acceptance of breastfeeding in the United States, and assist in the distribution of breastfeeding equipment to breastfeeding women.

"(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the Secretary may—

"(1) develop or assist others to develop appropriate educational materials, including public service announcements, promotional publications, and press kits for the purpose of promoting breastfeeding;

"(2) distribute or assist others to distribute such materials to appropriate public and private individuals and entities; and

"(3) provide funds to public and private individuals and entities, including physicians, health professional organizations, hospitals, community based health organizations, and employers, for the purpose of assisting such entities in the distribution of breastpumps and similar equipment to breastfeeding women.

"(c) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with Federal agencies, State and local governments, and other entities to carry out the program described in subsection (a).

"(d) GIFTS, BEQUESTS, AND DEVISES.—

"(1) IN GENERAL.—The Secretary is authorized to solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of establishing and carrying out the program described in subsection (a). Gifts, bequests, or devises of money and proceeds from the sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Secretary.

"(2) CRITERIA FOR ACCEPTANCE.—The Secretary shall establish criteria for determining whether to solicit and accept gifts, bequests, or devises under paragraph (1), including criteria that ensure that the acceptance of any gifts, bequests, or devises would not—

"(A) reflect unfavorably on the ability of the Secretary to carry out the Secretary's responsibilities in a fair and objective manner; or

"(B) compromise, or appear to compromise, the integrity of any governmental program or any officer or employee involved in the program.".

SEC. 4. CHILD CARE CLARIFICATION.

The second sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by inserting after "25 percent" the following: "of its enrolled children or 25 percent of its licensed capacity, whichever is less, and".

SEC. 5. EXTENSION OF DEMONSTRATION PROJECTS.

Section 17(p) of the National School Lunch Act (42 U.S.C. 1766(p)) is amended by adding at the end the following new paragraph:

"(5) Notwithstanding paragraph (4)(B), the Secretary shall continue until September 30, 1994, the two pilot projects established under this subsection to the extent, and in such amounts, as are provided for in advance in appropriations Acts.".

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDING THE CHILD NUTRITION ACT OF 1966

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2761, introduced earlier today by Senators LEAHY, GRASSLEY, and others; that the bill be deemed read a third time, passed; that the motion to reconsider be laid upon the table; that any statements in relation to this item be placed into the RECORD at the appropriate place.

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

So the bill (S. 2761) was deemed read a third time and passed, as follows:

S. 2761

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 "WIC Farmers' Market Nutrition Act of 1992".

SEC. 2. PURPOSE.

The purpose of this Act is to authorize grants to be made to State programs designed to provide resources to women, infants, and children who are nutritionally at risk in the form of fresh nutritious unprepared food (such as fruit and vegetables) from farmers' markets.

SEC. 3. WIC FARMERS' MARKET NUTRITION PROGRAM.

Subsection (m) of section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)) is amended to read as follows:

"(m)(1) Subject to the availability of funds appropriated for the purposes of this subsection, and as specified in this subsection, the Secretary shall award grants to States that submit State plans that are approved for the establishment or maintenance of programs designed to provide recipients of assistance under subsection (c), or those who are on the waiting list to receive the assistance, with coupons that may be exchanged for fresh nutritious, unprepared foods at farmers' markets, as defined in the State plans submitted under this subsection.

"(2) A grant provided to any State under this subsection shall be provided to the chief executive officer of the State, who shall—

"(A) designate the appropriate State agency or agencies to administer the program in conjunction with the appropriate nonprofit organizations; and

"(B) ensure coordination of the program among the appropriate agencies and organizations.

"(3) The Secretary shall not make a grant to any State under this subsection unless the State agrees to provide State, local, or private funds for the program in an amount that is equal to not less than 30 percent of the total cost of the program, which may be satisfied from State contributions that are made for similar programs.

"(4) Subject to paragraph (6), the Secretary shall establish a formula for determining the amount of the grant to be awarded under this subsection to each State for which a State plan is approved under paragraph (6), according to the number of recipients proposed to participate as specified in the State plan. In determining the amount to be awarded to new States, the Secretary shall rank order the State plans according to the criteria of operation set forth in this subsection, and award grants accordingly. The Secretary shall take into consideration the minimum amount needed to fund each approved State plan, and need not award grants to each State that submits a State plan.

"(5) Each State that receives a grant under this subsection shall ensure that the program for which the grant is received complies with the following requirements:

"(A) Individuals who are eligible to receive Federal benefits under the program shall only be individuals who are receiving assistance under subsection (c), or who are on the waiting list to receive the assistance.

"(B) Construction or operation of a farmers' market may not be carried out using funds—

"(i) provided under the grant; or

"(ii) required to be provided by the State under paragraph (3).

"(C) The value of the Federal share of the benefits received by any recipient under the program may not be—

"(i) less than $10 per year; or

"(ii) more than $20 per year.

"(D) The coupon issuance process under the program shall be designed to ensure that coupons are targeted to areas with—

"(i) the highest concentration of eligible individuals;

"(ii) the greatest access to farmers' markets; and

"(iii) certain characteristics, in addition to those described in clauses (i) and (ii), that are determined to be relevant by the Secretary and that maximize the availability of benefits to eligible individuals.

"(E) The coupon redemption process under the program shall be designed to ensure that the coupons may be—

"(i) redeemed only by producers authorized by the State to participate in the program; and

"(ii) redeemed only to purchase fresh nutritious unprepared food for human consumption.

"(F)(i) Except as provided in clauses (ii) and (iii), the State may use for administration of the program in any fiscal year not more than 15 percent of the total amount of program funds.

"(ii) During the first fiscal year for which a State receives assistance under this subsection, the Secretary shall permit the State to use 2 percent of the total program funds for administration of the program in addition to the amount the State is permitted to use under clause (i). During any fiscal year other than the first fiscal year for which a State receives assistance under this subsection, on the showing by the State of financial need, the Secretary may permit the State to use not more than 2 percent of the total program funds for administration of the program in addition to the amount the State is permitted to use under clause (i).

"(iii) The provisions of clauses (i) and (ii) with respect to the use of program funds for the administration of the program shall not apply to any funds that a State may contribute in excess of the funds used by the State to meet the requirements of paragraph (3).

"(G) The State shall ensure that no State or local taxes are collected within the State on purchases of food with coupons distributed under the program.

"(6)(A) Each State that received assistance under the demonstration program authorized by this subsection in a fiscal year ending before October 1, 1991, shall receive assistance under this subsection if the State complies with the requirements established by this subsection, as determined by the Secretary.

"(B)(i) Subject to the availability of appropriations, if a State provides the amount of matching funds required under paragraph (3), the State shall receive assistance under this subsection in an amount that is not less than the amount of such assistance that the State received in the most recent fiscal year in which it received such assistance.

"(ii) If amounts appropriated for any fiscal year pursuant to the authorization contained in paragraph (10) for grants under this subsection are not sufficient to pay to each State for which a State plan is approved under paragraph (6) the amount that the Secretary determines each such State is entitled to under this subsection, each State's grant shall be ratably reduced, except that (if sufficient funds are available) each State shall receive at least $50,000 or the amount that the State received for the prior fiscal year if that amount is less than $50,000.

"(C) In providing funds to serve additional recipients in a State that received assistance under this subsection in the previous fiscal year, the Secretary shall consider—

"(i) the availability of any such assistance not spent by the State during the program year for which the assistance was received;

"(ii) documentation that justifies the need for an increase in participation; and

"(iii) demonstrated ability to satisfactorily operate the existing program.

"(D)(i) A State that desires to receive a grant under this subsection shall submit, for each fiscal year, a State plan to the Secretary at such time and in such manner as the Secretary may reasonably require.

"(ii) Each State plan submitted under this paragraph shall contain—

"(I) the estimated cost of the program and the estimated number of individuals to be served by the program;

"(II) a description of the State plan for complying with the requirements established in paragraph (5); and

"(III) criteria developed by the State with respect to authorization of producers to participate in the program.

"(iii) The criteria developed by the State as required by clause (ii)(III) shall require any authorized producer to sell fresh nutritious unprepared foods (such as fruits and vegetables) to recipients, in exchange for coupons distributed under the program.

"(E) The Secretary shall establish objective criteria for the approval and ranking of State plans submitted under this paragraph.

"(F) In approving and ranking State plans submitted under this paragraph, the Secretary shall—

"(i) favorably consider a State's prior experiences with this or similar programs;

"(ii) favorably consider a State's operation of a similar program with State or local funds that can present data concerning the value of the program;

"(iii) require that if a State receiving a grant under this section applies the Federal grant to a similar program operated in the previous fiscal year with State or local funds, the State shall not reduce in any fiscal year the amount of State and local funds available to the program in the preceding fiscal year after receiving funds for the program under this subsection;

"(iv) give preference to State plans that would serve areas in the State that have—

"(I) the highest concentration of eligible persons;

"(II) the greatest access to farmers' markets;

"(III) broad geographic areas;

"(IV) the greatest number of recipients in the broadest geographical area within the State; and

"(V) any other characteristics, as determined appropriate by the Secretary, that

maximize the availability of benefits to eligible persons; and

"(v) take into consideration the amount of funds available and the minimum amount needed by

"(iii) require that if a State receiving a grant under this section applies the Federal grant to a similar program operated in the previous fiscal year with State or local funds, the State shall not reduce in any fiscal year the amount of State and local funds available to the program in the preceding fiscal year after receiving funds for the program under this subsection;

"(iv) give preference to State plans that would serve areas in the State that have—

"(I) the highest concentration of eligible persons;

"(II) the greatest access to farmers' markets;

"(III) broad geographic areas;

"(IV) the greatest number of recipients in the broadest geographical area within the State; and

"(V) any other characteristics, as determined appropriate by the Secretary, that maximize the availability of benefits to eligible persons; and

"(v) take into consideration the amount of funds available and the minimum amount needed by each applicant State to successfully operate the program.

"(G)(i) An amount equal to 45 to 55 percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States participating in the program that wish to serve additional recipients, and whose State plan to do so is approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for additional recipients, the unallocated amount shall be applied toward satisfying any unmet need of States that have not participated in the program in the prior fiscal year, and whose State plans have been approved.

"(ii) An amount equal to 45 to 55 percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States that have not participated in the program in the prior fiscal year, and whose State plans have been approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for new States, the unallocated amount shall be applied toward satisfying any unmet need of States that desire to serve additional recipients, and whose State plans have been approved.

"(iii) In any fiscal year, any funds that remain unallocated after satisfying the requirements of clauses (i) and (ii) shall be reallocated in the following fiscal year according to procedures established pursuant to paragraph (10)(B)(ii).

"(7)(A) The value of the benefit received by any recipient under any program for which a grant is received under this subsection may not affect the eligibility or benefit levels for assistance under other Federal or State programs.

"(B) Any programs for which a grant is received under this subsection shall be supplementary to the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and to any other Federal or State program under which foods are distributed to needy families in lieu of food stamps.

"(8) For each fiscal year, the Secretary shall collect from each State that receives a grant under this subsection information relating to—

"(A) the number and type of recipients served by both Federal and non-Federal benefits under the program for which the grant is received;

"(B) the rate of redemption of coupons distributed under the program;

"(C) the average amount distributed in coupons to each recipient; and

"(D) any other information determined to be necessary by the Secretary.

"(9)(A) The Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a compilation of the information collected under paragraph (8).

"(B) The compilation required by subparagraph (A) shall be submitted on or before April 1, 1994.

"(10)(A) There are authorized to be appropriated to carry out this subsection $3,000,000 for fiscal year 1992, $6,500,000 for fiscal year 1993, and $8,000,000 for fiscal year 1994.

"(B)(i)(I) Except as provided in subclause (II), each State shall return to the Secretary any funds made available to the State that are unobligated at the end of the fiscal year for which the funds were originally allocated. The unexpended funds shall be returned to the Secretary by February 1st of the following fiscal year.

"(II) Notwithstanding any other provision of this subsection, a total of not more than 5 percent of funds made available to a State for any fiscal year may be expended by the State to reimburse expenses incurred for a program assisted under this subsection during the preceding fiscal year or may be retained by the State to reimburse expenses expected to be incurred for such a program during the succeeding fiscal year.

"(ii) The Secretary shall establish procedures to reallocate funds that are returned under clause (i). Funds that remain unexpended at the end of any demonstration project authorized by this subsection (as it existed on September 30, 1991) shall be reallocated in a similar manner.

"(11) For purposes of this subsection:

"(A) The term 'coupon' means a coupon, voucher, or other negotiable financial instrument by which benefits under this section are transferred.

"(B) The term 'program' means—

"(i) the State farmers' market coupon nutrition program authorized by this subsection (as it existed on September 30, 1991); or

"(ii) the farmers' market nutrition program authorized by this subsection.

"(C) The term 'recipient' means a person or household, as determined by the State, who is chosen by a State to receive benefits under this subsection, or who is on a waiting list to receive such benefits.

"(D) The term 'State agency' has the meaning provided in subsection (b)(13), except that the term also includes the agriculture department of each State.".

SEC. 4. EFFECTIVE DATE.

The amendment made by section 3 shall be effective as of October 1, 1991.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, I am pleased that we are again passing legislation to reauthorize the Farmers Market Program within the Special Supplemental Food Program for Women, Infants, and Children. This is really an outstanding program to provide coupons to help participants in the WIC Program improve their diets by purchasing fresh fruits and vegetables from local markets. By encouraging WIC participants to try fresh fruits and vegetables, the program increases sales at farmers markets and builds a base of repeat customers who return to purchase fresh fruits and vegetables even after the coupons have been expended.

I want to thank and commend Chairman LEAHY for his leadership and diligent efforts to see that this legislation reauthorizing the program is enacted. I am pleased to be an original cosponsor of this legislation, just as I was pleased that we were able to include in the Hunger Prevention Act of 1988 legislation that I had authored to establish the program.

Since that time, I have worked to increase funding for the program so that more WIC participants can take advantage of the benefits provided by the Farmers Market Program. This year, the funding for the program is $3 million. Under this reauthorization program, the authorization level will be raised to $6.5 million, allowing additional States to take part in the program.

The program provides coupons worth $10 to $20 to WIC participants for use at farmers markets. States participating in the WIC Farmers Market Program must contribute 30 percent of the total cost in order to receive Federal grants. In Iowa, the program will serve some 35,000 WIC participants who will redeem coupons at 57 participating farmers markets.

In view of the benefits of the WIC Farmers Market Program, I am dismayed that the administration has opposed reauthorizing or further funding the program. I can only hope that the administration will not carry through its unwarranted threats against this outstanding program.

COMMONWEALTH SCIENTISTS IMMIGRATION AND EXCHANGE ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Number 438, S. 2201, a bill to authorize the admission to the United States of certain scientists of the Commonwealth of Independent States as employment-based immigrants under the Immigration and Nationality Act; that the committee reported substitute amendment be agreed to; the bill be deemed read for a third time, that the bill be passed and the motion to reconsider be laid upon the table.

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

So, the committee amendment in the nature of a substitute was agreed to and the bill was deemed read for a third time and passed, as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commonwealth and Baltic Scientists Immigration and Exchange Act of 1992".

SEC. 2. PURPOSES.

(a) IN GENERAL.—The purposes of this Act are—

(1) to deter the proliferation of expertise in nuclear, chemical, biological, or other high technology fields which may be applied to defense projects in Third World countries; and

(2) to enhance American competitiveness with foreign economies.

(b) CONSTRUCTION.—Nothing in this Act may be construed to affect adversely the employment, wages, or working conditions of workers in the United States.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Baltic states" means the sovereign nations of Latvia, Lithuania, and Estonia;

(2) the term "Commonwealth of Independent States" includes the sovereign nations of Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan;

(3) the term "eligible Commonwealth and Baltic scientists" means aliens—

(A) who are nationals of any of the sovereign nations of the Commonwealth of Independent States or the Baltic states; and

(B) who are scientists or engineers who have expertise in nuclear, chemical, biological or other high technology fields or who are working on nuclear, chemical, biological or other high-technology defense projects, as defined by the Attorney General; and

(4) the term "Soviet threat reduction funds" means funds which were transferred under section 221 of the Soviet Nuclear Threat Reduction Act of 1991 (Public Law 102-228) for use in reducing the Soviet military threat in accordance with that Act.

SEC. 4. WAIVER OF JOB OFFER REQUIREMENT.

The requirement in section 203(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(A)) that an alien's services in the sciences, arts, or business be sought by an employer in the United States shall not apply to any eligible Commonwealth or Baltic scientist who is applying for admission to the United States for permanent residence in accordance with that section.

SEC. 5. CLASSIFICATION OF COMMONWEALTH SCIENTISTS AS HAVING EXCEPTIONAL ABILITY.

(A) IN GENERAL.—The Attorney General shall designate a class of eligible Commonwealth and Baltic scientists, based on their level of expertise, as aliens who possess "exceptional ability in the sciences", for purposes of section 203(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(A)), whether or not such scientists possess advanced degrees.

(b) REGULATIONS.—The Attorney General shall prescribe regulations to carry out subsection (a).

(c) LIMITATION.—Not more than 750 eligible Commonwealth and Baltic scientists (excluding spouses and children if accompanying or following to join) within the class designated under subsection (a) may be allotted visas under section 203(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(2)(A)).

(d) TERMINATION.—The authority of subsection (a) shall terminate 4 years after the date of enactment of this Act.

SEC. 6. INTERNATIONAL EXCHANGE PROGRAMS.

It is the sense of the Congress—

(1) eligible Commonwealth and Baltic scientists should be given priority consideration for all United States Government exchange and scholarship programs which were available, before December 25, 1991, to students and citizens of the former Union of Soviet Socialist Republics for which such scientists would otherwise have been eligible;

(2) the President should make every effort to define existing programs broadly enough to accommodate eligible Commonwealth and Baltic scientists seeking graduate education in the commercial applications of their field or specialty; and

(3) the President should make every effort to permit eligible Commonwealth and Baltic scientists to apply for graduate exchange programs that would cross-train them in another specialty, including business law.

SEC. 7. POLICY ON USE OF SOVIET THREAT REDUCTION FUNDS.

It is the sense of the Congress that, in making available Soviet threat reduction funds—

(1) priority should be given to ensure that eligible Commonwealth and Baltic scientists are gainfully employed in the Commonwealth of Independent States, or in the Baltic states, as the case may be, in research and other projects which would enhance the objectives of nonproliferation of weapons of mass destruction, without affecting the jobs of American scientists

(2) the byproducts of such research and other projects should be designed to enhance American competitiveness and to provide financial returns to the taxpayer to the greatest extent possible; and

(3) priority should be given to the creation of educational fellowships and other internships for eligible Commonwealth and Baltic scientists with American industry in order to train such scientists in commercial and business applications of their specialties for the purpose of facilitating the process of economic reform in the Commonwealth of Independent States and the Baltic States.

The title was amended so as to read: "A bill to authorize the admission to the United States of certain scientists of the Commonwealth of Independent States and the Baltic states as employment-based immigrants under the Immigration and Nationality Act, and for other purposes.".

Mr. KENNEDY. Mr. President, as chairman of the Subcommittee on Immigration and Refugee Affairs, I was delighted to support this legislation introduced by Senator BROWN and Senator DOLE, and I moved it expeditiously through the Subcommittee and the Judiciary Committee.

This bill is a good piece of legislation both substantively as well as symbolically. It offers a statement of hope to some Soviet scientists who have been thrown out of professional jobs because the current economic turmoil in the former Soviet Union. And it is a small symbol of America's concern to help the people of Russia and the other Republics in whatever way we can.

This bill is a small step in that direction.

Mr. President, this legislation simply relaxes some immigration criteria and procedures for admitting as immigrants scientists from the former Soviet Union. The bill limits to 750 the number of scientists covered, but this should be sufficient to accommodate the initial numbers in need.

Again, this bill simply expedites their admission as immigrants under the provisions of The Immigration Act of 1990 and existing laws. All the scientists covered by this bill would be eligible under the law's high-skilled provisions. It just temporarily puts a small number of Soviet scientists to the head of the line.

Finally, this bill is in our interest as well. Noted Soviet scientists who now feel they must leave their country because they do not have jobs should be able to come here, instead of to Iraq or Libya.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPORT RESTRICTIONS ON ITEMS WITH POTENTIAL USE IN CHEMICAL AND BIOLOGICAL WEAPONS—MESSAGE FROM THE PRESIDENT—PM 240

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

On November 16, 1990, in light of the dangers of the proliferation of chemical and biological weapons, I issued Executive Order No. 12735 and declared a national emergency under the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*).

The proliferation of chemical and biological weapons continues to pose an unusual and extraordinary threat to the national security and foreign policy of the United States.

Section 204 of the International Emergency Economic Powers Act and section 401(c) of the National Emergencies Act contain periodic reporting requirements regarding activities taken and money spent pursuant to an emergency declaration. The following report is made pursuant to these provisions.

The three export control regulations issued under the Enhanced Proliferation Control Initiative are fully in force and have been used to control the export of items with potential use in chemical or biological weapons or their delivery systems.

Over the last 6 months, the United States has continued to address actively the problem of the proliferation and use of chemical and biological weapons in its international diplomatic efforts.

The membership of the Australia Group of countries cooperating against chemical and biological weapons proliferation grew from 20 to 22 members when Finland and Sweden were welcomed into the Group in December 1991.

At the same December 1991 Australia Group meeting, all member countries confirmed that they had implemented or were implementing export controls on all 50 identified chemical weapons precursors. Almost all Australia Group members agreed at the meeting to impose controls on a common list of dual-use chemical equipment. In the first major Australia Group involvement in biological weapons nonproliferation, the December meeting also produced a draft list of biological organisms, toxins, and equipment to consider for export controls. This list was further refined by an Australia Group experts' meeting in March 1992, the first intersessional meeting held by the Australia Group, and will be considered for adoption by the June 1992 Australia Group plenary.

Encouraging progress can also be reported in the steps taken by countries outside the Australia Group, including several Eastern European countries and Argentina, to establish effective chemical and biological export controls comparable to those observed by Australia Group members.

Finally, the March 31, 1992, report regarding expenditures under the declaration of a national emergency to deal with the lapse of the Export Administration Act in Executive Order No. 12730 also includes measures related to the Enhanced Proliferation Control Initiative. Pursuant to section 401(c) of the National Emergencies Act, there were no additional expenses directly attributable to the exercise of authorities conferred by the declaration of the national emergency.

GEORGE BUSH.

THE WHITE HOUSE, *May 20, 1992.*

WAIVER OF CERTAIN PROVISIONS OF THE TRADE ACT WITH RESPECT TO ALBANIA—MESSAGE FROM THE PRESIDENT—PM 241

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to section 402(c)(2)(A) of the Trade Act of 1974, as amended (the "Act") (19 U.S.C. 2432(c)(2)(A)), I have determined that a waiver of the application of subsections (a) and (b) of section 402 with respect to Albania will substantially promote the objectives of section 402. A copy of that determination is enclosed. I have also received assurances with respect to the emigration practices of Albania required by section 402(c)(2)(B) of the Act. This message constitutes the report to the Congress required by section 402(c)(2).

Pursuant to section 402(c)(2), I shall waive by Executive order the application of subsections (a) and (b) of section 402 of the Act with respect to Albania.

GEORGE BUSH.

THE WHITE HOUSE, *May 20, 1992.*

MESSAGES FROM THE HOUSE

At 11:31 a.m., a message from the House of Representatives announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3033) to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve youth and adults, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. FORD of Michigan, Mr. WILLIAMS, Mr. PERKINS, Mr. ANDREWS of New Jersey, Mr. OLVER, Mr. GOODLING, Mr. GUNDERSON, and Mr. HENRY as managers of the conference on the part of the House.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution, in which it requests the concurrence of the Senate:

S.J. Res. 254. Joint resolution commending the New York Stock Exchange on the occasion of its bicentennial.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

At 6:50 p.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, in which it requests the concurrence of the Senate:

H.R. 4691. An Act to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1993 and 1994, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 4691. An Act to amend the Airport and Airway Improvement Act of 1982 to authorize appropriations for fiscal years 1993 and 1994, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 20, 1992, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 254. Joint resolution commending the New York Stock Exchange on the occasion of its bicentennial.

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-362. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Appropriations.

"HOUSE JOINT RESOLUTION NO. 154

"Whereas, the Commonwealth's fiscal problems are severe, ongoing, and likely to affect, to some degree, all actions by the 1992 Session and many future sessions of the General Assembly; and

"Whereas, exacerbating an already serious situation is the federal government's instance on imposing on the states a steadily increasing number of mandates, without providing the federal funding necessary to implement the mandates; and

"Whereas, in such vital as health care, transportation, education, and criminal justice, the federal government has imposed mandates that significantly increase costs and create severe fiscal pressure on already overburdened state governments and

"Whereas, the federal government's fondness for requiring compliance with a growing number of statutory and regulatory requirements, even though frequently serving valid purposes, has made the budgetary problems of states already facing declining revenues even more difficult; and

"Whereas, the imposition of further mandates, in areas such as Medicaid, could well cripple the states' ability to respond to the real and pressing needs of their citizens; and

"Whereas, in the past, as much as 28 percent of the Commonwealth's federal taxes were returned by the federal government, but the figure has now declined to between 12 and 13 percent; and

"Whereas, the combination of increasing mandates and decreasing federal funding places the Commonwealth in the impossible position of trying to do more with less; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly hereby memorialize the Congress of the United States to impose no more mandates on the Commonwealth and the several states unless federal funding, sufficient to pay for implementing the mandates, is also provided; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the House of Representatives, the President of the United States Senate, and the members of the Virginia congressional delegation, so that they may be apprised of the sense of the General Assembly of Virginia."

POM-363. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Armed Services:

"HOUSE JOINT RESOLUTION NO. 369

"Whereas, as part of its force reduction, the National Guard Bureau has selected the 276th Engineer Battalion of the Virginia National Guard for deactivation during 1992; and

"Whereas, given recent events in Eastern Europe and elsewhere, such a force reduction effort is both appropriate and necessary; and

"Whereas, the decision to make one of the best units among the first to be eliminated is nevertheless highly questionable; and

"Whereas, the 276th Engineer Battalion is clearly one of the best, recently named by the U.S. First Army as the best of the twelve such units in the First Army area; and

"Whereas, the 276th Engineer Battalion is also one of the oldest in the nation, tracing its lineage back to the First Virginia Regiment, once commanded by George Washington and Patrick Henry; and

"Whereas, this clearly superior and historic unit has performed yeoman service to the citizens of Virginia as the single most capable and effective unit in the state to re-

spond to civil emergencies caused by floods and other natural disasters; and

"Whereas, the 276th Engineer Battalion has served the citizens of the Commonwealth in diverse and valuable ways and in all areas of the state; and

"Whereas, the Governor of Virginia, L. Douglas Wilder, has expressed serious reservations regarding the decision to eliminate the 276th Engineer Battalion; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly hereby strongly urge the reconsideration of the decision to eliminate the 276th Engineer Battalion as part of the nationwide force reduction program; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the President of the United States, the Speaker of the House of Representatives, the President of the United States Senate, the members of the Virginia Congressional delegation, the United States Secretary of Defense, the Secretary of the Army, and the Chief of the National Guard Bureau so that they may be apprised of the sense of the General Assembly of Virginia."

POM-364. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Commerce, Science, and Transportation:

"HOUSE JOINT RESOLUTION NO. 212

"Whereas, the Joint Subcommittee Studying Measures to Ensure Virginia's Economic Recovery pursuant to House Joint Resolution No. 433 (the "Economic Recovery Commission") has made a number of recommendations to implement its plan; and

"Whereas, leadership in high technology fields is one of the areas where the Commonwealth can make great strides, while attempting to maximize advantages it already possesses in terms of higher education and preexisting business; and

"Whereas, Virginia's heretofore recognized excellence in the field of fiber optics represents a logical area in which to concentrate further efforts to differentiate Virginia from the other states; and

"Whereas, the Economic Recovery Commission believes that making Virginia the first state to complete a statewide fiber optics digital communications system, connecting our homes, classrooms, and businesses in an interactive, highly productive network, would greatly advance Virginia's economic vitality and pre-position Virginia as the preeminent state in which to do business in the twenty-first century; and

"Whereas, the technology exists today to extend such a fiber-optics network to every home in the Commonwealth with a telephone; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the United States Congress be hereby memorialized to approve legislation that will (i) promote telecommuting, telemarketing, and fiber-optics classroom initiatives; (ii) promote competition which has been the catalyst for the explosion of technological development in telecommunications and a plethora of advanced services to meet consumer and business needs; and (iii) protect the efforts of those businesses which make the investments necessary to implement widespread state-of-the-art communications network systems; and, be it

"Resolved further, That the Clerk of the House of Delegates 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 General Assembly of Virginia in this matter."

POM-365. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 40

"Whereas, the small issue industrial revenue bond program grants tax-exempt status to interest paid on bonds issued in accordance with federal law; and

"Whereas, by allowing attractive, below prime rate financing for manufacturers and other industries, this program has provided an excellent financial incentive for industrial development in Virginia; and

"Whereas, by providing an excellent financial incentive for industrial development, the industrial revenue bond program has assisted in the creation of countless new jobs in Virginia over the years; and

"Whereas, House Bill No. 1186 has passed the U.S. House of Representatives and will extend the small issue industrial revenue bond program for anther five years beyond its expiration date of December 31, 1991; now, therefore, be it

"Resolved, by the House of Delegates, the Senate concurring. That Congress is hereby memorialized to extend the expiration date on the industrial revenue bond program for another five years and to broaden the program to encompass sports facilities; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the U.S. House of Representatives, the President of the Senate, 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-366. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 99

"Whereas, the shipbuilding and ship repair industries are of fundamental importance to the nation's economy; and

"Whereas, the United States Government has eliminated funding for the construction differential subsidy program, thereby ending direct subsidization of commercial shipbuilding in the United States; and

"Whereas, the international market for shipbuilding and ship repair continues to be distorted by a wide array of foreign subsidies, including direct grants, preferential financing, and other direct and indirect government assistance; and

"Whereas, the existing United States trade laws and trade agreements provide limited redress to domestic shipbuilders for the trade-distorting subsidies and dumping practices of foreign shipbuilding; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly urge the Congress of the United States to pass HR 2056 (Shipbuilding Trade Reform Act of 1991) and S. 1361 (Shipbuilding and Repair Industry Free Trade Act of 1991); and, be it

Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the 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 of Virginia."

POM-367. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 161

"Whereas, in 1990 Congress enacted legislation that requires pharmaceutical manufacturers to give state Medicaid programs rebates on drugs; and

"Whereas, the federal legislation requires state Medicaid programs to cover all of the drugs of manufacturers who have agreements with the federal government to provide such rebates on their drug products; and

"Whereas, state Medicaid programs are also required to cover without restriction all new drugs for the first six months following the drug's approval by the U.S. Food and Drug Administration; and

"Whereas, the legislation also prohibits state Medicaid programs from reducing the dispensing fees paid to pharmacists for four years; and

"Whereas, the legislation also removed the states' ability to (i) use a review program for new drugs to determine whether the Medicaid program should cover a new drug which has a less expensive, appropriate, available and acceptable alternative, (ii) restrict the use of an expensive drug if a clinical evaluation indicates that a less costly acceptable alternative is available, and (iii) set lower dispensing fees; and

"Whereas, these restrictions greatly hamper the Commonwealth's efforts to contain the rising cost of drugs covered through the Medicaid program; and

"Whereas, the Commonwealth can demonstrate excess costs already incurred by the requirement to cover drugs for which less expensive, acceptable alternatives are available; and

"Whereas, the Commonwealth has experienced dramatic increases in drug costs for non-Medicaid state agencies, indicating a potential cost shift to compensate for the Medicaid rebate program which simply made available to the Medicaid program discounts which were already available to other favored purchasers; and

"Whereas, provisions that the Virginia General Assembly enacted to contain drug costs in Virginia's Medicaid program have been superceded by the federal legislation; and

"Whereas, the Commonwealth is greatly concerned about the rapidly escalating costs associated with the Medicaid program and believes that states should have a certain amount of flexibility so that the costs of the Medicaid program can be controlled; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the United States Congress is urged to reexamine the relevant provisions of the U.S. Code relating to Medicaid payment for covered outpatient drugs in light of the difficulty that Virginia and other states have had in containing costs for pharmaceutical products and to give states more flexibility in implementing cost containment measures by removing certain provisions that restrict the ability of states to purchase drugs in a cost effective manner; and, be it

"Resolved further, That the Clerk of the House of Delegates 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 General Assembly of Virginia in this matter."

POM-368. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 201

"Whereas, the Virginia Department of Social Services seeks to promote self-reliance and family responsibility through community-based services for individuals receiving public assistance; and

"Whereas, families who find employment encounter significant barriers in achieving the transition from public assistance to independence; and

"Whereas, such barriers deter individuals from seeking and maintaining employment; and

"Whereas, some individuals receiving Aid to Dependent Children and Food Stamps are believed to be drug dependent, to misuse their public assistance and to require innovative programs to enable them to become responsible and self-sufficient; and

"Whereas, the use of debit cards and electronic benefit transfer holds promise for promoting responsibility and self-sufficiency in a cost-effective manner for individuals receiving public assistance; and

"Whereas, the federal government, while allowing states to use electronic benefit transfer, has denied states the opportunity to operate a cost-effective system for the electronic delivery of benefits because of Regulation E of the Federal Reserve Board; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the United States Congress be hereby memorialized to allow states greater latitude in the administration and delivery of Aid to Dependent Children and Food Stamps through innovative programs that facilitate independence and promote greater personal and family responsibility among recipients of such assistance; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the 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 General Assembly in this matter."

POM-369. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Finance:

"HOUSE JOINT RESOLUTION NO. 250

"Whereas, a federal commission established by the then U.S. Secretary of Labor Elizabeth Dole recommended that Congress adopt legislation to ensure the continued provision of health benefits to retired coal miners who receive such benefits from the United Mine Workers of America (UMWA) Health and Retirement Funds; and

"Whereas, such legislation, introduced by Senator Jay Rockefeller of West Virginia (S. 1989) and Congressman John Murtha of Pennsylvania (H.R. 4013), would require all companies to pay a fair share of the cost of providing health benefits to their former employees and place an equitable fee on the entire coal industry to pay for the cost of "orphan" retirees who have no company to pay for such benefits; and

"Whereas, approximately 9,408 Virginia citizens receive their health care from the UMWA Health and Retirement Funds; and

"Whereas, the Rockefeller/Murtha legislation has been endorsed by both labor and management in the coal industry; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly strongly support S. 1989 and H.R. 4013 which would provide continued health care benefits for Virginia's coal miners and that the Congress of the United States be urged to enact this legislation into law; and, be it

"Resolved further, That the Clerk of the House of Delegates prepare copies of this resolution for presentation to the Speaker of the House of Representatives, the President of the United States Senate, and the members of the Virginia congressional delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM-370. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 62

"Whereas, the national debt and annual deficits have reached astronomical levels; and

"Whereas, the national budget process has proven inadequate, as currently structured, to check the appropriation and spending practices of the national legislature; and

"Whereas, the President's veto power has been weakened by the practice of both parties enacting multipurpose, multibillion dollar appropriations measures; and

"Whereas, the granting of line item veto power would restore a proper constitutional balance between the executive and legislative branches, would enable the President to veto items of dubious merit and harmful fiscal impact, and would still reserve to the Congress the right to restore any vetoed item by a two-thirds vote; and

"Whereas, the Commonwealth of Virginia is on record as supporting the granting of line item veto power to the President by its approval of House Joint Resolution No. 168 in 1977, and the reasons for pursuing this constitutional revision are stronger and more persuasive now than ever before; and

"Whereas, the General Assembly in 1977 called for a constitutional convention to propose the amendment to grant the President line item veto power, but the alternative and proven method to amend the United States Constitution is by the Congress first proposing an amendment and the states then ratifying the amendment; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly of Virginia request the Congress of the United States to propose an amendment to the Constitution of the United States to provide the power to the President to veto line items of appropriation measures; and, be it

"Resolved further, That the General Assembly request the legislatures of the several states to apply to Congress for the proposal of this amendment to the Constitution of the United States; and, be it

"Resolved finally, That copies of this resolution be sent by the Clerk of the House of Delegates to the Speaker of the United States House of Representatives and to the President of the Senate of the United States, to each of the senators and representatives from Virginia, and to the legislatures of the several states, attesting to the adoption of this resolution."

POM-371. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 156

"Whereas, for over 200 years, the flag of the United States has symbolized our nation; and

"Whereas, on June 14, 1777, the Continental Congress resolved that the flag represents the United States and its ideals of liberty and justice for all its citizens; and

"Whereas, the flag served to unite the 13 colonies and obtain recognition of America's national sovereignty; and

"Whereas, during the British attack on Fort McHenry in the War of 1812, the flag inspired Francis Scott Key to compose the song which became our national anthem; and

"Whereas, at the end of the War Between the States, the American flag again stood for the indestructible union of the United States; and

"Whereas, during the First World War, thousands of Americans died on foreign soil fighting for the American cause symbolized by the flag; and

"Whereas, during the Second World War, thousands of Americans again followed the flag into battle, where many lost their lives in an effort to preserve freedom; and

"Whereas, the flag served to boost the morale of American soldiers in the Korean and Vietnam conflicts, as they fought to preserve democracy; and

"Whereas, Americans of every state, political party, race, creed, and national origin regard the flag as the unifying symbol of the pluralism evident in the United States; and

"Whereas, on June 21, 1989, the Supreme Court reached a 5-4 decision in the case *Texas* v. *Gregory Lee Johnson* holding that physical desecration of the American flag is constitutionally protected free speech; and

"Whereas, the Supreme Court recognized in its decision that "the flag is constant in expressing beliefs Americans share, belief in law and peace and that freedom which sustains the human spirit," and that "the flag as readily signifies this Nation as does the combination of letters found in 'America'"; and

"Whereas, on June 11, 1990, the Supreme Court, again by a 5-4 decision, in *United States* v. *Eichman* held that the Flag Burning Act of 1989 was unconstitutional as applied to prosecute defendants for burning the flag and thus overturned the attempt by Congress to respond by statute to protect the flag; and

"Whereas, a majority of both houses of Congress in 1990 then voted to propose a constitutional amendment to enable the states and Congress to enact legislation to ban desecration of the flag, but the vote of 254 to 177 in the House and 58 to 42 in the Senate fell short of the two-thirds majority vote required for Congress to submit the amendment to the states; and

"Whereas, the General Assembly of Virginia has recognized the unique status the American flag holds in the eyes of United States citizens by prohibiting the desecration of the flag pursuant to the Virginia Uniform Flag Act (§18.2-486 et seq.); now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly of the Commonwealth of Virginia memorialize the Congress of the United States to propose an amendment to the United States Constitution for ratification by the states, specifying that Congress and the states have the power to prohibit the physical desecration of the flag of the United States, thereby recognizing the status the flag holds as the unique symbol of nationhood and national unity; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the

members of the Virginia delegation to the United States Congress in order that they may be apprised of the sense of the General Assembly of Virginia."

POM-372. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION NO. 231

"Whereas, equal rights for women should be constitutionally guaranteed; and

"Whereas, there still exist today discriminatory practices against women in this society; and

"Whereas, statutes passed to protect women against discrimination can be repealed or weakened; and

"Whereas, thirty-five states ratified the original Equal Rights Amendment; and

"Whereas, the overwhelming majority of Americans continue to support an Equal Rights Amendment to our Constitution; and

"Whereas, the Equal Rights Amendment was introduced in the Congress of the United States on January 11, 1991; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the General Assembly urge the Congress of the United States to expeditiously pass the Equal Rights Amendment so that the process of state ratification can begin as quickly as possible; and, be it

"Resolved further, That copies of this resolution be sent by the Clerk of the House of Delegates to the Speaker of the House of Representatives, the President of the United States Senate, the Chairman of the House Judiciary Committee, the Chairman of the Senate Judiciary Committee and to each member of the Virginia congressional delegation so that they may be apprised of the sense of the General Assembly of Virginia."

POM-373. A joint resolution adopted by the Legislature of the State of Michigan; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION E

"Resolved by the Senate and the House of Representatives of the state of Michigan, That the first Congress of the United States of America, at its session, in both houses, by a constitutional majority of two-thirds of both houses has made the following proposition to amend the constitution of the United States:

"'Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, two thirds of both Houses concurring, that the following [Article] be proposed to the Legislatures of the several States, . . . which [Article], when ratified by three fourths of the said Legislatures, to be valid to all intents and purposes, as part of the said Constitution, viz.:

"'[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 the second . . . No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened.'

"Therefore, in the name of, and on behalf of, the people of the state of Michigan, we ratify, approve, and assent to the proposed amendment to the constitution of the United States.

"Resolved further, That certified copies of this joint resolution be transmitted by the governor of the state of Michigan, to the president of the United States, the archivist of the United States, the president of the Senate of the United States, and the speaker of the House of Representatives of the United States."

POM 374. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Labor and Human Resources:

"HOUSE CONCURRENT RESOLUTION 24

"Whereas, there is a crisis in medical care and insurance throughout the country due to escalating costs; and

"Whereas, the individual states are finding the problem cannot be solved locally; now, therefore be it

"Resolved by the House of Representatives, the Senate concurring:

"That the President be urged to establish a commission to review access to the current health care system and provide recommendations regarding a system of uniform access to health care throughout the country, including various levels of entry to the system and access by all; and

"That the commission include representatives from the medical field, representatives from the insurance industry, members of the general public, members of the business community, and members of the United States Congress; and

"That it shall be the commission's duty to develop a health program addressing and making recommendations with regard to issues of universal access to health care for all Americans, cost containment, and a choice of programs including comprehensive benefits; and

"That Congress be urged to enact a national health program adopting the recommendations of the commission; and

"That copies of this resolution, signed by the speaker of the house of representatives and president of the senate be transmitted to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the New Hampshire congressional delegation."

POM-375. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Veterans' Affairs:

"Whereas, because of the high incidence of federal military installations and contracting industries located in the Commonwealth, 657,651 veterans of the armed services now live in Virginia; and

"Whereas, an additional 90,000 veterans of Operation Desert Storm also live in the state; and

"Whereas, medical facilities for veterans are now located only in Salem, Hampton, and Richmond; and

"Whereas, the health of many of these veterans is declining as a result of advancing age and health problems associated with their service in the military; and

"Whereas, travel to available veterans' medical facilities is difficult and inconvenient for those who live in Northern Virginia; and

"Whereas, it is estimated that approximately 220,000 veterans live within a 50-mile radius of the proposed Northern Virginia site; and

"Whereas, construction of a veterans' medical center in Northern Virginia has been authorized by the federal government but the project has never been started; and

"Whereas, it appears that such a facility is urgently needed and that land for such a facility is currently available and is already federally owned; and

"Whereas, a similar resolution was adopted by the 92nd National Convention of the Veterans of Foreign Wars during its national meeting held in August of 1991; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to give serious consideration to the construction of a veterans' medical facility in the Northern Virginia area; and, be it

"Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the United States Congress in order that they may be apprised of the sentiment of the General Assembly of Virginia."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations, without amendment:

S. 2743. An original bill to deter and punish aggression against the newly independent countries of the defunct Socialist Federal Republic of Yugoslavia, and to promote human rights within the newly constituted Republic of Yugoslavia.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL from the Committee on Foreign Relations:

Teresita Currie Schaffer, of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary to the Republic of Maldives.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Teresita Currie Schaffer.

Post: Ambassador to Sri Lanka and the Maldives

Contributions, amount, date, and donee:

1. Self: None.

2. Spouse: Howard B. Schaffer, none.

3. Children and spouses names: Michael C. Schaffer, none; Christopher S. Schaffer, none.

4. Parents names: Francis Currie, died 1979; Teresita S. Currie, none.

5. Grandparents names: Susie Sparre, died 1969; Pehr Sparre, died 1983.

6. Brothers and spouses names: Francis S. Currie, March 31, 1987, $250 to Senator Bradley's 1990 Primary Campaign; May 4, 1988, $250 to Senator Bradley's 1990 Primary Campaign; April 6, 1989, $500 to Senator Bradley's 1990 Primary Campaign and $500 to Senator Bradley's 1990 General Election Campaign. Spouse, Christine Lachaze Currie, June 4, 1990, $500 to Senator Bradley's Primary Campaign; Patrick R. Currie, none; spouse, Carol H. Currie, none; Peter L.S. Currie, none; spouse, Elizabeth M. Currie, none.

7. Sisters and spouses names: Julie G. Currie, none.

Kenton Wesley Keith, of Missouri, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Kenton Wesley Keith.

Post: Ambassador to the State of Qatar.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: Vincent Keith (unmarried), none; Pamela Keith (unmarried), none.
4. Parents names: James Keith, father (deceased); Gertrude Keith, mother, none.
5. Grandparents names: Frank Keith (deceased); Gertrude Keith (deceased); Nora Hooker (deceased).
6. Brothers and spouses names: Gerren Keith (brother), none; Laura Keith (spouse), none.
7. Sisters and spouses names: Stephanie Keith (sister), none.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee on the Senate).

By Mr. BURDICK from the Committee on Environment and Public Works:

Christian R. Holmes IV, of California, to be Chief Financial Officer, Environmental Protection Agency.

Christian R. Holmes IV, of California, to be an Assistant Administrator of the Environmental Protection Agency.

Kenneth C. Rogers, of New Jersey, to be a Member of the Nuclear Regulatory Commission for the term of five years expiring June 30, 1997.

(The above nominations were approved subject to the nominees' commitment to appear and testify before any duly constituted committee on the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PELL:

S. 2743. An original bill to deter and punish aggression against the newly independent countries of the defunct Socialist Federal Republic of Yugoslavia, and to promote human rights within the newly constituted Republic of Yugoslavia; from the Committee on Foreign Relations; placed on the calendar.

By Mr. DASCHLE:

S. 2744. A bill to amend the Internal Revenue Code of 1986 to allow Indian tribes to receive charitable contributions of inventory; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. HATCH, Mr. SEYMOUR, Mr. BOND, Mr. JEFFORDS, and Mr. THURMOND):

S. 2745. A bill to promote youth apprenticeship, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself, Mr. MCCAIN, Mr. DECONCINI, and Mr. LIEBERMAN):

S. 2746. A bill to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives; to the Select Committee on Indian Affairs.

By Mr. PELL:

S. 2747. A bill to authorize certain uses of real property acquired by the Architect of the Capitol for use by the Librarian of Congress and for other purposes; to the Committee on Rules and Administration.

S. 2748. A bill to authorize the Library of Congress to provide certain information products and services, and for other purposes; to the Committee on Rules and Administration.

By Mr. SEYMOUR:

S. 2749. A bill to grant a right of use and occupancy of a certain tract of land in Yosemite National Park to George R. Lange and Lucille F. Lange, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOREN (for himself and Mr. NICKLES):

S. 2750. A bill to amend the act entitled "An Act conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma", approved December 23, 1982; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 2751. A bill to establish additional Under Secretary and Assistant Secretary positions within the Department of Energy; to the Committee on Energy and Natural Resources.

By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mr. WOFFORD, Mr. ROCKEFELLER, and Mr. HARKIN):

S. 2752. A bill to establish a Reform Commission to review the field structure of the United States Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 2753. A bill to extend until January 1, 1996, the existing temporary suspension of the duty on Diphenyldichlorosilande and phenyltrichlorosilane; to the Committee on Finance.

By Mr. WIRTH:

S. 2754. A bill to clarify authorities of the Secretary of Agriculture is considering and issuing certain special use permits on National Forest System lands; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 2755. A bill to direct the Secretary of Defense to provide grants to States to provide technical and financial assistance to defense-dependent contractors; to the Committee on Armed Services.

By Mr. SIMON:

S. 2756. A bill to provide for the liquidation of certain entries of dog and cat treats as free of certain duties; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 2757. A bill to correct the Harmonized Tariff Schedule of the United States as it applies to certain electric toothbrushes and parts thereof; to the Committee on Finance.

By Mr. THURMOND:

S. 2758. A bill to authorize the Department of Justice to pay State and local property taxes on forfeited real property; to the Committee on the Judiciary.

By Mr. LEAHY (for himself, Mr. HARKIN, Mr. DASCHLE, and Mr. CONRAD):

S. 2759. A bill to amend the National School Lunch Act to improve the nutritional well-being of children under the age of 6 living in homeless shelters, and for other purposes; considered and passed.

By Mr. LEAHY (for himself, Mr. MCCONNELL, and Mr. DASCHLE):

S. 2760. A bill to improve certain nutrition programs, to improve the nutritional health of children, and for other purposes; considered and passed.

By Mr. LEAHY (for himself, Mr. GRASSLEY, Mr. HARKIN, Mr. CONRAD, and Mr. DASCHLE):

S. 2761. A bill to amend the Child Nutrition Act of 1966 to authorize grants to be made to State programs designed to provide resources to persons who are nutritionally at risk in the form of fresh nutritious unprepared food (such as fruit and vegetables) from farmers' markets, and for other purposes; considered and passed.

By Mr. GORE (for himself, Ms. MIKULSKI, Mr. LEAHY, Mr. KERRY, Mr. WOFFORD, Mr. CRANSTON, Mr. MITCHELL, Mr. SIMON, Mr. DODD, Mr. ADAMS, Mr. SARBANES, Mr. MOYNIHAN, Mr. KOHL, Mr. KENNEDY, Mr. WIRTH, Mr. LIEBERMAN, Mr. INOUYE, Mr. SANFORD, Mr. AKAKA, and Mr. ROCKEFELLER):

S.J. Res. 308. A joint resolution adopting certain principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter," and urging the United Nations Conference on Environment and Development, meeting in June 1992, to adopt the same; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMON (for himself, Mr. PELL, Mr. CRANSTON, and Mr. KENNEDY):

S. Res. 301. A resolution relating to ongoing violence connected with apartheid in South Africa; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE:

S. 2744. A bill to amend the Internal Revenue Code of 1986 to allow Indian tribes to receive charitable contributions of inventory; to the Committee on Finance.

INTERNAL REVENUE CODE AMENDMENTS

• Mr. DASCHLE. Mr. President, I am introducing legislation that would expand the current inventory charitable donation rule to include Indian tribes. This proposal is short and simple.

Under current law, companies may obtain a special charitable donation tax deduction under Internal Revenue Code section 170(e)(3) for contributing their excess inventory to the ill, the needy, or infants. While not limited to any particular type of company or inventory, this deduction commonly is used by food processing companies whose excess food inventories otherwise would spoil. Indian tribes have had difficulty obtaining these donations, however, because of an ambiguity in the law as to whether or not donating companies may deduct donations to people on Indian reservations.

The current language in section 170(e)(3) requires charitable donations of excess inventory to be made to organizations that are described in section 501(c)(3) of the Code and exempt from taxation under section 501(a). While Indian tribes are exempt from taxation, they are not among the organizations described in section 501(c)(3). Accordingly, it is not clear that a direct donation of excess inventory to an Indian tribe would qualify for the charitable donation deduction under section 170(e)(3).

Ironically, the Indian Tribal Government Tax Status Act found in section 7871 provides that an Indian tribal government shall be treated as a State for purposes of determining tax deductibility of charitable contributions made pursuant to section 170. Unfortunately, the act does not expressly extend to donations made under section 170(e)(3) because that provision technically does not include States as eligible donees, either.

Mr. President, it is well documented that a disproportionate number of the ill and the needy, many of whom are infants, can be found on Indian reservations. No one would argue that it is not within the intent of section 170(e)(3) to allow contributions to these people to qualify for the special charitable donation deduction in that section of the Code. That is what the bill I am introducing today would do. By allowing companies to make qualified contributions to Indian tribes under section 170(e)(3), the bill would clearly further the intended purpose of both Internal Revenue Code section 170(e)(3) and the Indian Tribal Government Tax Status Act.

I strongly encourage my colleagues to take a close look at this bill and consider supporting this worthy and reasonable measure.

Mr. President, I ask 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. 2744

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHARITABLE CONTRIBUTIONS OF INVENTORY TO INDIAN TRIBES.

(a) IN GENERAL.—Section 170(e)(3) of the Internal Revenue Code of 1986 (relating to special rule for certain contributions of inventory or other property) is amended by adding at the end the following new subparagraph:

"(D) SPECIAL RULE FOR INDIAN TRIBES.—

"(i) IN GENERAL.—An Indian tribe (as defined in section 7871(c)(3)(E)(ii)) shall be treated as an organization eligible to be a donee under subparagraph (A).

"(ii) USE OF PROPERTY.—For purposes of subparagraph (A)(i), if the use of the property donated is related to the exercise of an essential governmental function of the Indian tribal government, such use shall be treated as related to the purpose or function constituting the basis for the organization's exemption."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1991.•

By Mr. DOLE (for himself, Mr. HATCH, Mr. SEYMOUR, Mr. BOND, Mr. JEFFORDS, and Mr. THURMOND):

S. 2745. A bill to promote youth apprenticeship, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL YOUTH APPRENTICESHIP ACT OF 1992

Mr. DOLE. Mr. President, when it comes to ensuring a strong economy and a bright and prosperous future for American workers, some investments in our Nation's infrastructure are more worthwhile than others. One of the most important things that we can do is to invest in our youth, and in this connection, I am pleased, along with the distinguished Senator from Utah [Mr. HATCH], the distinguished Senator from Missouri [Mr. BOND], the distinguished Senator from Vermont [Mr. JEFFORDS], and the distinguished Senator from South Carolina [Mr. THURMOND] to introduce the National Youth Apprenticeship Act of 1992.

This legislation, part of President Bush's plan to prepare the American work force for the challenges of the next century, would for the first time establish a national framework for implementing comprehensive youth apprenticeship programs.

There is widespread agreement that the time has come to strengthen the connection between the academic subject matters taught in our schools and the demands of the modern, high-technology workplace. This concept has been successfully applied in other countries through the coordination and integration of school and workplace disciplines and the time has come to incorporate such practices into our own education system.

Under this proposal, the main elements of a youth apprenticeship program are defined to facilitate the development of a nationwide program providing a transition from school to work. This model, based on partnerships among business, schools, and labor organizations, is keyed to be sensitive to the needs of students and the community. This will ensure that the apprenticeship programs produce results by linking the skills and training acquired to the real-world needs of local employers.

The model provides that a student could enter a youth apprenticeship program in the 11th or 12th grade. Before reaching these grades, students would receive career and academic counseling to inform them of—and prepare them for entry into—apprenticeship programs.

Particular programs may be completed upon graduation from high school or may continue for up to 2 years of postsecondary education. In addition to the high school diploma, a youth apprentice would receive a certificate of competency based on national standards that would provide employers with an objective basis on which to evaluate the individual's skills.

The program is intended to attract and develop high-quality, motivated, students. In order to be certified under the Act, apprentices would be required to have received academic instruction, structured job training, and on-the-job work experience. Standards of academic achievement would apply to all academic instruction, including the required instruction in the core subjects of English, mathematics, science, history, and geography.

Mr. President, the key to success for America is flexibility and responsiveness to a rapidly changing world. The economic challenges we face today are like no others we have ever seen: We have a truly global economy where product differences and costs are easily recognized and measured.

In this connection, we have an obligation to our youth to prepare them for the future.

This bill is an important step in meeting that obligation, and I urge my colleagues to carefully review this important legislation and to lend their support to its passage.

Mr. President, I ask unanimous consent that the complete text of the National Youth Apprenticeship Act of 1992 and a statement in explanation thereof be included in the RECORD.

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

S. 2745

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 "National Youth Apprenticeship Act of 1992".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a significant proportion of youth in the United State lack the necessary skills to meet employer requirements for entry level positions;

(2) the American workplace is changing in response to new technology and heightened international completion, and the jobs of the future will demand different and higher level skills for which too many of our youth are not currently trained;

(3) work-based learning models are effective approaches to preparing youth, beginning at the secondary school level, for high-wage, high-skilled employment;

(4) three-fourths of American youth do not earn college degrees, and many of those who do not could benefit from a more structured method of attaining job skills, knowledge and abilities; and

(5) the United States lacks a comprehensive approach towards helping youth make the transition from school to the workplace.

(b) PURPOSES.—The purposes of this act are to—

(1) establish a nationally recognized system for the youth apprenticeship approach to learning, while allowing States to customize the model to economic, demograhic, and other local conditions;

(2) establish a formal process that engages the business community in partnerships with education to develop the capacity of workplaces to serve as learning sites in order to ensue that youth apprentices acquire academic and work-based competencies and become skilled, flexible entry-level workers;

(3) encourage small and medium-size businesses and labor organizations to participate in youth apprenticeship programs;

(4) encourage the public sector to participate in youth apprenticeship programs;

(5) motivate the nation's young people to remain in school, improve their basic skills, and become productive citizens by providing the opportunity to gain marketable skills while establishing a relationship with a prospective employer;

(6) prepare the youth of the United States for employment in high-wage, high-skilled occupations;

(7) provide for high achievement standards in order to instill pride, self-esteem, and purpose in youth apprentices;

(8) establish a systematic transition for youth apprentice students from school to work by linking the academic curriculum with a curriculum of work-site experience and learning; and

(9) enhance the youth apprentice's prospects for immediate employment after leaving school in positions that provide significant opportunity for continued education and career development.

SEC. 3. DEFINITIONS.

For the purpose of this Act, the following definitions apply—

(1) The term "youth apprenticeship program" means a program that—

(A) integrates academic instruction and work-based learning;

(B) provides for work-site learning and paid work experience;

(C) is offered to students beginning in the 11th or 12th grade;

(D) is intended to—

(i) result in receipt of a high school diploma and an approved certificate of competency, and,

(ii) lead, as appropriate, to entry into a postsecondary program, a program registered under the National Apprenticeship Act, or permanent employment;

(E) is certified as meeting national youth apprenticeship criteria; and

(F) otherwise meets the requirements of this Act.

(2) The term "youth apprenticeship agreement" means the written agreement between the employer, local educational agency, student, and parent which defines the parties' respective roles and responsibilities under the program.

(3) The term "youth apprentice" means a student who is at least 16 years of age, who is currently enrolled in a public or private secondary school as defined in paragraph (21) of section 1471 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)), and who is participating in a certified youth apprenticeship program, which meets the requirements of this Act.

(4) The term "employer" means any person or organization employing a youth apprentice under a certified youth apprenticeship program.

(5) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(6) The term "Governor" means the chief executive of any State.

(7) The term "local entity" means a local educational agency as defined in paragraph (12) of section 1471 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)), or a public or private sector entity designated by the State to administer youth apprenticeship programs at the local level instead of, or in cooperation with the local educational agency.

(8) The term "private industry council" means a private industry council established under section 102 of the Job Training Partnership Act.

(9) The term "workplace mentor" means the individual at the work site who instructs the apprentice, critiques performance, challenges the apprentice to perform well and works in cooperation with classroom teachers.

SEC. 4. PROGRAM RESPONSIBILITIES AND ADMINISTRATION.

(a) The Federal, State, and local responsibilities in establishing the means for employers, local education agencies, labor organizations, and other appropriate entities to develop and implement youth apprenticeship programs under the national youth apprenticeship criteria established by section 5 are set forth in subsections (b) through (d) of this section.

(b) FEDERAL FUNCTIONS.—

(1) There is established an interagency committee, composed of the Secretaries of Labor, Education, and Commerce, which shall be chaired by the Secretary of Labor, and which shall—

(A) establish procedures for submission and review of plans prepared by participating States in accordance with subsection (c) of this section, including measures to ensure that States are not required to prepare plans which unnecessarily duplicate plans submitted under programs contained in section 8 of this Act, or under any other programs whose resources contribute to a youth apprenticeship program under this Act; and

(B) determine, not later than 60 days after the date on which a plan is submitted under the procedures established under subparagraph (A), whether the plan meets the requirements of the national criteria for youth apprenticeship plans provided by section 5 of this Act and incorporates the safeguards provided by section 7 of this Act, and shall inform the State that the plan has been approved, or that it has not been approved, together with the reasons therefore, and the steps the State may take to remedy such plan in order to receive certification upon resubmission.

(2) The Secretary of Labor shall perform the following functions in consultation with the interagency committee established pursuant to paragraph 1 of this subsection—

(A) promulgate regulations, as appropriate;

(B) establish procedures for determining whether States and local entities are complying with the national criteria for youth apprenticeship established by section 5 of this Act, and the safeguards provided by section 7 of this Act;

(C) monitor State activities under this Act;

(D) collect data, evaluate results, and review the use of funds authorized in accordance with subsections (c), (d), and (e) of section 8 of this Act;

(E) provide policy guidance and technical assistance;

(F) recognize outstanding youth apprenticeship programs and the achievements of outstanding youth apprentices, and disseminate information regarding exemplary youth apprenticeship models and State and local practices;

(G) provide resources and technical assistance to States to develop and implement a youth apprenticeship program and carry out functions under subsection (c)(2) of this section; and

(H) carry out a program of research and demonstration activities on youth apprenticeship issues.

(c) STATE FUNCTIONS.—The Governor of a participating State shall—

(1) submit a biennial State plan for youth apprenticeship programs to the Secretary of Labor under the procedures established pursuant to subsection (b)(1)(A) of this section, which plan shall include the following—

(A) a description of any enabling legislation the Governor intends to propose to carry out the plan;

(B) a statement identifying the authority designated under paragraph 2 of this sub-

section to carry out the responsibilities provided in such paragraph, and a description of the plan for carrying out such responsibilities;

(C) a description of the Federal, State, local, and other resources the State intends to commit to implement the plan;

(D) the timetable to be followed in implementing youth apprenticeship programs;

(E) a plan for providing that all population groups including women and minority groups have the opportunity to participate in youth apprenticeship programs; and

(F) the procedures by which the State will assure that youth apprenticeship programs comply with the national criteria for youth apprenticeship established by section 5 of this Act, and the safeguards provided by section 7 of this Act.

(2) designate the appropriate State authority, which shall include appropriate representatives from the agencies responsible for matters concerning education, labor, and commerce, to—

(A) develop guidelines for the designation of local entities;

(B) develop guidelines for identifying and including in youth apprenticeship programs those industries, occupations, and employers offering likelihood of long term employment;

(C) certify that the programs of local entities meet the national criteria for youth apprenticeship programs established by section 5 of this Act, meet applicable education and labor standards, and incorporate the safeguards provided by section 7 of this Act;

(D) provide technical assistance and other support to local entities and employers as is necessary to develop and operate acceptable youth apprenticeship programs; and

(E) collect and maintain participation and other data on, monitor, and evaluate youth apprenticeship programs.

(d) LOCAL FUNCTIONS.—

(1) local entities shall ensure that youth apprenticeship programs are developed and operated in conformity with the national youth apprenticeship criteria provided by section 5 of this Act, applicable education and labor standards, and the safeguards established by section 7 of this Act;

(2) participating schools shall provide for career exploration opportunities, and for academic development to meet the requirements for entry and participation in youth apprenticeship programs;

(3) local employers, in collaboration with labor organizations where appropriate, shall employ youth apprentices, assist participating schools in ensuring that curriculum content, to the extent appropriate, are relevant to the workplace, take primary responsibility for ensuring the success of worksite learning and work experience, and provide information to the local schools concerning the performance of each youth apprentice; and

(4) local private industry councils shall review and approve local youth apprenticeship programs to ensure that the programs meet local labor market demands, and provide youth apprentices with broad-based competencies and transferable skills that facilitate career progression within the industries or trades in which the student is trained and employed.

SEC. 5. NATIONAL YOUTH APPRENTICESHIP CRITERIA.

(a) A youth apprenticeship program of instruction which merges learning in the classroom and in the workplace through meeting the national youth apprenticeship criteria set forth in subsections (b) through (f) of this section.

(b) ACADEMIC INSTRUCTION.—Academic instruction shall consist of—

(1) a program of study which meets State education standards;

(2) instruction to attain academic proficiency in at least the five core subjects of English, mathematics, history, science, and geography consistent with voluntary national standards; and

(3) where appropriate, modifications to curriculum components to increase the relevance of instruction to the workplace.

(c) WORK-BASED LEARNING.—Work-based learning shall consist of—

(1) instruction in occupationally specific knowledge, skills, and abilities, based on appropriate nationally accepted industry standards;

(2) a planned program of structured job training, including tasks to be mastered;

(3) development of sound work habits and behaviors; and

(4) instruction in general workplace competencies, including, where appropriate, the ability to manage resources, work productively with others, acquire and use information, understand and master systems and work with technologies.

(d) WORK-SITE LEARNING AND EXPERIENCE.—Work-site learning and experience shall compose at least 20 percent of the time, as defined by the school the individual attends, the youth apprentice would otherwise be in school during the first school year, and at least 40 percent of the time, as defined by the school the individual attends, the youth apprentice would otherwise be in school during the second year, and shall consist of—

(1) helping the youth apprentice achieve the academic requirements in subsection (b) of this section;

(2) helping the youth apprentice achieve the work-based learning requirements in subsection (c) of this section;

(3) paid work experience; and

(4) otherwise fulfilling the employer commitments in the agreement in subsection (e) of this section.

(e) AGREEMENT.—A youth apprenticeship agreement shall include the following components—

(1) a commitment by youth apprentices to achieve stated academic performance standards, to remain in school, to maintain good attendance, to avoid alcohol and drug abuse, and to meet worksite requirements;

(2) a commitment by parents or guardians to support efforts by the youth apprentice to fulfill academic and work site commitments;

(3) a commitment by employers, in collaboration with labor organizations where appropriate, to help the youth apprentice acquire necessary skills and knowledge in an orderly sequence, to make available to the youth apprentice job progression through normal skill levels, to provide a workplace mentor, to provide feedback to the school on individual progress, and to make reasonable efforts to employ the youth apprentice upon successful completion of the program, subject to the safeguards provided by section 7 of this Act;

(4) a commitment by the local educational agency to provide, to the extent feasible, the youth apprentice with the appropriate support to promote successful completion of the program, and to ensure close coordination between academic instruction, work-based learning, and worksite experience;

(5) a provision setting forth the educational outcomes of successfully completing the program which—

(A) shall include receipt of a high school diploma and an approved certificate of competency, specifying the standards under which such certificate is awarded, and

(B) may include, as appropriate, receipt of a postsecondary degree, entry in a postsecondary program, or entry into a program registered under the National Apprenticeship Act.

(6) a provision setting forth the wage scale, and a schedule of hours of work throughout the program including hours of work during school, after school, and during school breaks; and

(7) a provision for modification and termination of the agreement.

(f) INFORMATION AND GUIDANCE.—A formal method for advising the youth apprentice of—

(1) occupational and career opportunities, work experience requirements, and any decision necessary for exercising options for postsecondary education and career-specialization, including formal registered apprenticeship programs under the National Apprenticeship Act;

(2) the methods and frequencies of assessing achievement of job related competencies and performance in the workplace; and

(3) the job description.

SEC. 6. ALTERNATIVE PROGRAM COMPONENTS.

(a) A local entity may design programs using the tech-prep education program model, as authorized by part E, title III of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2394 *et seq.*), for the academic instruction component and for any classroom instruction for the job training component of a youth apprenticeship program, in order to enhance opportunities for youth apprentices to enter into programs leading to an associate degree or certificate in an occupational field or program.

(b) A local entity may design programs to incorporate, as appropriate, vocational education models authorized by section 235 of the Carl D. Perkins Vocational and Applied Technology Act (20 U.S.C. 2342), as amended by section 8(c)(1) of this Act. Local entities are also encouraged to use State and local vocational education funds in support of youth apprenticeship programs.

(c) A local entity may design programs which provide for formal connections to other tech-prep programs and to postsecondary education and training.

SEC. 7. SAFEGUARDS.

The following safeguards shall apply to youth apprenticeship programs under this Act—

(1) No youth apprentice shall displace any currently employed worker (including a partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits).

(2) No youth apprenticeship program shall impair existing contracts for services or collective bargaining agreements, except that no program under this Act which would be inconsistent with the terms of a collective bargaining agreement shall be undertaken without the written concurrence of the labor organization and employer concerned.

(3) No youth apprentice shall be employed or job opening filled—

(A) when any other individual is on temporary layoff, with the clear possibility of recall, from the same or any substantially equivalent job, or

(B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created with a youth apprentice.

(4) Youth apprentices must be provided with adequate and safe equipment and a safe

and healthful workplace in conformity with all health and safety standards of Federal and State law.

(5) No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with any youth apprenticeship program on the basis of race, color, religion, sex, national origin, age, handicap, or political affiliation, or belief.

(6) No member of any private industry council shall participate in any decision under this Act to approve a youth apprenticeship program under section 4(d)(3) of this Act where such a decision would affect the member's own financial interests, those of the member's spouse, minor children, or partners, or those of any organization in which the member is an officer, director, trustee, partner, or employee. This section does not prohibit the provision of advice and recommendations on policy matters which uniquely affect a class of entities in which the member has a financial interest.

(7) Such other safeguards as the Secretary may deem appropriate in order to ensure that youth apprentices are afforded adequate supervision by fully skilled adult workers, or, otherwise, to further the purposes of this Act.

SEC. 8. RELATIONSHIP TO OTHER LAWS.

(1) Section 14(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214) is hereby amended to read as follows:

"(a) The Secretary, to the extent necessary in order to prevent curtailment of opportunities for employment, shall by regulations or by orders provide for the employment of youth apprentices enrolled in a certified program under the National Youth Apprenticeship Act of 1992, of learners, of apprentices, and of messengers employed primarily in delivering letters and messages, under special certificates issued pursuant to regulations of the Secretary, at such wages lower than the minimum wage applicable under section 6 and subject to such limitations as to time, number, proportion, and length of service as the Secretary shall prescribe."

(2) The Secretary of Labor shall ensure that youth apprentices receive the same protections, and otherwise are treated, as student-learners under regulations issued pursuant to section 3(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(1)).

(b) VOCATIONAL EDUCATION.—

(1) Section 235(c) of the Carl D. Perkins Vocational and Applied Technology Act (Carl D. Perkins Act) (20 U.S.C. 2301 et seq.) is amended—

(A) by redesignating respectively subparagraphs (G) through (N), as (H) through (O); and

(B) by inserting the following new subparagraph (G)—

"(G) youth apprenticeship programs;".

(2) A tech-prep education program, authorized by part E, title III of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2394 et seq.), may serve as the classroom portion of the academic and work-based learning components for the job training component of a youth apprenticeship program;

(3) A youth apprenticeship program may be an appropriate cooperative demonstration program or project within the meaning of section 420A of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2024a).

(c) JOB TRAINING.—

(1) Youth apprenticeship programs are education and training programs for purposes of state education coordination and grants under section 123 of the Job Training Partnership Act (29 U.S.C. 1533).

(2) To the extent consistent with law, and otherwise appropriate, youth programs carried out under part A and part B of title II of the Job Training Partnership Act should be merged with programs carried out under this Act.

(d) ELEMENTARY AND SECONDARY EDUCATION.—Subsection (b) of section 1011 of the Elementary and Secondary Education Act of 1965 is amended—

(1) in paragraph (6), by striking out "and" at the end thereof;

(2) in paragraph (7), by striking out the period at the end thereof, and inserting, in lieu thereof, a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph—

"(8) youth apprenticeship programs established according to the provisions of the National Youth Apprenticeship Act of 1992.".

SEC. 9. STUDIES AND REPORTS.

(a) The Secretary of Labor, in consultation with the Secretary of Education and the Secretary of Commerce through the interagency committee established pursuant to section 4 of this Act, shall conduct studies—

(1) to evaluate the initial and continuing impact of activities undertaken pursuant to this Act on individuals, schools, and employers;

(2) to examine the use in support of this Act by States and localities of Job Training Partnership Act funds and Federal and State vocational education funds, and funds under the Elementary and Secondary Education Act of 1965, and any other Federal, State, local, or private resources; and

(3) to evaluate such other issues as the interagency committee deems appropriate.

(b) Not later than 2 years from the date of enactment of this Act, the Secretary of Labor shall submit an initial report to the President on the results of the studies conducted pursuant to subsection (a) of this section. The secretary may make such other reports as the Secretary shall deem necessary.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) Of the amounts appropriated for the training and employment services account in the Department of Labor for the period beginning July 1, 1993 through June 30, 1994, not to exceed $50,000,000 shall be available for the fiscal year ending September 30, 1993 to carry out program activities under this Act, including—

(1) assistance to States in developing a comprehensive plan for youth apprenticeship for submittal to the Secretary of Labor;

(2) assistance to States for the implementation of approved plans; and

(3) research and demonstration activities on youth apprenticeship program issues, which shall consist of no more than 10 percent of the funds appropriated pursuant to this subsection.

(b) Of the amounts appropriated for the training and employment services account in the Department of Labor for the period beginning July 1, 1993 through June 30, 1994, not to exceed $5,000,000 shall be available for the fiscal year ending September 30, 1993 for the studies and reports undertaken pursuant to section 9 of this Act.

SEC. II. EFFECTIVE DATE.

This Act shall take effect upon enactment.

STATEMENT IN EXPLANATION OF THE NATIONAL YOUTH APPRENTICESHIP ACT OF 1992

The National Youth Apprenticeship Act would establish a national framework for implementing the youth apprenticeship approach as a high quality learning alternative to help our youth make the transition from school to the workplace. The proposal encourages business and labor to become active partners in education, by linking school and work in a program of contextual learning and work experience during the last two years of high school, with options for post-secondary study.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill provides that this Act is entitled the "National Youth Apprenticeship Act of 1992."

Section 2 contains the findings and purposes of the Act. The findings recognize the need to raise skill levels and provide a more systematic approach to preparing youth for the transition from school to the workforce. Youth Apprenticeship provides an effective model of work-based learning as an alternative for the three quarters of youth who do not receive college degrees. The purposes define the essential objectives of a youth apprenticeship program as: establishing a nationally recognized system for the youth apprenticeship approach to learning while allowing flexible implementation; developing the capacity of workplaces as learning sites; preparing youth for high-wage, high-skilled employment; engaging employers, labor, and the public sector in youth apprenticeship programs; and motivating youth to achieve high standards at school and the workplace with new work-influenced curricula and concrete prospects for employment and training after high school.

Section 3 defines the essential terms connected with youth apprenticeship programs. The following terms, unique to this bill, are defined. A "youth apprenticeship program" is a program offered to students that begins in the 11th and 12th grades; meets national standards and criteria; integrates academic instruction and work-based learning; and includes worksite learning and paid work experience. A "youth apprenticeship agreement" means the written agreement between the employer, local educational agency, student, and parent which defines the parties' respective roles and responsibilities under the program. A "youth apprentice" is a student who is at least 16 years of age, who is currently enrolled in a public or private secondary school, and who is participating in a certified youth apprenticeship program which meets the requirements of this Act. The term "local entity" is a local educational agency as defined in section 1471(12) of the Elementary and Secondary Education Act of 1965, or a public or private sector entity designated by the State to administer youth apprenticeship programs at the local level instead of, or in cooperation with the local educational agency. A "workplace mentor" is the individual at the worksite who instructs the apprentice, critiques performance, challenges the apprentice to perform well and provides feedback to the classroom teachers.

Section 4 defines Federal, State and local responsibilities for establishing and administering youth apprenticeship programs. The Federal functions are defined in section 4(b). Section 4(b)(1) establishes an interagency committee, to be chaired by the Secretary of Labor, and composed of the Secretaries of Labor, Education and Commerce to: (1) establish procedures for submission and review of plans prepared by participating States; (2) ensure that States are not required to prepare and submit unnecessarily duplicative plans; and (3) determine, within 60 days of submission of a State plan for the implemen-

tation of local youth apprenticeship programs, whether the plan meets the national criteria for youth apprenticeship and other requirements of this Act.

Under section 4(b)(2) the Secretary of Labor, in consultation with the interagency committee, shall: promulgate regulations, as appropriate; establish procedures for monitoring States' compliance with the national criteria and the safeguards; collect data and evaluate results; provide policy guidance and technical assistance; recognize outstanding youth apprenticeship programs and disseminate information on exemplary programs and practices; provide resources and technical assistance to States to develop and implement a youth apprenticeship program and carry out functions under section 4(c)(2); and carry out a program of research and demonstration activities on youth apprenticeship issues.

The State functions are identified in section 4(c). Under section 4(c)(1) the Governor prepares and submits a biennial plan for implementing youth apprenticeship in his or her state. The plan must describe the following:

(1) any proposed youth apprenticeship legislation;

(2) a statement identifying the authority designated under section 4(c)(2) to carry out the responsibilities provided thereby, and a description of the plan for carrying out such responsibilities;

(3) a description of the Federal, State, local, and other resources the State intends to commit to the plan;

(4) the timetable to be followed in implementing youth apprenticeship programs; and

(5) a plan for providing that all population groups, including women and minorities, have the opportunity to participate in youth apprenticeship programs.

Additional State responsibilities are listed under section 4(b)(2). The Governor designates the state authority (which shall include appropriate representatives from agencies responsible for matters concerning education, labor, and commerce) to certify that local youth apprenticeship programs meet national criteria, to develop guidelines for local entities regarding the administration of local programs, to identify industries, occupations and employers offering the likelihood of long-term employment, to provide technical assistance and other support to local entities and employers, and to collect and maintain participation and other data on, monitor, and evaluate youth apprenticeship programs.

Section 4(d) identifies the local responsibilities. Section 4(d)(1) provides that local entities shall have the responsibility of ensuring that local youth apprenticeship programs are developed and operated in conformity with national youth apprenticeship criteria, applicable education and labor standards and the safeguards provided by section 7 of this Act. Section 4(d)(2) provides that participating schools shall provide for career exploration opportunities, and for academic development to meet the requirements for entry and participation in youth apprenticeship programs. Under section 4(d)(3), local employers, in collaboration with labor organizations where appropriate, (1) employ youth apprentices; (2) assist schools in ensuring that curriculum content, to the extent appropriate, is relevant to the workplace; and (3) provide to the schools formal feedback concerning the workplace performance of youth apprentices. Under section 4(d)(4), local private industry councils review local youth apprenticeship programs to ensure they meet the demands of the local labor market, and provide youth apprentices with broad-based competencies and transferrable skills.

Section 5 contains the national youth apprenticeship criteria. Section 5(a) provides that a youth apprenticeship program creates a comprehensive program of instruction that integrates learning in the classroom and in the workplace and meets the national youth apprenticeship criteria for academic instruction, work-based learning, worksite learning and work experience, a youth apprenticeship agreement and information and guidance to youth apprentices. Section 5(b) provides that the academic instruction component of a youth apprenticeship program: (1) meets state educational standards; (2) includes the five basic subject areas of English, mathematics, science, history and geography; and (3) where appropriate, modifies curriculum components to increase the relevance of instruction to the workplace. Section 5(c) provides that the work-based learning component of a youth apprenticeship program consists of instruction in general workplace skills, including, where appropriate, the ability to manage resources, work productively with others, acquire and use information, understand and master systems and work with technologies. Work-based learning also includes instruction in occupationally specific knowledge, skills, and abilities, based on appropriate nationally accepted industry standards; a planned program of structured job training tasks to be mastered; and development of sound workplace habits and behavior. Section 5(d) stipulates that at least 20% of the time the youth would otherwise be in school during the first school year of the program, and 40% of the second school year shall consist of paid work experience designed to achieve the academic and work-based competencies described in section 5 (b) and (c), and otherwise designed to fulfill the employer commitments undertaken in the agreement entered into under section 5(e).

Section 5(e) requires a youth apprenticeship agreement among youth apprentices, parents or guardians, employers and the school. In the agreement, youth apprentices commit to achieve stated academic performance standards, to remain in school and maintain good attendance, to avoid alcohol and drug abuse, and to abide by worksite requirements. Parents or guardians pledge to support efforts by youth apprentices to fulfill academic and worksite commitments. Employers, in collaboration with labor organizations where appropriate, commit to help the youth apprentice acquire necessary skills and knowledge in an orderly sequence, to provide for job progression through normal skill levels, to provide a workplace mentor, to provide feedback to the school on individual progress, and to make reasonable efforts to employ the youth apprentice upon successful completion of the program. The employer retains the right to determine whether the youth apprentice has attained the level of skill proficiency required by the employer's needs. Local educational agencies also commit, to the extent feasible, to providing support to youth apprentices until the successful completion of the program as well as ensuring close coordination among academic, work-based learning and worksite experience portions of the program. The agreement also describes the diploma and certificate to be earned; provides, as appropriate, for receipt of a postsecondary degree, entry in a postsecondary program, or entry into a program registered under the National Apprenticeship Act; and includes a work schedule, a wage scale and provisions for modification and termination.

Section 5(f) describes procedures for providing youth apprentices with information on career opportunities, post-secondary connections, available certificates and diplomas, achievement assessment procedures and a job description.

Section 6 describes alternative program components. Youth apprenticeship programs may be linked to Carl Perkins tech-prep programs and/or include other formal connections to postsecondary education and training. Section 6 also provides that a local entity may design programs to incorporate vocational education models, and that such entities are encouraged to use State and local vocational education funds in support of youth apprenticeship programs.

Section 7 lists the following seven basic safeguards: youth apprentices may not displace current workers; youth apprenticeship programs may not impair existing collective bargaining agreements; youth apprentices may not be employed when any other individual is on layoff from a substantially equivalent job or when the employer has reduced its workforce with the intention of filling the vacancy so created with a youth apprentice; youth apprentices must be provided adequate and safe equipment and a safe and healthful workplace in conformity with all health and safety standards of Federal and State law; no individual may be excluded from participation in or denied employment in the administration of a youth apprenticeship program on the basis of race, color, religion, sex, national origin, age, handicap, or political affiliation, or belief; no member of a private industry council shall participate in any decision to approve a youth apprenticeship program where there would be a conflict of interest; and such other safeguards the Secretary of Labor may deem appropriate in order to ensure that youth apprentices are afforded adequate supervision by fully skilled adult workers, or, otherwise to further the purposes of the Act.

Section 8 details this Act's relationship with existing legislation. Section 8(a) addresses the Fair Labor Standards Act. Section 8(a)(1) amends section 14(a) of the Fair Labor Standards Act of 1938 to provide that youth apprentices enrolled in certified youth apprenticeship programs may be employed, under regulations or orders of the Secretary of Labor, at wages lower than the minimum wage and subject to such limitations as to time, number, proportion and length of service as the Secretary of Labor shall prescribe. Section 8(a)(2) provides that the Secretary of Labor shall ensure that youth apprentices receive the same protections, and otherwise are treated, as student-learners under regulations issued pursuant to section 3(l) of the Fair Labor Standards Act of 1938.

Section 8(b) addresses the Carl D. Perkins Vocational and Applied Technology Education Act. Under section 8(b)(1), section 235 of that Act is amended to include youth apprenticeship programs among the allowable uses for basic state grants for vocational education. Section 8(b)(2) authorizes the use of "Tech Prep" (Title III of the Act) for the classroom portion of the academic and work-based learning components of a youth apprenticeship program. Section 8(b)(3) refers to section 420A of Carl Perkins and authorizes the use of discretionary funds by the Secretary of Education to support innovative uses of State vocational education funds in support of youth apprenticeship programs. Section 8(c) defines coordination with the Job Training Partnership Act (JTPA), in-

cluding section 123, State education and coordination grants and youth programs under titles IIA and IIB. Section 8(d) amends the Elementary and Secondary Education Act, section 1011(b) to authorize local educational agencies (as defined in the Act) to allow the use of the 5% set aside for the development of youth apprenticeship programs.

Section 9 requires the Secretary of Labor, in consultation with the interagency committee, to conduct studies to evaluate the (1) impact of activities of the act on individuals, schools, and employers, (2) the usage of State JTPA and vocational education funds, and (3) such other issues as the committee deems appropriate. An initial report is due two years after the day of enactment.

Section 10(a) provides that of the amounts appropriated for the training and employment services account in the Department of Labor for the period beginning July 1, 1993 through June 30, 1994, not to exceed $50,000,000 shall be available for the fiscal year ending September 30, 1993 to carry out program activities under the Act, including: (1) assistance to States in developing the comprehensive plan for youth apprenticeship; (2) assistance to States for the implementation of approved plans; and (3) research and demonstration activities on youth apprenticeship program issues, to consist of no more than 10 percent of the funds appropriated under section 10(a). Section 10(b) provides that of the amounts appropriated for training and employment services account in the Department of Labor for the period beginning July 1, 1993 through June 30, 1994, not to exceed $5,000,000 shall be available for the fiscal year ending September 30, 1993 for the studies and reports undertaken pursuant to section 9 of this Act.

Section 11 provides that the Act shall take effect upon the date of enactment.

By Mr. INOUYE (for himself, Mr. McCAIN, Mr. DeCONCINI, and Mr. LIEBERMAN):

S. 2746. A bill to extend the purposes of the Overseas Private Investment Corporation to include American Indian Tribes and Alaska Natives; to the Select Committee on Indian Affairs.

OVERSEAS PRIVATE INVESTMENT CORPORATION INDIAN ELIGIBILITY ACT OF 1992

• Mr. INOUYE. Mr. President, I rise today to introduce the Overseas Private Investment Corporation Indian Eligibility Act of 1992. The purpose of this act is to extend the authority of the Overseas Private Investment Corporation [OPIC] to include American Indians and Alaska Natives.

As chairman of the Select Committee on Indian Affairs, I am keenly aware of the barriers that exist to economic development in Indian country. Together with Vice Chairman McCAIN and our other distinguished colleagues on the committee, we are constantly seeking creative and cost-effective ways of encouraging private sector investment in Indian economies. Today, such an innovative concept is proposed for introduction.

The primary mission of the Overseas Private Investment Corporation is to promote private investment in less developed countries in order to improve U.S. competitiveness and create American jobs. OPIC provides loans, loan guarantees and political risk insurance to projects in less developed countries whose per capita incomes are less than approximately $4,300.

Unfortunately, most American Indian tribes suffer the same conditions as lesser developed countries. Per capita income in Indian reservation areas is between $2,000 and $3,000. The largest Indian tribes, the Navajo Nation, for example, had a per capita income of $2,400 according to the 1980 census. Current unemployment within the Navajo Nation is 36.5 percent overall, and reaches 80 percent in some areas on the reservation, depending on the season.

Many areas within Indian country have little or no infrastructure, which serves as one of many disincentives to potential investors. Other investors hesitate to invest in Indian country because of political uncertainties and unwillingness to submit to the jurisdiction of tribal courts. And, perhaps one of the greatest barriers to capital formation for tribes is the trust status of their lands, which limits the assets that are available to pledge as collateral.

Barriers to investment in Indian country are very similar to those that exist for less developed countries. This legislation creates a logical extension of OPIC's current authority. OPIC facilitation of private investment in American Indian communities would dramatically increase investment in Indian country, thereby creating American jobs in Indian communities and in surrounding neighbor States.

With this authority, OPIC would have the discretion to offer its services to American Indian projects. OPIC would not be required to provide its services and current OPIC guidelines will apply.

Many Indian tribes would be able to avail themselves immediately of OPIC assistance. For example, one Indian tribe is currently considering a proposal to enter into a joint venture with an airplane manufacturing company. This $10 million project to produce single-engine transport planes for export would employ up to 300 skilled and semiskilled workers.

I would like to stress that extension of OPIC's authority in this manner would not require the creation of a new bureaucracy nor the appropriation of new Federal dollars. This legislation is also narrowly crafted to assure that there is no intention to have tribes seek foreign aid under any other Government assistance programs.

This legislation provides an opportunity to create American jobs, enhance U.S. competitiveness and provide meaningful opportunities for American Indians by attracting private sector investment to Indian economies. I urge my colleagues to support this legislation.•

Mr. McCAIN. Mr. President, I rise today to join the distinguished chairman of the Select Committee on Indian Affairs, Senator INOUYE, to introduce the Overseas Private Investment Corporation Indian Eligibility Act of 1992. This act is designed to increase private investment on Indian lands by applying the programs and policies that OPIC has successfully used to encourage private investment in countries around the world.

Indian tribes have tried for several years to encourage private investment on their lands. For the most part, these efforts have met with little success. Private investors have been reluctant to do so for a variety of reasons, including a total unfamiliarity with Indian tribal governments, the lack of reservation infrastructure, the legal status of Indian lands, and concerns about contract dispute resolution. While some government programs already exist to address the financial aspects to tribal economic development, these programs do not provide the link to the private sector that the Overseas Private Investment Corporation [OPIC] offers.

Over the years OPIC loans, guarantees and political risk insurance have provided a certain level of comfort to industries operating in foreign countries. I believe this model can also be successfully put to use on Indian reservations. Moreover, OPIC's opportunity bank can lead to the creation of ventures between tribes and industries that could not occur today, largely because of the low level of interaction between Indian tribes and American industry.

While American Indians and Alaska Natives are not foreign nations, and we do not seek to treat them as such under this legislation, it is a well established principle that Indian tribes do have a special political relationship with the Federal Government based upon the U.S. Constitution, treaties, and Federal laws. Moreover, the Federal Government long ago accepted certain obligations in exchange for lands ceded to the United States pursuant to treaties entered into with the various Indian tribes.

I believe that some of my colleagues may suggest that rather than extending OPIC's authority in this manner, a domestic OPIC Program should be created. While I am not opposed to that idea, it seems clear to me that current budget constraints will not permit that goal to be realized for the foreseeable future. At the same time, by limiting the application of OPIC to Indian tribes, we can begin to learn valuable lessons for future domestic application, and can also begin to immediately provide proven and cost-effective support for those Indian tribes which are seeking to develop a stronger relationship with the private sector.

Clearly the Congress will need to take bold and innovative steps to alleviate the unconscionable levels of pov-

erty and despair which exists on Indian reservations today. I believe the application of the OPIC Program to Indian reservations is one step we ought to take immediately. I urge my colleagues to support the Overseas Private Investment Corporation Indian Eligibility Act of 1992.

By Mr. PELL:

S. 2747. A bill to authorize certain uses of real property acquired by the Architect of the Capitol for use by the Librarian of Congress and for other purposes; to the Committee on Rules and Administration.

AUTHORIZATION OF CERTAIN USES OF REAL PROPERTY FOR USE BY THE LIBRARIAN OF CONGRESS

Mr. PELL. Mr. President, I rise today at the request of the Librarian of Congress, Dr. James H. Billington, in my capacity as chairman of the Joint Committee on the Library, to introduce legislation to extend authorization for certain uses of the former St. Cecilia facility which was purchased by the Architect of the Capitol for the Library of Congress.

The original legislation authorizing the purchase of the 6th and East Capitol facility (Public Law 101-520, November 5, 1990; 104 Stat. 2272) permitted use of the property for a day care center for children of Library of Congress and other legislative branch employees, and for staff training and development programs for Library of Congress employees.

However, because of increasing space demands, the Library needs to expand the authorization to include: First, use of the facility for external training programs including those designed to serve Congressional staff); second, general assembly and education programs of the Library; third, temporary living quarters for visiting scholars using the Library's collections or participating in the Library's programs; and fourth, the establishment of a special deposit account with the Treasurer of the United States for funds generated from these uses.

This legislation is needed to enable the Library of Congress to make its vast resources more accessible to the American people. It is also required to ensure that the Architect of the Capitol can complete the necessary renovations to the property with minimal disruption in the scheduled opening and operations of the day care center.

Mr. 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. 2747

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. USES OF THE SPECIAL FACILITIES CENTER.

(a) IN GENERAL.—In addition to uses currently authorized by law, the special facilities center shall be available for use by the Librarian of Congress for—

(1) external training;

(2) general assembly and education programs of the Library;

(3) temporary living quarters and common areas for visiting scholars using the Library's collections or participating in the Library's programs; and

(4) such other purposes as may be directed by the Librarian, subject to the approval of the Joint Committee on the Library.

(b) DEFINITION.—For the purposes of this Act, the term "special facilities center" means the property authorized to be acquired by the Architect of the Capitol for the Library of Congress under the provisions of Public law 101-562 (104 Stat. 2780) and authorized to be used by the Librarian of Congress under the provisions of the Legislative Appropriations Act, 1991 (Public Law 101-520; 104 Stat. 2272).

SEC. 2. AUTHORITY TO SET RATES AND COLLECT PAYMENT.

The Librarian of Congress is authorized to—

(1) establish equitable rates for the use of the special facilities center by visiting scholars and others authorized under this Act; and

(2) accept payment for such use from the patrons of the special facilities center.

SEC. 3. ACCOUNT WITH THE TREASURER OF THE UNITED STATES.

(a) IN GENERAL.—There is established in the Treasury of the United States a special deposit account in the name of the Librarian of Congress, into which shall be deposited all amounts received as a result of fees from visiting scholars and other utilizing the special facilities center as provided in this Act and such other amounts as may be appropriated for the special facilities center.

(b) DISBURSEMENTS.—Disbursements from the special deposit account shall be—

(1) made by the librarian of Congress, or such employee of the library as he may designate, for necessary expenses for the operation of the facilities, including personal services and consultants; and

(2) subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may direct.

(c) SUBJECT TO APPROPRIATION.—Obligations for activities authorized under this Act are limited to the amounts specified in the appropriations Act for any fiscal year.

By Mr. PELL:

S. 2748. A bill to authorize the Library of Congress to provide certain information products and services, and for other purposes; to the Committee on Rules and Administration.

LIBRARY OF CONGRESS FUND ACT OF 1992

Mr. PELL. Mr. President, in my capacity as chairman of the Joint Committee on the Library, I am today introducing at the request of the Librarian of Congress legislation to authorize the Library of Congress to establish a separate revolving fund for the provisions of certain information products and services and for other purposes.

An earlier version of this bill was introduced as S. 1416 on June 27, 1991, and referred to the Committee on Rules and Administration. Since its introduction, the Library of Congress has held extensive discussions with representatives of the library community and with representatives of the information and publishing industries. The Library's responsiveness to these consultations has resulted in changes substantive enough to warrant a new bill.

The Librarian of Congress has requested this legislation to accomplish three purposes; To update the limited authority given in the 1902 law under which the Library of Congress provides bibliographic products and services to the Nation's libraries. This is a vital service which the Library estimates is saving U.S. libraries $370 million in this fiscal year by distributing centralized cataloging records for materials the libraries would otherwise have to catalog themselves.

The second purpose is to make library information products and services more readily available to Federal, State, and local government agencies, foreign governments, as well as libraries, schools at all levels, industry, business, and other organizations and individual. To do so, the Library's authority to be compensated for such products and services and to utilize the moneys received must be clarified, particularly to take account of the impact of modern electronic information processing. An adequate administrative mechanism does not exist under current law to allow the Library to fulfill many requests it receives from businesses, law firms, and others without detriment to core services provided through appropriated funds.

So the third purpose of the legislation is to create the modern administrative mechanism—a revolving fund—through which the Library can establish and recover its costs for providing new products and services designed to meet the specialized information needs of individuals or discrete groups and to protect the provision of core services. The General Accounting Office has recommended the creation of such a revolving fund.

Strong controls are provided in the legislation for the operation of the Library of Congress revolving fund; obligations for fund service activities are limited to the total amounts specified in the appropriations process. The bill directs the Librarian to report on fund activities and financial transactions annually and provides for a General Accounting Office audit. The Librarian of Congress will publish notice of new fund service activities in the Federal Register and provide an ample public comment period.

This legislation is necessary if the Library of Congress is to continue to perform its unique supporting and leadership role in the network of libraries which nurture this country's intellectual and cultural heritage and foster its future. This legislation is timely if the Library of Congress is to fulfill the unmet information needs of the individuals and organizations who seek its unparalleled resources.

Mr. President, I send this bill to the desk for appropriate referral and ask unanimous consent that a section-by-section analysis prepared by the Library of Congress be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS OF S. 2748, LIBRARY OF CONGRESS FUND LEGISLATION

SECTION 1. Short Title.

The act may be cited as the "Library of Congress Fund Act of 1992."

SEC. 2. Findings and Purposes.

Established in 1800 to serve the Congress, the Library of Congress also serves the Nation by providing access to its collections and reference services in several ways: for example, on site to visitors and researchers; through interlibrary loan; and through acceptance of telephone and mail inquiries. The legislation affirms that the Library of Congress, through appropriated funds, continues to provide core services at no cost to users and to the Nation's libraries.

In 1902, the Library of Congress was first authorized to serve the Nation's libraries by producing and distributing catalog cards. These cards establish and describes the author, title, and physical characteristics of a book and contain subject headings and a classification number to enable researchers to locate books by author, title, or topic. Over the years, the Library of Congress has expanded its catalog card service by producing and distributing additional bibliographic and technical information products and services. In addition to the print format, the Library has utilized other formats to distribute these products, e.g., magnetic tapes and CD-ROMs, and has recovered the distribution costs for providing these. The first purpose of the legislation is to update the authority given in the 1902 law under which the Library provides these bibliographic information services and products. As an indication of the importance of this centralized cataloging activity, the Library of Congress estimates that in FY 1992 it will save the Nation's academic and public libraries over $370 million in cataloging costs they would otherwise expend by creating their own cataloging records.

The second purpose is make library information products and services more readily available by clarifying and defining the Library's authority to be compensated for these information services and products. For example, the Law Library is often asked to provide analytical research reports; because no administrative mechanism now exists for the Library to be compensated, such requests must be refused.

To remedy this lack, the third purpose is to provide the modern administrative mechanisms through which the Library may establish and recover its costs for providing new library products and services designed to meet the specialized information needs of individuals or discrete groups of persons or entities. The establishment of such mechanisms was recommended to the Librarian by the General Accounting Office. In providing new specialized products or services, the intent is to fulfill needs unmet by the private information sector, rather than to compete with this sector.

TITLE I—LIBRARY PRODUCTS AND SERVICES

SEC. 101. Definitions.

The legislation defines three categories of information products and services provided by the Library of Congress as follows: (1) "core library products and services" means domestic interlibrary loan and information products and services in any format customarily provided by libraries to users at no charge; (2) "national library products and services" means information products and services, in any format, used by libraries and library organizations, which play a role in maintaining and improving library services throughout the Nation; and (3) "specialized library products and services" means customized information products and services which exceed core services, which are not national library products and services, and which are designed to respond to the information needs of individuals or discrete groups of persons or entitles. Some examples are: an analytical report on the ramifications of "Europe 1992" on international law done at the request of a law firm; and preservation of an item belonging to an individual and not being donated to the Library.

Some products and services may be part national and part specialized. A current (1992) example is American Memory, a pilot program which uses advanced technologies to disseminate copies of Library of Congress collections to remote locations throughout the United States. The program converts archival and primary-source material relating to American culture and history into electronic form. The first collections prepared include a collection of 1,000 Civil War photographs, a group of nearly 400 rare pamphlets written by African Americans between 1820 and 1920, and a set of printed broadsides from the Continental Congress. In time, these electronic collections may become an online resource, but currently the material is on laser videodisc and compact disc (CD-ROM disc format) for use with stand-alone microcomputers. American Memory is currently funded in part through appropriated monies and in part through nonappropriated monies. When the Library expands this product/service beyond the pilot phase, the costs to be recovered will include the full packaging, distribution, and production costs, but only to the extent that they are not funded by appropriations.

The legislation defines 'distribution costs' to mean costs sustained by the Library of Congress, over and above the costs of services funded by appropriations, to package and distribute national library products and services. Consistent with current law, costs for acquiring and cataloging the Library's collections are excluded from distribution costs. Furthermore, the existing requirement to charge an additional ten percent over and above distribution costs is excluded in this legislation.

This section also defines 'production and distribution costs' as full cost recovery of specialized products and services and covers the research, development, production and distribution costs, including salaries and benefits, materials and supplies, inventory obsolescence, travel, operation and maintenance, depreciation, and related administrative costs.

Sec. 102. National Library products and services.

In addition to clarifying the authority of the Librarian of Congress to recover the distribution costs associated with furnishing national library products and services, this section repeals the antiquated 1902 authority for the sale of catalog cards and other bibliographic information and makes funds available until expended.

Sec. 103. New Fund service activities.

The Library will publish such proposed activities in the Federal Register, give the public 45 days to comment, and publish the Library's final decision on a new specialized library product or service in the Federal Register. This section mandates that any new Fund service activity will be established only according to the provisions in section 202(a).

TITLE II—LIBRARY OF CONGRESS REVOLVING FUND FOR SPECIALIZED PRODUCTS AND SERVICES

The legislation establishes full cost recovery for the production and distribution of specialized library products and services sold via a Library of Congress Revolving Fund. This practice embodies the principles of 31 U.S.C. 9701: "It is the sense of Congress that each service or thing of value provided by an agency to a person is to be self-sustaining to the extent possible." In the case of specialized services, the production costs are not paid from appropriated funds.

The Library currently provides a variety of these types of services via "Gift Revolving Funds," the most notable of which, the Photoduplication Service, has existed since 1938. However, the General Accounting Office in its August 1991 report, "First Audit of the Library of Congress Discloses Significant Problems", recommended the establishment of a separate revolving fund to handle these types of activities. This legislation reflects the Librarian's implementation of that recommendation.

Sec. 201. Definitions.

Sec. 201 defines the "Library of Congress Revolving Fund" as that fiscal resource established in the United States Treasury to enable the Library of Congress to conduct a cycle of operations in which expenditures generate income, which is then credited directly to that resource. "Fund service activities" means the specialized library information products and services authorized by this Act, e.g., gift shop items and training in preservation methods, in addition to any other activities lawfully assigned by the Librarian of Congress to the Fund service units under section 301 of this Act.

"Fund service units" means those organizational entities that, at the direction of the Librarian of Congress, are partially or fully sustained through the collection of fees credited to the Fund.

Sec. 202. Library of Congress Revolving Fund.

Sec. 202 establishes the Library of Congress Revolving Fund in the Treasury as a 'no year' fund to carry out Fund service activities; this means that money remains available in the Fund until expended. However, obligations for Fund service activities are limited to the total amounts specified in the appropriations act for any fiscal year. The section also sets forth the sources of the Fund capital, authorizes the Librarian to furnish specialized library products and services and to set fees to recover the costs of same.

It also prohibits commingling of Fund service unit accounts and gives the Librarian authority to invest available portions of the Fund in U.S. public debt securities; provides for the deposit of unobligated and unexpended balances into the Treasury; directs the Librarian of Congress to report on Fund activities and financial transactions annually; and provides for a General Accounting Office audit of revolving fund activities.

TITLE III—GENERAL STANDARDS AND LIMITATIONS

Sec. 301. Preservation of security classification.

Through its Federal Research Division, the Library undertakes to supply information

products and services on a cost-reimbursable basis to Federal agencies, among them defense-related agencies. This section ensures that the Librarian of Congress will respect and preserve the security classification of any information certified as being essential in the interest of national defense. Nothing in this legislation will modify or limit any statute pertaining to the classification of information.

Sec. 302. Application of act.

This section sets out the exceptions: the legislation does not apply to the operations of the Copyright Office or the Congressional Research Service; nor does it permit the Library to impose redistribution fees on domestic end users of national library products and services; nor does it in any way modify the Library of Congress distribution of publications to Federal depository libraries as required by Chapter 19 of Title 44. The section also provides that the Library is not required to charge fees for services and products acquired through reciprocal exchange agreements.

Sec. 303. Regulations.

This section institutes a strong review process for establishing new Fund service activities. While the Library of Congress is not subject to the Administrative Procedure Act, it will hereafter follow the rule-making notification procedure of the Administrative Procedure Act for new Fund service activities it proposes to undertake following enactment of this Act.

By Mr. SEYMOUR:

S. 2749. A bill to grant a right of use and occupancy of a certain tract of land in Yosemite National Park to George R. Lange and Lucille F. Lange, and for other purposes; to the Committee on Energy and Natural Resources.

USE AND RIGHT OF OCCUPANCY OF A CERTAIN TRACT OF LAND IN YOSEMITE NATIONAL PARK

• Mr. SEYMOUR. I rise today to introduce legislation to provide a lifetime tenancy for Mr. George Lange and his wife Lucille in Foresta, which is located in Yosemite National Park, CA.

Mr. and Mrs. Lange are the only full-time residents of Foresta, and have owned the property on which they live since 1957. In 1976, the couple sold their home to the National Park Service with what they thought was the understanding that they would have lifetime occupancy rights.

Following the 1990 fires in Yosemite, when many of the more than 80 homes in Foresta were destroyed, the Park Service decided to evict the Langes in order to use their home for ranger housing. The couple has been notified that they will be evicted in June of this year.

Mr. President, I believe the eviction of the Langes is neither necessary nor fair. The lack of adequate ranger housing in Yosemite is a very real problem. The Park Service has requested more than $5.2 million for fiscal year 1993, and will request an additional $7.6 million in the future to begin construction of 118 new units of ranger housing for Yosemite. Clearly, the eviction of a 75-year-old man and his wife from their home will do little to address the ranger housing shortage in Yosemite.

Mr. President, I urge my colleagues to support this measure, and look forward to the speedy enactment of this legislation by the Senate.•

By Mr. BOREN (for himself and Mr. NICKLES):

S. 2750. A bill to amend the act entitled "An Act conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma", approved December 23, 1982; to the Committee on the Judiciary.

CHEROKEE, CHOCTAW, AND CHICKASAW NATIONS OF OKLAHOMA CLAIMS ACT

• Mr. BOREN. Mr. President, today I am introducing a bill for myself and Senator NICKLES, which would enable the Choctaw, Chickasaw, and Cherokee nations to seek compensation from the United States for damages caused by the construction of the McClellan-Kerr navigation project on the Arkansas River in Oklahoma.

In 1970, the Supreme Court ruled that the nations owned a portion of the land on which the project had been constructed. The nations' title is held in trust by the United States and is based on treaties and fee patent directly from the United States to them. The decision vesting title in the nations is the only one in the history of the Supreme Court in which the United States was held to have conveyed land under navigable waters to any private party, let alone an Indian tribe.

The McClellan-Kerr project was authorized in 1946 and completed in 1971. The planning and construction of the project took place in ignorance of the nations' ownership of the riverbed and the United States has never compensated the nations for its use and occupation of the riverbed. After repeated but unsuccessful attempts to negotiate for just compensation from the United States following the Supreme Court's 1970 decision, the nations eventually persuaded Congress to enact legislation in 1982, Public Law 97-385, that authorized them to sue the United States under the fifth amendment, and to make claims under the Indian Claims Commission Act of 1946, based on fair and honorable dealings that are not recognized by an existing rule of law or equity. So far, the courts have never reached the damages issue; instead it appears that the navigational servitude has been used as a defense to the Nation's claims. After 9 years of litigation, they face the challenge and expense of returning to the Supreme Court a third time in their struggle for compensation.

Senator NICKLES and I believe that the fair and honorable dealings cause of action authorized by Public Law 97-385 was intended to enable an adjudication of any damages that could be shown to have occurred to the three Nations at the hand of the United States. That has not happened. In an effort to disentangle the Nations from the constitutional issues that have overtaken their damages claim, and consistent with the administration sensitivity to Government interference with private property rights, a bipartisan Oklahoma House delegation introduced H.R. 4209. That bill would acknowledge that the Nations should be compensated, yet still require them to return to court to prove any damages caused by the construction of the McClellan-Kerr project. This bill is intended to accomplish the same objective.

I note especially that this bill does not authorize any expenditure of funds to pay a judgment. Should this bill be enacted and the nations prevail in their damages claim, the bill requires that payment would be contingent on a subsequent authorization of an appropriation for that purpose.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD immediately following this statement.

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

S. 2750

Be 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 "Cherokee, Choctaw, and Chickasaw Nations of Oklahoma Claims Act of 1992".

SEC. 2. AUTHORIZATION

The Act entitled "An Act conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma", approved December 23, 1982 (Public Law 97-385), is amended—

(1) in subsection (a)—

(A) by striking "and" the second place it appears;

(B) by striking "jurisdiction is hereby conferred" through "Arkansas River Navigation System", and inserting in lieu thereof the following: "the navigational easement of the United States, and the decisions in United States against Cherokee Nation of Oklahoma, 480 U.S. 700 (1987), and Cherokee Nation of Oklahoma against United States, 937 F2d 1539 (10th Cir. 1991), the Secretary of the Treasury shall pay, to such extent and in such amounts as are provided in advance in appropriations Acts, to the Choctaw, Chickasaw, and Cherokee Nations, respectively, such sums as shall be determined in valuation proceedings brought in the United States Claims Court or the United States District Court for the Eastern District of Oklahoma for damages resulting from the use and occupation by the United States of that portion of the bed and banks of the Arkansas River owned by each such respective Nation pursuant to treaties with the United States as confirmed by the decision in Choctaw Nation against Oklahoma, 397 U.S. 620 (1970)";

(C) by striking "Cherokee domain" and inserting in lieu thereof the following: "each such Nation's respective domain";

(D) by striking "consent of said Cherokee Nation" and inserting in lieu thereof the following: "consent of such Nation";

(E) by striking "and also on any claim which the Cherokee Nation of Oklahoma" and inserting in lieu thereof the following: "and also on any claim which each such Nation";

(F) by striking "Cherokee Nation tribal lands" and inserting in lieu thereof the following: "such Nation's tribal lands";

(G) by striking "said Cherokee Nation of Oklahoma therefor" and inserting in lieu thereof the following: "such Nation therefor";

(H) by striking "being held by said Cherokee Nation" and inserting in lieu thereof the following: "being held by such Nation";

(I) by striking "said Cherokee Nation in fee simple" and inserting in lieu thereof the following: "such Nation in fee simple"; and

(J) by striking the subsection designation; and

(2) by striking subsection (b).•

By Mr. JOHNSTON:

S. 2751. A bill to establish additional Under Secretary and Assistant Secretary positions within the Department of Energy; to the Committee on Energy and Natural Resources.

ADDITIONAL UNDER SECRETARY AND ASSISTANT SECRETARY POSITIONS IN THE DEPARTMENT OF ENERGY

• Mr. JOHNSTON. Mr. President, today I am introducing a bill to provide authority for additional positions at the Department of Energy. The bill calls for an additional two Under Secretaries and three Assistant Secretaries at the Department of Energy.

Under existing law, the Department of Energy is authorized to have one Under Secretary and eight Assistant Secretaries. The Department has an annual operating budget of approximately $17 billion and over 159,000 full time equivalent employees. The Secretary divides the daily management of activities between the Deputy Secretary and the Under Secretary. In all other major agencies, these functions are left to the Under Secretaries. Most other agencies have more than one Under Secretary. For example, at the Department of Commerce, which only has $3 billion in programs, there are six Under Secretaries. The Department of Energy also faces a shortage of Assistant Secretary positions.

Since the Department's establishment in 1978, new mission priorities have arisen creating the need for additional Assistant Secretaries. For example, the increased emphasis in environmental restoration and waste management, which has grown from $500 million in fiscal year 1989 to a requested $5 billion in fiscal year 1993, necessitated the redesignation of the Director of that activity to an Assistant Secretary. Since the Department is limited to a total of eight Assistant Secretaries, this also meant that an activity having the rank of Assistant Secretary had to be redesignated to a Director in order to accommodate the new Assistant Secretary for Environmental Restoration and Waste Management.

Creating additional Assistant Secretary positions would bring the Department in line with the management structures of other agencies. For example, the following offices within the Department are not headed by Assistant Secretaries but correspond to offices in other departments that are headed by Assistant Secretaries: the Office of Administration and Human Resources; the Office of the Chief Financial Officer; the Office of Policy, Planning and Analysis; the Office of Procurement and Program Management; and the Office of Public Affairs.

The additional Assistant Secretary positions will help the Department to better manage its programs for several reasons. The position of Assistant Secretary is a significant recruitment tool in trying to attract technically qualified people. The designation permits the individual to operate on an appropriate footing with the Office of Management and Budget, other Executive Agencies, and the Congress. Finally, the designation allows for Secretarial review of the nominee for the position.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

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

S. 2751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

(a) UNDER SECRETARIES.—(1) Section 202(a) of the Department of Energy Organization Act (42 U.S.C. 7132(a)) is amended by striking "Under Secretary" and inserting in its place "Under Secretaries".

(2) Section 202(b) of the Department of Energy Organization Act (42 U.S.C. 7132(b)) is amended to read as follows—

"(b) There shall be in the Department three Under Secretaries and a General Counsel, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform functions and duties the Secretary prescribes. The Under Secretaries shall be compensated at the rate for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the General Counsel shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.".

(b) ASSISTANT SECRETARIES.—Section 203(a) of the Department of Energy Organization Act (42 U.S.C. 7133(a)) is amended by striking "eight Assistant Secretaries" and inserting in its place "eleven Assistant Secretaries".•

By Mr. LEAHY (for himself, Mr. DASCHLE, Mr. KOHL, Mr. WOFFORD, Mr. ROCKEFELLER, and Mr. HARKIN):

S. 2752. A bill to establish a Reform Commission to review the field structure of the United States Department of Agriculture, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

REFORM COMMISSION ACT OF 1992

Mr. LEAHY. Mr. President, as chairman of the Senate Agriculture, Nutrition, and Forestry Committee, I have looked at a number of the things the Department of Agriculture does around the country. We have held hearings on this issue. We have held informal meetings.

What I see is a department too steeped in tradition. I see a Department of Agriculture which harkens in its staffing back to the days when 30 or 40 percent of America was directly involved in agriculture, not the less than 5 percent we see today. The number of farmers has gone down, the number of ranchers has gone down, growers, producers. But, boy, the number of Agriculture Department employees has not gone down. It has skyrocketed. In some areas, in fact, there are more employees paid out of Washington than there are farmers that they are supposed to be working for.

So today I challenge the administration to invest 100 days to save American taxpayers $100 million—100 days, we save $100 million. I am introducing a bill to give the Department of Agriculture a new blueprint for restructuring the future. My bill will allow USDA to restructure its future. It will give the Department of Agriculture no choice but action. It will also force USDA into a diet.

USDA must be revitalized. Once my bill passes, the commission has 100 days to report back to the Secretary of Agriculture and get the job done once and for all. My bill, called the Reform Commission, gives USDA an extended plan. Let me tell you what we do.

The bill gives the Department of Agriculture orders for action, not a choice, but orders, and it forces them to go on a diet. The Reform Commission gives USDA an extended plan to review all areas of the Department, not just ag research facilities.

This legislation, based on the successful Department of Defense base closing commission, would require the Department of Agriculture to create a bipartisan commission to decide which field offices are to be closed, reorganized, consolidated, or integrated, and report back to the Secretary within 100 days. Consolidation of the Department of Agriculture must and will occur, not only because it will save money and help reduce the deficit but because it will provide better services to farmers and consumers.

By refusing to heed its own advice, let alone the advice of Congress, the Department of Agriculture is costing the taxpayers millions of dollars annually. To meet the challenges of the 21st century, the Department of Agriculture has to change and the changes need to be now. They are moving too slowly to cut waste. The Department has to adopt a long-term, comprehensive reform strategy to cut waste.

At a time when the U.S. military is downsizing and most private sector businesses are cutting back to survive the recession, the Department of Agriculture keeps on going. It is time for

them to go on a diet. Here are some examples.

Fairfield County, Connecticut—not thought of as the breadbasket of America—Fairfield County, Connecticut, is not what we see when we look at pictures of bountiful harvests coming in. Fairfield County, Connecticut, is a bedroom community of New York City. But it has a full-time ACSC office, as does every other Connecticut county.

The Fairfield County office of the Department of Agriculture wrote 37 program payment checks last year. They have an office open every week to write one check. Sixteen of those weekly checks were for less than $100. One of the larger of these Agriculture checks—one for $3,500—went to the Ox Ridge Hunt Club to help defray the costs of a $14,900 loading dock to help dispose of horse manure for the members of the hunt club.

This is not what we think of when we think of agriculture. This is not what we think of when we think of the Department of Agriculture out trying to take care of the agricultural needs of the country, going into an urban bedroom community to help pay for somebody's hunt club.

Let us move down the eastern seaboard for another example. Along South Carolina's seaboard is an area roughly 135 miles long by 75 miles wide. In it, the Department of Agriculture has—now get this—314 farm agency employees in 38 offices to service 4,100 farms, fewer than half of which 1,603, were eligible for Federal farm payments. Thus, on average, you have a USDA employee there for every 5 farms eligible for Federal payments, and fewer than 25 miles separate most of the local farm agency offices.

One town, Dillon, which has a population of 6,000 people, has four separate Department of Agriculture agencies, and they are all located at different street addresses.

You would think it was for a whole State. It is for one small town.

Along a 70-mile stretch of super highway, I-10, in Louisiana, are Lake Charles, Jennings, Crowley, and Lafayette. USDA employees in this stretch number approximately 132. Farms enrolled in Federal crop programs in this area number about 845. Washington sent somebody down there for every 6 farms.

It makes no sense for USDA to have over 7,000 field offices in everyone of the Nation's 3,076 counties. These offices were built in an age when the average speed of travel was 15 miles per hour. Even the Department of Agriculture knows it is more than that now. This mammoth field structure is no longer necessary.

Ironically, it has not been necessary for many years.

The Department of Defense, had a similar problem. The military found that its base structure, once suitable in the era of biplanes, was rendered obsolete in the era of smart bombs and ICBM's. To fix the problem, the Secretary of Defense established a base-closing commission to study the base structure, and make recommendations for consolidation or closure.

This concept worked with closing military bases. We can use the same concept in closing unnecessary Department of Agriculture field offices. We need the kind of credibility and objectivity that the military commission had so that farmers and taxpayers both are guaranteed this is not an issue of partisan politics. And I assure you, it is not a Democratic issue or a Republican issue. We can work at closing these offices. We can make it work—to save hundreds of millions of dollars—but only if it is done in an objective, bipartisan way.

The Department of Agriculture can use these guidelines to successfully identify the field offices that need to be restructured and revitalized and do it in a nonarbitrary fashion, do it in a bipartisan fashion. And in addition, USDA can use these guidelines to make corresponding changes needed right downtown in its own headquarters here in Washington, DC.

So far USDA has refused to use the tools Congress has given them. The 1990 farm bill created a facilities commission to review agriculture research facilities, and make recommendations for closures. USDA opposed the commission in the farm bill, and even though we passed it, and even though the President signed it into law, they still refuse to use it.

Time is of the essence. The longer this restructuring is delayed, the greater the risk of turning this into an election year issue.

I am tired of people standing on this floor, or in the Government, saying we have to save the taxpayers' money. But when you give them a way to do it they ignore it. It does not make a heck of a lot of sense to me. It certainly does not make much sense to the people in Vermont.

So I hope the USDA will finally agree to use the Reform Commission offered here to do what even the administration has admitted needs to be done. They have not done it, but they have admitted it, and that is to revitalize the U.S. Department of Agriculture.

I might say, USDA streamlining is not a new topic of discussion. We had the Voorhis bill introduced in Congress calling for USDA to restructure.

The distinguished Presiding Officer may not recollect that bill right off the top of his head, and I will tell him why. This bill was introduced when I was 5 years old. I do not even know if the distinguished Presiding Officer was born. It was back in 1945. I understand the distinguished Presiding Officer was 2 years old and I was 5 years old in 1945.

Do you know what it was doing? It called for USDA to restructure. It cited, the same way we do today almost 50 years later, that modifications were necessary within the USDA field structure to meet the changing demands of developing rural communities.

Numerous studies, including several conducted by the administration itself, have recommended bold and necessary structural reform for the U.S. Department of Agriculture. Rather than act on these studies, the administration puts them in the back shelves. They do nothing but collect dust.

Because of the growing gap between the needs of the U.S. economy, the U.S. agriculture industry and the Department of Agriculture, the Department itself, has become a tremendous frustration to farmers. USDA must completely reevaluate its design and mission to help the American farmer and rancher reevaluate how to advance American agriculture and agricultural products in markets that are growing increasingly competitive.

The reform commission is a tool that can help successfully achieve that goal.

Mr. President, I hope this legislation and these words will remind not only those who run some of these field offices, but those here in Washington who allow them to continue, that times have changed. We have telephones now. We have fax machines. We have cars. People even fly on airplanes. We do not need to have so many field offices. In some areas they could have the employees line up within earshot of each other and holler a message across the State.

We will give them the telephones. We will give them the fax machines. But we will not give them the OK to have four separate offices and four separate fiefdoms, all in one little town. We will not let them have offices that send out a check every 10 days or so—checks that average, incidentally, far less than what it costs to keep the office open. We could actually save money by putting money in a big barrel and asking people to come by and pick it up whenever they want. It would cost a lot less money.

We need to work on this. I hope the administration will accept my challenge. Everyone wants to talk about how to save money. In 100 days with this one item alone, we can save the American taxpayers $100 million. Back where I come from, that is not a bad return on your money.

By Mr. MOYNIHAN:

S. 2755. A bill to direct the Secretary of Defense to provide grants to States to provide technical and financial assistance to defense-dependent contractors; to the Committee on Armed Services.

INDUSTRIAL DEFENSE INNOVATION ACT

• Mr. MOYNIHAN. Mr. President, I rise to introduce a bill that will address problems facing much of our defense

industry as we begin the post-cold-war era. Today some 3 million people are employed in the defense industry, and another million civilians work for the Department of Defense. Just 3 months ago the Office of Technology Assessment issued a report that estimates that by 2001, 1.7 million of these jobs may be lost. And with them would go perhaps a million or more jobs that rely on the spending power of defense employees.

Many of these people will not find openings in other companies working on similar defense contracts. While their skills are not obsolete, there will simply not be enough demand for them, and they will end up taking lower paying jobs that do not make use of their talents. Many companies themselves are facing hard times, and their futures are uncertain, too.

The bill I will introduce today will help both companies and employees, and do so efficiently and quickly. Governor Cuomo has seen to it that the New York State government is already working with New York defense contractors to find new markets for their products, both at home and overseas, so that they can continue in business just as they have been, or nearly so. Where there is not much prospect for new markets, State programs are helping these companies develop new products. Either way, these defense-dependent companies are able to keep their work forces in place. Governor Cuomo has developed a sound approach, and it can be replicated across the country. Indeed, many other States are working with their defense industry, and providing us an important opportunity.

The key is to provide assistance as soon as possible, before the Pentagon contracts run out and the workers must be let go. Trying to reassemble a work force when a new product is developed 2 years hence will not be easy, and is obviously less desirable than keeping the current one intact. By providing funds directly to the States, this bill allows immediate action through existing programs that are already successful. By utilizing State programs, it avoids the time and bureaucracy involved in setting up programs in one or more Federal Agency.

State governments are quite capable of discerning the needs of their industries and companies, and of what will help them most. I believe we should take advantage of that capability.

This bill also provides the States with funds to award to companies for worker retraining programs which provide the industrially literate work force necessary to manufacture new products and compete in new markets. Again, existing State programs are doing this now, enabling companies to keep their employees on the job, and sparing the employees from the disruption of losing their jobs, then going through a retraining program, and then looking for work, perhaps in an entirely new field.

Mr. President, our defense contractors have the potential to prosper in the coming years, but they must adapt to the changing market. I believe this bill provides the most timely means of helping them, and that is the key to its, and their, success. 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. 2755

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 "Industrial Defense Innovation Act of 1992".

SEC. 2. DEFINITIONS.

For purposes of this Act, the following definitions apply:

(1) DEFENSE-DEPENDENT CONTRACTOR.—The term "defense-dependent contractor" means a business that, in at least 2 years out of the 7-year period ending on the date of the award of technical or financial assistance under section 5, has received at least 50 percent of its gross income from contracts or subcontracts to provide defense material or services to the Department of Defense.

(2) SECRETARY.—The term "Secretary" means the Secretary of Defense.

(3) STATE.—The term "State" means each of the several States, the District of Columbia, American Samoa, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Palau, and the Virgin Islands.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for fiscal years 1993, 1994, and 1995 not more than $1,000,000,000 to carry out this Act.

(b) AVAILABILITY.—Amounts appropriated under subsection (a) shall remain available until expended.

SEC. 4. ALLOCATION OF GRANTS.

From amounts appropriated under section 3 for any fiscal year, the Secretary shall allocate such amount for grants to States which meet the requirements of section 5 as follows:

(1) 50 percent in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census; and

(2) 50 percent in the ratio which the dollar amount of defense procurement contracts awarded in each State for fiscal year 1991 bears to the total dollar amount of defense procurement contracts awarded in all the States for fiscal year 1991, as determined by the Bureau of the Census.

SEC. 5. APPLICATION.

(a) IN GENERAL.—To receive a grant in a fiscal year under section 4, a State shall submit to the Secretary prior to such fiscal year an application in such form and containing such information as the Secretary may require, including, but not limited to—

(1) the certifications required under subsection (b);

(2) identification of the impact of defense cuts on the State, regions within the State, and particular communities;

(3) need for services among defense firms;

(4) State and local efforts to address needs;

(5) overall strategic plan for carrying out a comprehensive assistance program; and

(6) assurances satisfactory to the Secretary that the State will use amounts from a grant only for the eligible activities under section 6.

(b) CERTIFICATIONS.—The State shall certify to the satisfaction of the Secretary that—

(1) the State will provide funds from its revenues in an amount equal to $1 for every $10 of Federal funds from such grant for the purpose of providing technical and financial assistance to defense-dependent contractors;

(2) the State will maintain its aggregate expenditures from all other sources for programs which provide technical and financial assistance to defense-dependent contractors at or above the average level of such expenditures in the 2 fiscal years preceding the date of the enactment of this Act;

(3) the State will require each defense-dependent contractor receiving financial assistance under section 6 to provide funds in an amount equal to and not less than $1 for every $1 of funds provided to the contractor in those cases where the State provides direct financial assistance under such section for the purpose of supplementing such funds; and

(4) the State will submit to the Secretary a report describing the use of such grant, including—

(A) the number of defense-dependent contractors which received technical or financial assistance from such grant; and

(B) any other information the Secretary determines to be appropriate.

SEC. 6. ELIGIBLE ACTIVITIES.

(a) IN GENERAL.—A State shall use amounts from a grant under section 4 only to provide technical and financial assistance to defense-dependent contractors doing business in such State in accordance with the allocation requirements under subsection (b).

(b) STATE ALLOCATION.—The State will allocate amounts received from a grant under section 4 in accordance with the following requirements:

(1) 40 percent of amounts received from the grant will be reserved by the State to provide technical and financial assistance to defense-dependent contractors to make quality and productivity improvements and expand markets through various activities, including—

(A) developing and carrying out strategic planning for diversification into commercial markets and industrial modernization;

(B) developing and carrying out advanced manufacturing processes, practices and techniques, and best commercial practices, including, but not limited to, assistance to redesign, refit and preserve production lines or capabilities which use manufacturing technologies that have critical defense applications;

(C) transferring advanced manufacturing technologies and best commercial practices;

(D) assessing export potential and under taking export marketing programs;

(E) identifying civilian markets and developing commercial marketing expertise;

(F) sporting manufacturing extension services;

(G) fostering supplier networks and other forms of collaboration among businesses to improve competitiveness;

(H) assistance in developing new products and technologies and adapting existing products and technologies for commercial use, including support for State small business innovation research programs and entre-

preneurial initiatives and ventures to develop new commercial uses from defense technologies;

(I) market expansion assistance, including support for export trade, and procurement assistance centers that are recognized by the Small Business Administration;

(J) strategic financing assistance for export, new product development, the commercialization of new technologies, and working capital reburied for diversification; and

(K) planning development and design of projects for new commercial uses in critical technology areas such as high speed transportation technology, digital communications, and optical electronics; and

(2) 60 percent of amounts received from the grant will be reserved by the State to provide technical and financial assistance to defense-dependent contractors to undertake human resource development initiatives essential for industrial modernization and the fulfillment of improved competitiveness strategies, including—

(A) developing and carrying out high performance workplace systems and employee involvement and participative management systems to—

(i) reduce overspecialization;

(ii) foster flexible work organization;

(iii) increase teamwork among workers across functional work units; and

(iv) expand employees' roles as partners with management in planning and managing change;

(B) developing and carrying out company and industry-specific training for workers required for the introduction of advanced manufacturing technologies and other industrial modernization initiatives;

(C) developing and carrying out work force literacy programs for industrial modernization; and

(D) developing and carrying out programs to encourage employee ownership.

SEC. 7. REPORT.

Not later than January 1, 1995, the Secretary shall submit to the Congress a report containing—

(1) a compilation of the information contained in the State reports received by the Secretary pursuant to section 5(b)(4); and

(2) an evaluation of the effectiveness of the grant program.●

By Mr. THURMOND:

S. 2758. A bill to authorize the Department of Justice to pay State and local property taxes on forfeited real property; to the Committee on the Judiciary.

PROPERTY TAXES ON FORFEITED REAL PROPERTY

Mr. THURMOND. Mr. President, I rise today to introduce a bill that is desperately needed and widely supported throughout the country. This bill will permit the Justice Department to pay State and local taxes on real properties forfeited under Federal asset forfeiture laws. The Courts have held that, under the supremacy clause, the United States is not required to pay State and local taxes without clear and express statutory authority to do so. Currently, there is no such authority for the Justice Department to pay these taxes on forfeited real property.

Under the Justice Department's asset forfeiture program, real properties that are forfeited require that no taxes be paid from the time of the original purchase of the forfeited property. This even sometimes requires State and local jurisdictions to pay back previously collected taxes. This is burdensome on State and local taxing authorities, provokes needless litigation between the United States and State and local governments, and complicates the marketing of forfeited property.

Mr. President, the Department of Justice's Executive Office for Asset Forfeiture has worked tirelessly to ensure that the Federal asset forfeiture law is applied fairly, objectively, and efficiently as possible. The Department of Justice has no interest in putting any undo or needless hardships on State and local governments through the nonpayment of tax liens.

Mr. President, Mr. Cary Copeland, Director and Chief Counsel for the Executive Office for Asset Forfeiture, supports this legislation. I know some have expressed concerns over the effect the enactment of this bill might have on pending forfeiture cases. I am more than willing to address these concerns.

I have been, and will continue to be, a strong supporter of the Federal asset forfeiture law. The United States has used civil asset forfeiture to fight crime successfully for many years. It is clearly constitutional. However, only recently we started using asset forfeiture on a large scale in our efforts in fighting the drug war. In this short time it has proven to be very successful in recovering the assets of drug kingpins and traffickers.

Federal forfeiture law is a very important weapon for law enforcement to use in fighting to keep illicit drugs off our streets and out of our children's hands. This proposal will allow law enforcement to continue their excellent work while furthering the interest of States and local governments. It is in the interest of the Federal Government, the States, and law enforcement that this measure be passed by the Senate.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"Section 524 of title 28, United States Code, is amended—

(1) by redesignating subsection (c)(1)(H) to be subsection (c)(1)(I); and

(2) by inserting a new subsection (c)(1)(H) as follows:

"(H) the payment of State and local property taxes on forfeited real property that accrued between the date of the violation giving rise to the forfeiture and the date of the forfeiture order; and".

By Mr. GORE (for himself, Ms. MIKULSKI, Mr. LEAHY, Mr. KERRY, Mr. WOFFORD, Mr. CRANSTON, Mr. MITCHELL, Mr. SIMON, Mr. DODD, Mr. ADAMS, Mr. SARBANES, Mr. MOYNIHAN, Mr. KOHL, Mr. KENNEDY, Mr. WIRTH, Mr. LIEBERMAN, Mr. INOUYE, Mr. SANFORD, Mr. AKAKA, and Mr. ROCKEFELLER):

S.J. Res. 308. Joint resolution adopting certain principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter", and urging the U.N. Conference on Environment and Development, meeting in June 1992, to adopt the same; to the Committee on Foreign Relations.

EARTH CHARTER RESOLUTION

Mr. GORE. Mr. President, it is a pleasure to take the floor this morning with my colleague, the Senator from Maryland [Ms. MIKULSKI], because the two of us are introducing a Senate joint resolution entitled the Earth Charter resolution.

Mr. President, the joint resolution is also cosponsored by the majority leader, Senator MITCHELL, by the Senator from Colorado, Mr. WIRTH, who has been an active partner to me in all these matters; also by Senator LEAHY, Senator JOHN KERRY, Senator WOFFORD, Senator CRANSTON, Senator SIMON, Senator DODD, Senator ADAMS, Senator SARBANES, Senator MOYNIHAN, Senator KOHL, Senator KENNEDY, Senator LIEBERMAN, Senator INOUYE, Senator SANFORD, and Senator AKAKA. Others who wish to cosponsor the Earth Charter resolution, who would like to be original cosponsors of it, should contact either Senator MIKULSKI or me or our offices today.

The hopes and visions of the world community of what will be accomplished at the Earth summit in Rio next month have been drastically diminished. Yes, President Bush is now going to attend the Earth summit, but the price he extracted from the rest of the world and, indeed, from our children and grandchildren is quite high. He insisted that all meaning be drained out of the treaties that are supposed to be signed at Rio.

Two years ago preparations for this event were undertaken with the hope that the community of nations would join together in global partnership to ensure sustainable development for all and to ensure the continuity and quality of life now and for future generations. It was intended that the nations gathering at the Earth summit would signal their resolve by concluding several legal documents:

First, a binding and meaningful convention to stabilize and ultimately reduce emissions of carbon dioxide and other greenhouse gases.

Second, a binding and meaningful convention or treaty to ensure the sustainable management of all forests. That means those in the northern Hemisphere as well as those in the Southern Hemisphere.

Third, a bold agenda, Agenda 21, that would chart the course toward development and economic productivity according to a pattern that is nondestructive of the natural resource base.

Fourth, a strong convention or treaty to protect the biodiversity that we are increasingly realizing is critical to human health and welfare as well as being valuable in its own right.

And, finally, and perhaps most importantly, fifth, an Earth charter. This was intended to be a proclamation from the highest levels of government, heads of State, that they recognize that nations and people share a common goal to promote environmentally sound, sustainable development for all, and that they resolve to attain this goal by reforming policies at home and by working with other nations in a spirit of good faith and global partnership.

In other nations, there may be the unquestioned assumption that the head of State is preeminent in the scheme of governance for that country. That is not the case in our country. We have three coequal branches of government, and if the Executive fails in the challenge of leadership, then the legislative branch also speaks for the American people.

We are now confronted in the legislative branch of government with an abdication of leadership on the part of President Bush. So how should we respond? First of all, with an assessment of what has occurred on the road to Rio. Apparently President Bush meant what he said in an interview earlier this year when he informed the country that he would do absolutely anything to be reelected. The "environmental President" became, in the words of a recent editorial—a goal subordinated to the wish to be the reelected President—the "I'll do anything to get reelected" President.

In any event, the attitude has had a devastating impact on the preparation for the Earth summit. Let me briefly list them.

We now have a climate change treaty that is deprived of any commitments whatsoever. It has the nice language in it, and it is better to have even a meaningless treaty than to have a bitter and divisive shouting match at Rio, just as it is better for the President to go than to stay at home. But it is unfortunate in the climate change negotiation that President Bush confronted the rest of the world with the choice of failure and catastrophe. Given that choice, mere failure was the preferable option because it does the least damage to the efforts to get a climate change treaty that actually does something in the future.

Second, what about the biodiversity treaty? Vice President QUAYLE has a problem with that one, and he has now objected, in very strong terms, and we have learned that the negotiation underway in Nairobi right now is in a state of uproar because every other nation in the world is listening to the objections from the Bush-Quayle administration negotiators on idelogical points that industry has urged them to raise. And it looks now as if we may not have a biodiversity treaty at all.

Third, what about Agenda 21? It has not been agreed to yet. It is incomplete, and those portions of it that are going to be contained are so watered down that they barely resemble the earlier versions. Maybe they will get agreements at Rio on Agenda 21. I hope so.

Fourth, what about the forest convention? The administration said it wanted that convention to apply only to tropical forests, not to forests in the Northern Hemisphere. Their policy is to have a taxpayer subsidy of the clearcutting of areas in our national forests. We sell 500-year-old trees for the price of a cheeseburger and force the taxpayer to subsidize this whole enterprise. It is completely unsustainable. The Forest Service supervisors have told the public, "This is crazy. We are supposed to be stewards of the national forests. We are watching them being ripped apart. We ought to stop this." The supervisors who say that are punished for speaking out in behalf of the forests. So there is no forest convention.

Finally, what about the Earth Charter? Unfortunately, the chances that this document will be signed in Rio are remote indeed. Again, one of the major reasons that progress toward concluding the Earth Charter hit rough waters was the opposition of the Bush administration. According to their negotiators, the phrase "sustainable development" is not of sufficient importance to warrant the signing of a charter which is a broad statement of environmental rights and principles.

So, the substantive agreements that will be signed at Rio fall far short of our original hopes and anticipations. That is why it is critically important that we see Rio as only the first step in an enduring process, and that is why Senator MIKULSKI and I have come to the floor this morning to join with our other colleagues who are cosponsoring this initiative to have the Earth Charter passed by the legislative branch of government and sent to the President for his signature.

Much as the Universal Declaration on Human Rights set out the rights and principles that are intended to guarantee the humane and equitable treatment of all people, the rights and principles that are set out in the Earth Charter will unite the nations of the world in a commitment to establish and respect the basic rights related to the environment.

The 17 principles of the Earth Charter expressed in this resolution are included in full in the text of the resolution. Let me refer to them just briefly.

First, they recognize the integral connection between environmental protection and economic and social development;

Second, that nations and people share a responsibility to promote sustainable development;

Third, that respect for human rights is fundamental;

Fourth, that all people share in the benefits of a clean environment and responsible development and that all people have a responsibility to preserve those benefits for future generations;

Fifth, that nations can exploit their own natural resources but are responsible for ensuring that their activities do not damage the environment of other nations;

Sixth, that lack of full scientific certainty should not alone postpone preventive or precautionary action;

Seventh, that all people at every level—local, national, regional, and international—should cooperate toward these ends in good faith;

Eighth, that nations should consider the special situation and needs of developing countries in achieving sustainable development and provide appropriate assistance;

Ninth, that environment and development objectives and policies should be integrated with economic and trade policy;

Tenth, that a commitment to peace and security for all nations and people is fundamental to achieving sustainable development;

Eleventh, that nations and people should work to eliminate or reduce harmful patterns of reduction and consumption;

Twelfth, that sustainable development depends on a world public that is educated, literate, and well informed.

Thirteenth, that open and free markets are fundamental;

Fourteenth, that polluters should bear the costs of pollution prevention and control measures introduced by public authorities, and that markets should reflect full economic accounting of environmental costs and benefits;

Fifteenth, that democratic laws, institutions and procedures are essential;

Sixteenth, that all nations and all people should make the elimination of poverty an essential task in their efforts to achieve sustainable development;

Seventeenth, that sustainable development requires technological and financial assistance to developing countries, and those nations with adequate means should take steps cooperatively to provide such assistance as may be appropriate.

In conclusion, Senator MIKULSKI and I believe that a real commitment to achieving sustainable patterns of development is needed now and at the highest levels of Government. The

adoption in this body of the Earth Charter is essential. The adoption of the Earth Charter by the nations attending the Earth summit, whether in Rio, or as the first post-Rio objective, would be a significant milestone toward that end. The principles and objectives expressed in this joint resolution are of vital importance to the future of this country and the health and vitality of our country.

I ask our colleagues on both sides of the aisles to consider supporting this joint resolution.

Mr. President, I ask unanimous consent that the text of the joint resolution 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. 308

Whereas the Earth is a dynamic but fragile whole in which all ecosystems are interdependent;

Whereas the United States recognizes the scale, depth, and pace of human-induced changes to the environment and is determined to increase human understanding of those changes and the capacity for anticipating, responding, and adapting to them; and

Whereas the United States recognizes the mutual interdependence of all nations and peoples and the need for communities to live together in balance with the environment to ensure sustainable development for all and the continuity and quality of life now and for future generations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby (1) adopts the following principles on general rights and obligations with respect to the environment, to be known as the "Earth Charter", and (2) urges the nations participating in the United Nations Conference on Environment and Development at Rio de Janeiro in June 1992 to adopt the same rights and obligations as a separate and free standing Earth Charter:

PRINCIPLE 1.—Environmental protection and economic and social development ultimately cannot be achieved at the expense of each other. Environment and development goals should be pursued simultaneously, in an integrated fashion.

PRINCIPLE 2.—Nations and people share a common goal to promote environmentally sound, sustainable development for all. They should seek to attain this goal by individual and collective action, contributing in accordance with their respective responsibilities and capacities with high special regard for the needs of economically disadvantaged nations and people.

PRINCIPLE 3.—Respect for human rights is fundamental to sustainable development, in particular the rights to—

(A) associate with others and freely express views;

(B) publish and distribute information;

(C) participate in public debates; and

(D) have fair and effective access to legal and administrative redress and remedy of grievances.

PRINCIPLE 4.—All people should share in the benefits of a clean environment and responsible economic and social development, including the sustainable management of natural resources, and recognize the need to preserve those benefits for future generations.

PRINCIPLE 5.—Nations have the sovereign right to exploit their own natural resources but bear the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other nations or of areas beyond the limits of national jurisdiction.

PRINCPLE 6.—Nations should adopt precautionary and preventive approaches when planning and undertaking activities, in order to anticipate, prevent and attack the causes of environmental degradation. Lack of full scientific certainty should not be a reason in itself for postponing effective measures to prevent environmental degradation.

PRINCIPLE 7.—All people should cooperate in good faith and in a spirit of global partnership at the local, national, regional and international levels to achieve sustainable development. In cases of environmental emergency, nations should provide each other with timely notification and assistance.

PRINCIPLE 8.—Nations should consider the special situation and needs of developing countries in achieving sustainable development and provide appropriate assistance.

PRINCIPLE 9.—Environment and development objectives and policies should be integrated with economic and trade policies, including through appropriate harmonization of the international regimes for international trade and environmental protection.

PRINCIPLE 10.—A commitment to peace and security for all nations and people is fundamental to the achievement of sustainable development.

PRINCIPLE 11.—Nations and people should seek to eliminate or reduce unsustainable patterns of production and consumption.

PRINCIPLE 12.—Sustainable development is dependent on a world public that is educated, literate, and well-informed. Individuals, groups and organizations should have access to information relevant to environment and development, held by national authorities, including information on products and activities which have or are likely to have significant impact on the environment, information on hazardous materials and activities in their communities, information on environmental monitoring and information on environmental protection measures undertaken.

PRINCIPLE 13.—Open and free markets at the national, regional and international levels are fundamental to the achievement of sustainable development. Markets should reflect full economic accounting of environmental costs and benefits and market forces and mechanisms, and other economic instruments should be harnessed to achieve sustainable development goals.

PRINCIPLE 14.—Polluters should bear the costs of carrying out pollution prevention and control measures introduced by public authorities. These costs should be reflected in the cost of goods and services that cause pollution in production and/or consumption to encourage rational use of scarce environmental resources and to avoid distortion in international trade and investment. Markets should reflect full economic accounting of environmental costs and benefits.

PRINCIPLE 15.—Democratic laws, institutions and procedures are essential to the achievement of sustainable development. Nations should establish open and democratic forms of decisionmaking affecting economic and social development and environmental protection, and facilitate the broad participation of individuals, groups and organizations in that decisionmaking. Individuals, groups and organizations with a cognizable legal interest should have access to judicial and administrative procedures for redress and remedy of wrongful actions effecting environment and development.

PRINCIPLE 16.—In addition to its corrosive affects on social and economic well-being and development, poverty is a major contributor to environmental degradation. All nations and all people should make the elimination of poverty an essential task of their efforts to achieve sustainable development.

PRINCIPLE 17.—The achievement of sustainable development requires technological and financial assistance to developing countries, and those nations with adequate means should take steps to provide such assistance as may be appropriate.

Ms. MIKULSKI. Mr. President, I, too, rise today to introduce the joint resolution affirming the principles of the Earth Charter to be considered by the nations of the world in Rio de Janeiro. I am pleased to join with my esteemed colleague, Senator GORE of Tennessee, who is really an outstanding international leader on the environment and has continued to advocate the cause of the environment for many years.

Senator GORE recently conducted a multiday seminar here on the theological underpinnings of the concept of preservation of the environment. Senator GORE has also taken specific and immediate and realizable actions in the area of legislation to preserve the environment, and today he and I join to introduce a joint resolution affirming the principles of the Earth Charter.

Mr. President, I rise to introduce this joint resolution as a point of national honor. I do not want 140 nations of the world to gather and look at the United States and think that we have no clear position on affirming the principles to preserve this planet, and at the same time, promote economic growth worldwide. It requires national honor that somewhere in the United States of America and its political leadership, there is a cadre of people who will stand up and provide the leadership that joins with the nations of the world to affirm these principles.

The purpose of this joint resolution is to send a clear message to the world community that the United States of America is united and committed to saving our environment and to urge other countries to make that same commitment.

In a conversation with Father Tom Berry, an ecotheologian who was at the meeting organized by Senator GORE, Father Berry said to me, "Senator Mikulski, we have to be tireless in our pursuit to preserve this planet Earth, because remember this: The planet Earth can get along without people, but people cannot get along without the planet Earth." Therefore, we need to affirm those principles to preserve this environment.

It is possible, I do believe, to develop our nations in a responsible way. I believe it is possible for people to build,

live, and work and still protect the environment. I believe that we can invent the policies and the technologies necessary to do that. But we cannot invent an attitude, unless we have guiding principles, and that is the point of the Earth Charter. These are principles that the United States of America and other countries in the world should be able to agree to, and not only agree to, but to live by them. The Earth Charter is simply a resolution of principles, simple, sound, and essential. This is what they say:

That sustainable development is important for every country; that concern for the environment should be part of our economic decisionmaking; and that we must preserve this planet for the next generation.

By evaluating these principles into a freestanding Earth Charter, we make a statement of commitment which says we are all in this together, and that we all have to solve global environmental problems together. We have come together on other issues in the past. When the United Nations was formed, people of the world gathered, and in December 1948, 48 countries signed the Declaration of Human Rights, and for the first time the world said that not only are all men created equal, but all women are created equal. And we banded together to make sure we all followed the principles of human rights and humane treatment of all people, and the advocacy of democracy around the world. A signature on the dotted line to the principles of the Earth Charter are also a statement of responsibility.

Mr. President, it is not just those heads of State that will be attending the Earth summit who are responsible to the adherence of these principles. We need to turn to the private sector, and we need to turn to ordinary people as a way to do this. Every day, as individuals, we all carry with us the responsibility of convening our own Earth summit, whether it is in our factories, whether it is in our corporations, or whether it is in our communities. We have the responsibility to use less energy by turning off the lights, by making sure we recycle newspapers; and we have a responsibility in the private sector and in the Government, as well, to develop new technologies to prevent pollution and to clean it up. That is what we have.

We have to come together as a country, too. For example, preserving the beauty of the Chesapeake Bay in my own State is not just an American responsibility or a responsibility of the watermen who live off the sea; it is the responsibility of other States and other regions in our country. We have become technically advanced, and we are realizing that what is done upstream does not just affect the area around the outflow, but areas miles away. We know that pollution that comes out of a smokestack in one area could affect the water supply of another area. The responsibility does not stop when we reach our borders. Pollution knows no boundaries, and no one stops water pollution at the border and checks its passport. Air pollution does not have to pass through customs. So, therefore, it is not only the laws of one community. It has to be the laws of all communities.

Mr. President, the playing field is getting smaller, but to take responsibility is getting bigger. We need a new attitude that says that the preservation of this planet is important enough to put in our policy decisions at every level.

Mr. President, we need a new way of accounting. We now only count that which generates cash. We need to take a look at that which also performs other utilitarian needs to preserve our life.

Mr. President, if you look at a tree, it only counts as having value when it is cut down and turned into timber. But the intrinsic purpose that God created it for—to provide beauty and oxygen and affect our water and our very way of life—is not counted. I believe we need to start counting what does count. We do not count air or water or even the work of voluntarism.

Mr. President, are you aware that in the gross national product, we will count those who make hula hoops or pornographic movies, but we will not count the work of those who deliver Meals on Wheels, or Boy Scout or Girl Scout leaders. I think we need to start counting that which does count, and I am advocating a whole new idea that says we need to provide an economic value to water and to air, so it is factored as capital in our cost of production.

Today is not the day to go into new technical concepts. Today is to talk about leadership. Mr. President, we do need leadership. What is leadership? Leadership is not passing agendas and five-point programs. Leadership creates a state of mind. Leadership invests a psychic energy to make something possible and take action. That is why we need leadership from the President of the United States on the environment, to create a state of mind that this is an important thing to do, to invest the psychic energy to make it possible, and to advocate actions so that we can take those steps both within our own country and within the world.

What if the President of the United States will not affirm those principles and provide that leadership? I am happy to introduce this joint resolution and as a U.S. Senator joining with Senator GORE to be a President by proxy. We will provide the leadership if there is none. We will try to create the psychic energy where there needs to be and we will take action where we can to advance this agenda.

We are here today to bring responsibility back into bloom and to move it forward. And we cannot wait for the leadership we need. We are going to take charge now, and with this charter we are taking the first step.

What we do to the environment is just not our problem. It is everyone's problem.

Mr. President, these are principles that should be in every country and community to live by, and I urge my colleagues to read this resolution and to support its cause. National honor demands no less of the U.S. Senate.

Mr. GORE. Mr. President, thank you.

Let me compliment my colleague, the Senator from Maryland, on a very powerful, very well thought out, and very well-presented set of remarks.

Her phrase "a point of national honor" is one which I think we should all contemplate because we are at a turning point. The nations of the entire world are gathering in one place at one time to chart a new course. In the post-cold war world, the saving of the Earth's environment will become the central organizing principle. All our efforts and policies and programs must be framed with an awareness of this central challenge.

But at a time when the rest of the world is looking to us for leadership, we have not been providing it. As a coequal branch of Government, we in the Congress can speak out and take action. I hope very much that adoption of the Earth Charter will be the first step taken by the world after the meeting at Rio de Janeiro to keep the momentum going.

I wish to thank my colleague, Senator MIKULSKI, also for the specific idea of employing the Earth Charter in a resolution and bringing it forward to this Chamber to provoke a debate and to set the stage for action.

Of course, Senator MIKULSKI has provided tremendous leadership on the appropriations subcommittee which is responsible for the environment, saving the taxpayers' money by reorganizing a much more effective approach toward saving the environment. I congratulate her for that.

In closing, let me just say we not only can achieve the principles embodied in the Earth Charter but we would fail to achieve them at our peril. They are not only consonant with economic health, but they are a prerequisite to economic health.

Did you notice, Mr. President, 2 weeks ago, the new study which showed 35 percent of U.S. exports now go to developing countries? The principal crisis being faced in many of those countries is now to organize for economic progress without destroying the environment. In Mexico City, for example, they are shutting factories down, not because of the economy, but because they are choking to death in the pollution. They are desperate to

buy the new products and processes which will facilitate the reopening of factories without destroying the environment. We should be providing those machines and processes and creating the millions of new jobs here at home to do so. Passage of the Earth Charter is a step in that direction.

ADDITIONAL COSPONSORS

S. 448

At the request of Mr. SYMMS, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 448, a bill to amend the Internal Revenue Code of 1986 to allow tax-exempt organizations to establish cash and deferred pension arrangements for their employees.

S. 709

At the request of Mr. HATCH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 709, a bill to amend the Internal Revenue Code to allow a deduction for qualified adoption expenses, and for other purposes.

S. 1504

At the request of Mr. INOUYE, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1504, a bill to authorize appropriations for public broadcasting, and for other purposes.

S. 2027

At the request of Mr. CHAFEE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2027, a bill to amend title XVIII of the Social Security Act to eliminate the annual cap on the amount of payment for outpatient physical therapy and occupational therapy services under part B of the medicare program.

S. 2116

At the request of Mr. RIEGLE, the name of the Senator from Mississippi [Mr. COCHRAN] 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. 2365

At the request of Mr. NICKLES, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2365, a bill to amend title XVIII of the Social Security Act to repeal the reduced medicare payment provision for new physicians.

S. 2385

At the request of Mr. RIEGLE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2385, a bill to amend the Immigration and Nationality Act to permit the admission to the United States of nonimmigrant students and visitors who are the spouses and children of United States permanent resident aliens, and for other purposes.

S. 2400

At the request of Mr. PRYOR, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 2400, a bill to amend title XVIII of the Social Security Act to extend special payments under part A of medicare for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries.

S. 2509

At the request of Mr. NICKLES, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2509, a bill to provide grants to establish an integrated approach to prevent child abuse, and for other purposes.

S. 2522

At the request of Mr. SIMON, the name of the Senator from Arkansas [Mr. BUMPERS] 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. 2560

At the request of Mr. SIMON, the names of the Senator from Massachusetts [Mr. KERRY], the Senator from Arizona [Mr. DECONCINI], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 2560, a bill to reclassify the cost of international peacekeeping activities from international affairs to national defense.

S. 2624

At the request of Mr. GLENN, the names of the Senator from Nevada [Mr. REID], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2632

At the request of Ms. MIKULSKI, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 2632, a bill to establish the National Environmental Technologies Agency.

S. 2711

At the request of Mr. GLENN, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 2711, a bill to ensure the fair treatment of members of the Selected Reserve of the Ready Reserve of the Armed Forces who are adversely affected by certain reductions in the size of the reserve components of the Armed Forces.

S. 2715

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 2715, a bill to require the Secretary of Veterans Affairs to carry out demonstration projects to determine the feasibility and desirability of installing telephones in Department of Veterans Affairs health-care facilities for use by patients of such facilities.

S. 2728

At the request of Mr. KENNEDY, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 2728, a bill to make emergency supplemental appropriations to provide emergency short-term assistance for American youth and meet the urgent needs for the fiscal year ending September 30, 1992, and for other purposes.

SENATE JOINT RESOLUTION 182

At the request of Mr. KASTEN, the name of the Senator from Wyoming [Mr. SIMPSON] 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 231

At the request of Mr. THURMOND, the names of the Senator from Michigan [Mr. LEVIN], and the Senator from Ohio [Mr. GLENN] were added as cosponsors of Senate Joint Resolution 231, a joint resolution to designate the month of May 1992, as "National Foster Care Month."

SENATE JOINT RESOLUTION 251

At the request of Mrs. KASSEBAUM, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of Senate Joint Resolution 251, a joint resolution to designate the month of May 1992 as "National Huntington's Disease Awareness Month."

SENATE JOINT RESOLUTION 257

At the request of Mr. LAUTENBERG, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Missouri [Mr. DANFORTH], the Senator from Illinois [Mr. SIMON], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Nebraska [Mr. KERREY], the Senator from Idaho [Mr. SYMMS], and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of Senate Joint Resolution 257, a joint resolution to designate the month of June 1992, as "National Scleroderma Awareness."

SENATE JOINT RESOLUTION 270

At the request of Mr. THURMOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 270, a joint resolution to designate August 15, 1992, as "82d Airborne Division 50th Anniversary Recognition Day."

SENATE JOINT RESOLUTION 273

At the request of Mr. SEYMOUR, the names of the Senator from Delaware [Mr. ROTH], and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Joint Resolution 273, a joint resolution to designate the week commencing June 21, 1992, as "National Sheriffs' Week."

SENATE JOINT RESOLUTION 287

At the request of Mr. SIMON, the names of the Senator from North Carolina [Mr. SANFORD], the Senator from Arkansas [Mr. BUMPERS], the Senator from Michigan [Mr. LEVIN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Ohio [Mr. METZENBAUM], the Senator from Ohio [Mr. GLENN], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Joint Resolution 287, a joint resolution to designate the week of October 4, 1992, through October 10, 1992, as "Mental Illness Awareness Week."

SENATE JOINT RESOLUTION 295

At the request of Mr. DECONCINI, the names of the Senator from Kentucky [Mr. FORD], the Senator from Ohio [Mr. METZENBAUM], the Senator from Alabama [Mr. HEFLIN], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Kansas [Mr. DOLE], the Senator from Rhode Island [Mr. PELL], the Senator from Nevada [Mr. REID], the Senator from North Dakota [Mr. CONRAD], the Senator from Delaware [Mr. ROTH], the Senator from Colorado [Mr. BROWN], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Joint Resolution 295, a joint resolution designating September 10, 1992, as "National D.A.R.E. Day."

SENATE JOINT RESOLUTION 297

At the request of Mr. PRYOR, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of Senate Joint Resolution 297, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 301

At the request of Mr. LAUTENBERG, the names of the Senator from Washington [Mr. ADAMS], the Senator from North Dakota [Mr. BURDICK], the Senator from New York [Mr. D'AMATO], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Indiana [Mr. COATS], the Senator from Nevada [Mr. REID], the Senator from Illinois [Mr. DIXON], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Michigan [Mr. LEVIN], the Senator from Maryland [Mr. SARBANES], the Senator from Virginia [Mr. ROBB], the Senator from Hawaii [Mr. INOUYE], the Senator from Rhode Island [Mr. PELL], the Senator from Florida [Mr. GRAHAM], the Senator from Illinois [Mr. SIMON], the Senator from North Dakota [Mr. CONRAD], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Connecticut [Mr. DODD] were added as cosponsors of Senate Joint Resolution 301, a joint resolution designating July 2, 1992, as "National Literacy Day."

At the request of Mr. LAUTENBERG, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Ohio [Mr. GLENN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from South Carolina [Mr. HOLLINGS] were withdrawn as cosponsors of Senate Joint Resolution 301, supra.

SENATE JOINT RESOLUTION 302

At the request of Mr. LAUTENBERG, the names of the Senator from Washington [Mr. ADAMS], the Senator from North Dakota [Mr. BURDICK], the Senator from New York [Mr. D'AMATO], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Indiana [Mr. COATS], the Senator from Nevada [Mr. REID], and the Senator from Illinois [Mr. DIXON] were withdrawn as cosponsors of Senate Joint Resolution 302, a joint resolution proposing an amendment to the Constitution relating to the election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 305

At the request of Mr. SIMON, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from Colorado [Mr. BROWN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Ohio [Mr. GLENN], the Senator from Iowa [Mr. GRASSLEY], the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wisconsin [Mr. KOHL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Joint Resolution 305, a joint resolution to designate October 1992 as "Polish American Heritage Month."

SENATE JOINT RESOLUTION 307

At the request of Mr. MCCAIN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 307, a joint resolution designating the month of July 1992 as "National Muscular Dystrophy Awareness Month."

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. MOYNIHAN, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Tennessee [Mr. GORE], the Senator from Delaware [Mr. ROTH], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Concurrent Resolution 113, a concurrent resolution concerning the 25th anniversary of the reunification of Jerusalem.

SENATE CONCURRENT RESOLUTION 120

At the request of Mr. GRASSLEY, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Concurrent Resolution 120, a concurrent resolution declaring an article of amendment to be the Twenty-seventh Amendment to the Constitution of the United States.

At the request of Mr. BYRD, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Concurrent Resolution 120, supra.

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Concurrent Resolution 120, supra.

SENATE RESOLUTION 280

At the request of Mr. GORE, the names of the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Resolution 280, a resolution to express the sense of the Senate concerning the tropical rain forests of Malaysia.

SENATE RESOLUTION 289

At the request of Mr. D'AMATO, the names of the Senator from Arkansas [Mr. BUMPERS] and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of Senate Resolution 289, a resolution honoring the "Righteous Gentiles" of the Holocaust during World War II.

SENATE RESOLUTION 298

At the request of Mr. GRASSLEY, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of Senate Resolution 298, a resolution declaring an article of amendment to be the Twenty-seventh Amendment to the Constitution of the United States.

At the request of Mr. BYRD, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Resolution 298, supra.

At the request of Mr. NICKLES, his name was added as a cosponsor of Senate Resolution 298, supra.

SENATE RESOLUTION 300

At the request of Mr. GORE, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Resolution 300, a resolution relating to suspension of assistance and cooperative programs with the former Yugoslavia.

SENATE RESOLUTION 301—RELATING TO ONGOING VIOLENCE IN SOUTH AFRICA

Mr. SIMON (for himself, Mr. PELL, Mr. CRANSTON, and Mr. KENNEDY) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 301

Whereas more than 11,000 people have died in South Africa as a result of political violence since 1984, and more than one-half of these have died since the release of Nelson Mandela from prison in 1990;

Whereas the negotiations by the Convention for a Democratic South Africa (CODESA) on the formation of a transitional government that will lead to a new constitution and a nonracial, democratic government could be undermined by the continuing violence;

Whereas the terror perpetuated by the ongoing political violence jeopardizes the willingness of South Africans to participate in

the transition process and compromises the climate for free political participation by all South Africans; and

Whereas credible evidence has been presented to the Goldstone Commission of Inquiry into Public Violence and Intimidation, South African human rights organizations, Amnesty International, and others that members of South African security force units have trained, armed, and funded paramilitary groups involved in committing and instigating violence, and perhaps continue to do so: Now, therefore, be it

Resolved, That (a) the Senate hereby—

(1) notes with dismay the killings in South Africa and condemns this senseless violence; and

(2) urges the Government of South Africa to take effective steps to end the violence and protect all South African citizens regardless of race, color, or creed.

(b) It is the sense of the Senate that the President should prepare and transmit to the Senate a report on—

(1) the nature of the violence in South Africa and the role that the various participants are playing in the ongoing violence; and

(2) the impact of this violence on South Africa's transition to democracy.

Mr. SIMON. Mr. President, today I submit a resolution on South Africa and the continuing violence taking place there. This so-called black-on-black violence has claimed thousands of lives, among them those of many local and regional black leaders, and created a climate of fear and mistrust. It poses a serious threat to the transition to majority rule currently underway. It is, therefore, essential that in addition to condemning the violence, we look at its causes and implications, and urge the Government of South Africa to pursue effective measures of stopping these attacks and protecting its people.

I would like to ask unanimous consent to introduce into the RECORD, along with the resolution, an article which appeared in the Washington Post. The article rightly expresses concern about the terrible legacy the violence will leave behind for South Africa's youth and the post-apartheid period. It also details serious allegations which have been made about the involvement of South African security forces and of leaders of the Inkatha Freedom Party in promoting the violence. Evidence of this involvement has been presented to the Goldstone Commission, South Africa's own independent commission of inquiry into the violence, and to various human rights groups. I think we in the United States also need to know what, if anything, has been the South African Government's role in this violence, and to have clear information on how and why the violence has come about, and so the resolution asks the President to send to the Senate a report which describes the role of the various participants in the violence, and the impact of the violence on the democratic transition.

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

A LOOK AT . . . SOUTH AFRICA'S SHOWDOWN AFTER THE VOTE: CAN SOUTH AFRICA ESCAPE THE VIOLENCE?

(By Jennifer Kibbe)

With just two days before South Africa's whites vote in the referendum on their future, the world's attention is focused on whether the right-wing Conservative Party will be able to round up enough support to force President de Klerk from office and to stall or abort the ongoing negotiations between the National Party government and the African National Congress (ANC).

De Klerk's announcement of the referendum seems to have been a well-calculated ploy to call the Conservative Party's bluff and cut it out of the picture before it could derail his plans. The impression among political observers in South Africa is that, although it may be close, de Klerk is not really at risk of losing the referendum. (Conservatives have won the last three white parliamentary by-elections, but have been helped in those contests by gerrymandering.)

Yet even as attention is drawn to these developments, the violence rages. And the violence—a far more serious threat to the country's future than the upcoming referendum—has been virtually ignored in the general mood of optimism surrounding negotiations at the Conference for a Democratic South Africa. Not only is the question of who is behind the violence critical to assessing the "levelness" of the negotiations playing field, but no agreement at the national level will matter if it continues unabated.

During the last week of January, 23 people were killed in attacks on black commuter trains on the Reef, the region around Johannesburg. The next week, while ANC and Inkatha Freedom Party (IFP) supporters celebrated a truce in a township in battle-scarred Natal province, eight people were killed and 100 homes were razed in a clash between them in another. The week following that, eight more were killed and a dozen homes razed in a Soweto neighborhood—an incident one newspaper called a "full-scale weekend war" between hostel-dwellers and township residents.

On the surface, the intense rivalry and antagonism between the ANC and Chief Gatsha Buthelezi's IFP appears to be the major cause and manifestation of the violence. The conflict between these two groups has often been interpreted as an ethnic clash between the overwhelmingly Zulu IFP—which is based in the KwaZulu homeland in Natal—and the Xhosa-dominated ANC.

However, information I gathered during a research trip to South Africa this fall, combined with recent revelations in the South African press, suggests that the South African government has been exploiting the violence for its own purposes. Closer analysis also reveals that the political violence feeds, and is fed by, a number of other factors, including the alienation of migrant workers from township communities; the frustration of unemployed and radicalized black youth; turf battles between rival "warlords"; competition for resources; and common criminal violence.

While violence has festered in Natal since 1984, primarily between supporters of Inkatha and those of the ANC, it sprang up in July 1990 in the townships on the Reef in a particularly virulent way. In the next 18 months, the violence caused 4,879 deaths—a rate of nine a day. Despite the signing of a national peace accord by the ANC, the IFP and the government in mid-September, the violence claimed more than 1,000 more lives in the ensuing five months.

Both the ANC and the IFP have been at fault in different instances, but there is increasing evidence of the involvement of IFP leaders in several attacks. Two IFP central committee members were convicted of murder last year and a third was ousted after a series of charges were leveled against him for his role in various incidents.

The evidence of IFP involvement has led many independent analysts in South Africa, including Anton Steenkamp, an attorney and former executive director of the Independent Board of Inquiry into Informal Repression, to argue that Buthelezi has been using the violence as a way to establish the IFP as a national presence and to force de Klerk and Mandela to include him in negotiations.

With recent polls putting Buthelezi's support in the urban black community between 2 and 5 percent (compared with 62 to 68 percent for the ANC), any negotiations that led to some system of proportional representation would relegate Buthelezi and the IFP to the sidelines. In the words of Max du Preez, editor of Vrye Weekblad, a liberal Afrikaans newspaper, "Buthelezi's secret to support is killing people, and [his attitude is], 'If you don't take me seriously, I'll go kill some more.'"

Beyond the question of the IFP's role, one of the most disturbing questions about the ongoing violence is whether a government-linked "third force" is fueling or even directing it.

Over the past six months, there has been a growing acknowledgment by academics, human rights spokesman and the mainstream press that such a force is involved. One telling pattern has been the many incidents of indiscriminate violence, as in the notorious train massacres, in which masked killers hack or shoot people whose political affiliations cannot possibly be apparent to them. Numerous studies have noted that the only possible motive can be to disrupt black communities.

These attacks have attacked additional suspicion of organized third-force involvement because they are often carried out with a military precision of that suggests a high degree of planning and professionalism. Another pattern that points to coordinated outside involvement has been the large number of assassinations of both ANC and IFP local and regional leaders. The assassination campaign leaves the distinct impression of an attempt to disable the two organizations by eliminating the most effective and experienced leaders, and to sow more violence by aborting the local peace initiatives many of them have been involved in.

Until the last few months, most observers across the political spectrum had concluded that, at the very least, the third force consisted of renegade white rightists, including some members of the security forces. But a growing body of evidence is coming to light that points to direct and organized government involvement.

The Weekly Mail, a Johannesburg English newspaper, has been published results of a lengthy investigation into charges made against the government and the IFP by Mbongeni Khumalo, a former leader of the Inkatha Youth Brigade and close associate of Buthelezi, by Ben Conradie, an educationist who said he had been working for a military-intelligence front organization, and two young members of a black township gang, the Black Cats, who alleged they had been trained by the IFP to undermine the ANC in their township.

The picture that emerges from the paper's interviews with these figures (as well as from

other documents in the Mail's possession) is one of the South African Defense Force's Department of Military Intelligence (MI) working through an array of front organizations to promote and provoke diversions within black politics. The motive: to oppose the ANC and promote so-called moderate black organizations more acceptable to the state.

Some of the most damaging allegations concern the training of 200 Inkatha members by the South African Defense Force in 1986. When de Klerk acknowledged this during last summer's "Inkathagate" scandal, he said they were trained solely for "security and VIP protection." However, according to Kumalo, the 200 were actually trained in assassination techniques and guerrilla warfare and were used in hit squads "to ensure there is no political opposition to Inkatha and its leaders. If anyone emerges as an opponent, they are rubbed out."

The allegations laid out in the Weekly Mail are currently being investigated by a special judicial commission set up under the terms of the national peace accord. Even if the allegations against MI and the security forces are true, it remains very much an open question as to whether de Klerk has been orchestrating their actions or has just been hesitant to clamp down for fear of alienating the right wing in the police and military. One thing, though, is clear: Up to this point, the violence has served de Klerk's interests because it has undermined the ANC.

The question of Pretoria's involvement in the violence and how high up it goes is critical. If the government is so compromised, it would put into question the popular assumption that South Africa's transition to full democracy is inevitable.

Whoever is culpable, though, the pervasive violence has proven to be a very blunt weapon whose effects have not been limited to a specific target. It has fostered a culture that South Africans will have to live and die with for the foreseeable future.

Already, it manifests itself in countless ways. Many members of the security forces continue to see all blacks as the enemy and to operate with the attitude that any force is justified in the defense of national security. In the white community, the level of fear has been steadily rising, as crime skyrockets. Continuing episodes of what the government and often the media, term "black on black" violence has caused even some white liberals to rethink the faith in a future majority government.

But the culture of violence has had the most devastating effect in the already beleaguered black community, where it has become self-perpetuating. According to the independent Project for the Study of Violence, violence against woman, children and the elderly has skyrocketed in the last 18 months.

Two unrest monitors in the Pietermaritzburg area, Anne Truluck of Black Sash and Radley Keys of the Democratic Party, underscore that a generation of young adults has witnessed the cheapening of human life on a massive scale. Truluck described the widespread need for counseling for youths with post-traumatic stress disorder; and Keys talks about girls "who have been raped out of existence in the name of the struggle" and boys "who have been made to do unspeakable things." Many have been seen and experienced so many atrocities that they "have gone completely blank."

Futhermore, because of apartheid's legacy of allowing the security forces to act with impunity, it will be, in Truluck's estimation, "impossible to ever get [blacks] to trust the police or the process of law again." The implications for whatever future government emerges from the negotiations are profoundly disturbing. As one community activist put it, "A whole generation has been raised on violence—they are ready for the fire."

AMENDMENTS SUBMITTED

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

BYRD AMENDMENT NOS. 1834 THROUGH 1837

Mr. BYRD proposed four amendments to the bill (H.R. 5132) making dire emergency supplemental appropriations for disaster assistance to meet urgent needs because of calamities such as those which occurred in Los Angeles and Chicago, for the fiscal year ending September 30, 1992, and for other purposes, as follows:

AMENDMENT NO. 1834

On page 4, line 20 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

AMENDMENT NO. 1835

On page 7, line 18 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

AMENDMENT NO. 1836

On page 8, line 22 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

AMENDMENT NO. 1837

On page 9, line 17 after "Congress:" insert: "*Provided further*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985:".

LAUTENBERG AMENDMENT NO. 1838

Mr. LAUTENBERG proposed an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place, insert:

DEPARTMENT OF TRANSPORTATION

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL TRANSIT ADMINISTRATION

For fiscal year 1992, funds provided under section 133, of title 23, United States Code; funds provided under section 1008, of Public Law 102-240; and, funds provided under section 9 of the Federal Transit Act shall be exempt from any requirements for any non-Federal share and payback otherwise required: *Provided*, That such funds shall be obligated no later than September 30, 1992.

MOYNIHAN (AND DOMENICI) AMENDMENT NO. 1839

Mr. MOYNIHAN (for himself and Mr. DOMENICI) proposed an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place, insert the following:

SEC. . RESTORATION OF OBLIGATIONAL AUTHORITY.

(a) IN GENERAL.—$369,000,000 of the reduction in obligation authority for fiscal year 1992 required by section 1004 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240) as a result of the enactment of section 109 of the Intermodal Surface Transportation Efficiency Act of 1991 is restored for programs subject to the obligation ceiling.

(b) CLARIFICATION.—Section 1095 of the Intermodal Surface Transportation Efficiency Act of 1991 is amended in the first sentence by inserting ", subject to appropriations," after "is authorized".

DASCHLE (AND OTHERS) AMENDMENT NO. 1840

Mr. DASCHLE (for himself, Mr. CONRAD, Mr. RIEGLE, and Mr. HARKIN) proposed an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . RURAL AGRICULTURAL DISASTERS.

(a) FINDINGS.—Congress finds that—

(1) like the residents of Chicago and Los Angeles who have suffered severe losses due to recent disasters, agricultural producers suffered severe losses as a result of natural disasters during the 1990 through 1992 crop years;

(2) repeated operating losses due to natural disasters have placed agricultural producers in financial stress and have caused increased loan delinquencies to agricultural lenders.

(3) the economics of communities in affected areas have been depressed as a result of crop failures; and

(4) the matter under the heading "COMMODITY CREDIT CORPORATION" of chapter III of title I of Public 102-229 (105 Stat. 1712) grants the President the authority to declare $755,000,000 as emergency appropriations for agricultural disasters during the 1990 through 1992 crop years.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should exercise the authority referred to in subsection (a)(4) to make emergency designations for rural agricultural disasters, as well as the urban disasters in Chicago and Los Angeles.

SEYMOUR (AND CRANSTON) AMENDMENT NO. 1841

Mr. HATFIELD (for Mr. SEYMOUR, for himself and Mr. CRANSTON) proposed an amendment to the bill H.R. 5132, supra, as follows:

SEC. . Subsection (b) of section 125 of title 23, United States Code is amended by striking "on the Federal-aid highway systems including the Interstate System" in two places and inserting in each place "on Federal-aid highways".

HATFIELD AMENDMENT NO. 1842

Mr. HATFIELD proposed an amendment of the bill H.R. 5132, supra, as follows:

On page 10, line 3, insert "four" between "largest" and "central"; and strike "city" and insert "cities."

On page 10, line 8, insert "central" before "city".

On page 10, strike lines 20-22.

On page 10, line 23, strike "B".

On page 10, line 25, strike the "," and on page 11, strike lines 1 through the word "need" on line 6.

On page 11, line 11, strike "should take into account" through "these funds" on line 12 and insert in lieu thereof "shall be allocated on the basis of the number of Chapter I eligible students participating in the program, adjusted for the cost of transportation".

LIEBERMAN (AND KASTEN) AMENDMENT NO. 1843

Mr. LIEBERMAN (for himself and Mr. KASTEN) proposed an amendment to the bill H.R. 5132, supra, as follows:

At the end of the bill add the following new section:

SEC. . SENSE OF THE SENATE WITH RESPECT TO FEDERAL ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that—

(1) The crisis of poverty and high unemployment in America's inner cities and rural areas demands an appropriate and timely response from Congress;

(2) Manufacturing and industry has largely disappeared from many U.S. inner cities which, in turn, led to the severe decline in good high-wage jobs, wholesale trade, retail businesses, and a large source of local tax revenues;

(3) Encouraging small and medium-sized businesses, which create a majority of new jobs in the U.S. economy, to locate and invest in poor neighborhoods is one of the keys to revitalizing urban America;

(4) Enterprise zones will help convince businesses to build and grow in poor neighborhoods; they will give people incentives to invest in such businesses and to hire and train both unemployed and economically disadvantaged individuals; they will create jobs and stimulate entrepreneurship; and they will help restore the local tax revenue base to these communities;

(5) Enterprise zones have been tested in 37 States since 1982 and have proven to be successful, having generated capital investments in poor neighborhoods in excess of $28 billion and having created more than 258,000 jobs; and

(6) Enterprise zones have been endorsed by, among others, the National Governors Association, the National Council of State Legislators, the Council of Black State Legislators, the Conference of Mayors, and the Conference of Black Mayors.

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that—

(1) Enterprise zones are a vital, proven tool for inner-city revitalization; and

(2) Congress should adopt Federal enterprise zone legislation and that such legislation should include the following provisions:

(A) Competitive designation which will maximize State and local participation;

(B) Tax incentives addressing both capital and labor costs;

(C) Tax incentives aimed at attracting investment in small businesses; and

(D) Tax incentives to encourage the hiring and training of economically disadvantaged individuals;

GRAHAM (AND OTHERS) AMENDMENT NO. 1844

Mr. GRAHAM (for himself, Mr. NICKLES, and Mr. BROWN) submitted an amendment to the bill H.R. 5132, supra, as follows:

Insert the following at the appropriate place.

SECTION 1. TECHNICAL CORRECTIONS.

Section 115 of title 23, United States Code, is amended—

(1) by striking the heading of subsection (a) and inserting the following new heading: "SUBSTITUTE, CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT, SURFACE TRANSPORTATION, BRIDGE, PLANNING, AND RESEARCH PROJECTS.";

(2) in subsection (a)—

(A) by striking clause (i) of paragraph (1)(A) and inserting the following new clause:

"(i) has obligated all funds apportioned or allocated to it under section 103(e)(4)(H), 104(b)(2), 104(b)(3), 104(f), 144, or 307 of this title, or";

(B) by striking subparagraph (A) of paragraph (2) and inserting the following new subparagraph:

"(A) prior to commencement of the project the Secretary approves the project in the same manner as the Secretary approves other projects, and"; and

(C) by striking paragraph (3);

(3) in the heading of subsection (b), by striking "PRIMARY" and inserting "NATIONAL HIGHWAY SYSTEM";

(4) in paragraph (1) of subsection (b), by striking "Federal-aid primary system" and inserting "National Highway System"; and

(5) in subsection (c), by striking "152,".

(6) by striking subsection (d) of section 115 and inserting the following new subsection:

"(d) LIMITATION ON ADVANCED FUNDING.—The Secretary may not approve an application under this section unless an authorization for section 103(e)(4), 104, 144, or 307 of this title, as the case may be, is sought beyond the currently authorized funds for each State. No applications may be approved which will exceed the State's expected apportionment of such authorizations."

WOFFORD (AND OTHERS) AMENDMENT NO. 1845

Mr. WOFFORD (for himself, Ms. MIKULSKI, Mr. SPECTER, and Mr. NUNN) submitted an amendment to the bill H.R. 5132, supra, as follows:

Beginning on page 4, line 7, strike all through page 6, line 11 of the bill and insert the following:

DEPARTMENT OF LABOR

(a) SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAMS.—For an additional amount to carry out part B of title II of the Job Training Partnership Act, $675,000,000: *Provided*, That such amount shall be expended by—

(1) first allocating the amount so that—

(A) 50 percent of the amount shall be allotted on the basis of the relative number of economically disadvantaged adults, as defined in accordance with section 4(8) of such Act, within each State, as compared to the total number of such economically disadvantaged adults in all States;

(B) 25 percent shall be allotted on the basis of the relative concentration of such economically disadvantaged adults within each State as compared to the total concentration of such economically disadvantaged adults in all States; and

(C) 25 percent shall be allotted on the basis of the relative number of unemployed individuals, as defined in accordance with section 4(25) of such Act, who reside in each State as compared to the total number of such unemployed individuals in all States; and

(2) adjusting the sums so allocated—

(A) to ensure that each State with a teenage youth unemployment rate above the 1991 average teenage youth unemployment rate, as calculated by the Bureau of Labor Standards, shall receive not less than the State would have received if such amount had been allotted in accordance with section 201(b) of such Act; and

(B) by reducing the sums received by States not described in subparagraph (A) on a pro rata basis.

(b) NATIONAL AND COMMUNITY SERVICE.—For an additional amount to carry out title I of the National and Community Service Act of 1990, $25,000,000.

MACK AMENDMENT NO. 1846

Mr. MACK submitted an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place, insert:

GENERAL PROVISIONS

SEC. . It is the sense of the Senate that the Secretary of Education should utilize the most recent satisfactory data available, including data contained in the 1990 decennial census as compiled by the Bureau of the Census if available, in making allocations under part A of chapter 1 of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2711 et seq.).

BUMPERS AMENDMENT NO. 1847

Mr. BUMPERS submitted an amendment to the bill H.R. 5132, supra, as follows:

On page 2, line 2 of the bill, strike from "Disaster" through to and including "1985" on line 18, and insert in lieu thereof the following:

DISASTER LOANS PROGRAM ACCOUNT

For an additional amount for the cost of direct loans, $118,755,000, to remain available until expended to subsidize additional gross obligations for the principal amount of direct loans not to exceed $350,000,000, and in addition, for administrative expenses to carry out the disaster loan program, an additional $20,000,000, to remain available until expended, which may be transferred to and merged with appropriations for "Salaries and expenses": *Provided*, That Congress hereby designates these amounts as emergency requirements for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

BUSINESS LOANS PROGRAM ACCOUNT

For an additional amount for the cost of section 7(a) guaranteed loans (15 U.S.C. 636(a)), $46,895,000, to remain available until expended, and for an additional amount for the cost of direct loans authorized under the Microloan Demonstration Program (15 U.S.C. 636(m)), $5,000,000, to remain available until expended, and in addition, for grants in conjunction with such direct loans, $4,000,000, to remain available until expended and to be merged with appropriations for "Salaries and expenses": *Provided*, That these funds shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Control Act of 1985, is transmitted to the Congress: *Provided further*, That Congress hereby designates these amounts as emergency require-

ments for all purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEYMOUR (AND OTHERS) AMENDMENT NO. 1848

Mr. SEYMOUR (for himself, Mr. GRAHAM, and Mr. HOLLINGS) submitted an amendment to the bill H.R. 5132, supra, as follows:

GENERAL PROVISIONS

SEC. 101. (a) IN GENERAL.—None of the funds made available in this Act may be used to provide any grant, loan, or other assistance to any person who—

(1) is under arrest for;

(2) is subject to a pending charge of committing; or

(3) is convicted of committing,

a riot-related crime in the City or County of Los Angeles, California, during the period of unrest occurring April 29 through May 9, 1992. All appropriate Federal agencies shall take the necessary actions to carry out the provisions of this section.

(b) APPLICANTS CERTIFY.—Any applicant for aid provided under this Act shall certify to the Federal agency providing such aid that the applicant is not a person described in subsection (a) or acting on behalf of such person.

(c) DEFINITION.—For purposes of this section, the term "riot-related crime" means any Federal or State offense committed in connection with rioting, including murder, arson, looting, theft, assault, and vandalism.

SYMMS (AND PRESSLER) AMENDMENT NO. 1849

Mr. SYMMS (for himself and Mr. PRESSLER) submitted an amendment to the bill H.R. 5132, supra, as follows:

SEC. . CONTROL OF OUTDOOR ADVERTISING.

Section 131(n) of title 23, United States Code, is amended by adding at the end the following new sentence: "Funds apportioned to a State under section 104 of this title shall not be treated for purposes of the preceding sentence as being available to the State for making such a payment except to the extent that the State, in its discretion expends such funds for such a payment.".

GRAHAM (AND OTHERS) AMENDMENT NO. 1850

Mr. GRAHAM (for himself, Mr. NICKLES and Mr. BOND) submitted an amendment to the bill H.R. 5132, supra, as follows:

On page 4, between lines 6 and 7, insert the following new section:

LIMITATION

SEC. 101. Notwithstanding any other provision of law, the appropriations authorized under this Act shall not become effective until such time as legislation is enacted and becomes effective that rescinds funds appropriated prior to the date of enactment of this Act for fiscal year 1992 in an amount at least equal to the aggregate amount of appropriations authorized under this Act.

NICKLES AMENDMENT NO. 1851

Mr. HATFIELD (for Mr. NICKLES) proposed an amendment to the bill H.R. 5132, supra, as follows:

On page 13, after line 2 insert the following:

GENERAL PROVISIONS

SEC. 101. Notwithstanding any other provision of law, the Act of March 3, 1931 (commonly referred to as the Davis-Bacon Act (40 U.S.C. 276a et seq.)) and the Service Contract Act of 1965 (41 U.S.C. 351 et seq.) shall not apply to any construction or repair project which receives financial assistance under this Act.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources will hold a hearing on the safety of nuclear power plants in the Former Soviet Union and Eastern Europe.

The purposes of the hearing is to receive testimony on the safety of Soviet-designed nuclear power plants and on the technical and financial assistance being offered by Western nations to help improve the safety of these plants.

The hearing will take place on Tuesday, June 16, 1992, at 9:30 a.m., in room SD-366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC.

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.

For further information, please contact Sam Fowler of the committee staff at 202/224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Wednesday, May 20, 1992, at 3 p.m., in SR-332., to hold a hearing on the nominations of James B. Huff, Sr., of Mississippi, to be Administrator of the Rural Electrification Administration, Betty Jo Nelsen, of Wisconsin, to be an Assistant Secretary for Food and Consumer Services and a member of the Board of Directors for the Commodity Credit Corporation, Duane Acker, of Virginia, to be an Assistant Secretary for Science and Education, and Daniel Sumner, of North Carolina, to be an Assistant Secretary for Economics and a member of the Board of the Commodity Credit Corporation.

For further information please contact Brigid Dunne of the Agriculture Committee staff at X4-2035.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 20, at 2 p.m. to hold an ambassadorial nomination hearing.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. FORD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 20, beginning at 9:30 a.m., to conduct a business meeting to continue markup of S. 976, the Resource Conservation and Recovery Act Amendments of 1992; public buildings prospectuses; and pending nominations—Christian Holmes [EPA] and Kenneth Rogers [NRC].

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 20, at 10 a.m. to hold a business meeting to markup S. 1793, legislation to restrict United States assistance for Serbia or any part of Yugoslavia controlled by Serbia until certain conditions are met.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, May 20, 1992, at 10 a.m., for a hearing on The High Skills, Competitive Workforce Act and the Youth Apprenticeship Act: Making the School-to-Work Transition.

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

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate on May 20, 1992, at 9:30 a.m. on the nomination of Karl A. Erb to be an Associate Director of the Office of Science and Technology Policy.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., May 20, 1992, to receive testimony on S. 2631, the Used Oil Energy Production Act.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, May 20, at 9 a.m. for a hearing on the subject: the integrity and effectiveness of the offices of inspectors general.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing to consider oversight of implementation of Court of Veterans Appeals decisions on May 20, 1992, at 9:30 a.m. in room 418 of the Russell Building.

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

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation, be authorized to meet during the session of the Senate on May 20, 1992, at 2 p.m. on global change research: global warming and the oceans.

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

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. FORD. 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, Wednesday, May 20, 1992, at 10 a.m. to conduct a hearing on U.S. export programs.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 20, 1992, at 2 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Wednesday, May 20, 1992, at 2 p.m., in open session, to receive testimony on programs and architectures for ballistic missile defense, in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993.

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

ADDITIONAL STATEMENTS

LOSS OF A GENTLEMAN

• Mr. SIMON. Mr. President, all of us in the Senate know and respect our colleague, Senator ALAN DIXON, who recently lost the Illinois Democratic primary contest to Carol Moseley Braun.

Whichever side of the aisle we are on, we have come to have high regard for our colleague, to work with him, and to learn the practicality that he brings to this body. It is in no sense any disrespect to Carol Braun when we say that we feel a sense of loss in knowing that Senator DIXON will not be with us here on the floor or the Senate in the years to come.

One of the Illinois newspapers, the Champaign News-Gazette, had an editorial after Senator DIXON's defeat, written by John Foreman, that summarized the high regard many of us have for my colleague.

I ask to put the editorial into the RECORD at this point.

The editorial follows:

LOSS OF A GENTLEMAN

(By John Foreman)

In their understandable passion to throw the rascals out, Illinois Democrats threw out one who wasn't.

Sen. Alan Dixon, who spent a lifetime in politics and never lost an election, fell Tuesday in a quirky upset at the hands of Carol Moseley Braun, a candidate relatively unknown outside Chicago. . . .

In a one-on-one race with either of his challengers, Dixon would have won handily—as usual. Hofeld's barrage drained off just enough votes to let Braun claim victory with less than 40 percent of the vote.

And whatever Braun promises, Dixon was a proven pro, a moderate man who placed practicality above partisanship and served both the state and the nation well. He will leave office without a blemish on a 40-year political career. Few can say as much.

In a gracious concession speech, Dixon said he is through with elective office. Let's hope he reconsiders.

When we still must cope with so many scoundrels, we can hardly afford to lose one of the good guys.•

SENATOR COHEN'S THOUGHTFUL ANALYSIS OF THE NATION'S PROBLEMS

• Mr. LUGAR. Mr. President, I rise today to comment on remarks made earlier this month by my friend and colleague, Senator WILLIAM COHEN, at the Maine Republican State Convention in Augusta, ME. Senator COHEN eloquently described the most significant problems facing our Nation, and the pitfalls those of us in Government encounter as we try to address these serious concerns. I take this opportunity to insert his statement for the RECORD. I encourage each of my colleagues to take the time to read this thoughtful and thought-provoking analysis.

The statement follows:

STATEMENT BY SENATOR WILLIAM S. COHEN, MAINE REPUBLICAN STATE CONVENTION, AUGUSTA, ME, MAY 1, 1992

In ordinary times, I would use my few minutes before you to speak of some issues before the Senate, to discuss our prospects in the coming election, to commend President Bush's and Barbara Bush's leadership, to celebrate our party's strengths and the common issues that unite rather than divide us as Republicans.

But I think we all know these are not ordinary times. Indeed, we seem to be living in that age envisioned by the poet Yeats who wrote that:

"Turning in the widening gyre the falcon could no longer hear the falconer, things fall apart, the center cannot hold—the best lack all conviction and the worst are full of passionate intensity."

A little more than a year ago, the American people joined hands and prayers in support of the young men and women who were sent off to war in the Persian Gulf.

All of us stood in awe of President Bush's leadership and of the courage and professionalism demonstrated by America's finest as they drove a ruthless dictator back to his bunker in Baghdad.

And when the war was over, we treated our sons and daughters to the kind of welcome home reserved for the heroes they were—the kind of welcome home we should have given to the veterans who came home from Vietnam and Korea.

A year ago, we stood as one nation—rich and poor, black and white—to confront a common enemy—an enemy of freedom, of decency, and of humanity. And we felt the surge of pride at the fluttering of Old Glory from every flagpole, and that wonderful spinal shiver as Lee Greenwood sang that he was "Proud to be an American."

Today, we are a nation facing a different enemy—one that does not wear a uniform or carry a gun. An enemy more elusive, deceitful and dangerous than Saddam Hussein. An enemy that has confounded us and left us divided, angry and demoralized.

An enemy that has persuaded us that as a nation we have lost our way, and most importantly our will to do what is necessary to prevail.

The enemy is a clever, constantly changing chameleon. It wears the face of poverty, of greed and avarice, of indifference, of closed businesses, of moral bankruptcy. It releases the poisonous vapors of racial hatred, of hopelessness and despair, of drug-fueled violence and of environmental degradation. It is an enemy that makes everyone blameworthy and no one responsible.

It is the enemy within us—the voice that seeks private gain over public good, that promotes special interests at the expense of the nation's well-being.

This enemy has produced the paradox of allowing so-called "non-political" populists on the right and the left to be held out as political saviors, encouraging millions to abandon the wisdom of common sense and to yearn for the man on the white horse who can liberate us from our tormentors.

The enemy of our Republic is the loss of faith in our institutions, in our ability to govern, to discipline our appetites, to postpone, to save, to invest, to defer gratification. Today, we no longer measure the future in years or even months, but in moments, as if we were moths or butterflies, and we are buffeted by random images which cause us to confuse all motion with true meaning.

Every one of us knows that the despair and anger aimed at politicians at all levels goes well beyond the usual good-natured grumbling about elected leaders that has always taken place in living rooms and general stores throughout Maine and the nation.

This time, it's different. This time, the anger and frustration I hear is not good-natured. It is very real and very deep.

People are frightened over the prospect of losing their jobs and their homes, of being terrorized by faceless and brutish regulators who accuse them of being guilty of performing their obligations on non-performing loans, of facing exploding health care and nursing home costs, and high-priced prescription drugs. They believe—as did Yeats—that things are falling apart. That the center can no longer hold.

I'm convinced that these reactions go much deeper than the public disgust over bounced checks or unpaid restaurant bills or the use of military aircraft by cabinet officers. The perquisites of those in office are powerful symbols and their abuse should not be minimized in significance—but they are mere superficial lacerations compared to the malignancy that lurks in the body politic of this nation.

Deep down, we all know what the problem is—a problem that goes to the very heart of our ongoing national experiment with self-government.

We are spending far more than we can afford or are willing to pay for. We have been treating the federal treasury as if it were a giant buffet that offers an inexhaustible supply of delights on a no-money-down and no-credit-limit basis.

We have been irresponsibly gorging ourselves at this fiscal table without any concern for the predictable health consequences.

Let me stay with the metaphor for a moment because I believe that the failure to discipline ourselves fiscally is symptomatic of a mind-set that adds another dimension to the catastrophe that awaits us.

Most of us are legitimately concerned with the issues of health and education. We know that our children have to be educated on how to be healthy and we also know that they have to be healthy if they are going to be educated. The motto of a sound mind and a sound body comes to mind. But let's measure the gap between what we profess and what we practice:

A 1989 University of Maine study of physical fitness levels among Maine school children showed that 72 percent of the Maine boys and 64 percent of Maine girls were below the national norm for cardiovascular fitness. The same study found that 82 per cent of Maine boys and 75 percent of Maine girls had a higher percentage of fat than the national norm: 23 percent of Maine high school seniors use tobacco; 54 percent of Maine seniors reported getting drunk monthly, weekly or daily; 41 percent of Maine seniors reported driving a car while drinking alcohol or using marijuana; one in 13 Maine teens becomes pregnant every year. We have the highest pregnancy rate among white teenagers in the country. We have the second highest adolescent suicide rate in New England.

The easy thing to do is to blame the teachers or the school system or the superintendent. But the right thing to do is to look within ourselves, within our homes, within our hearts and judge whether we are measuring up to our responsibilities as parents, as role models, as motivators. The fault lies not with the schools or with the superintendents or Dear Brutus with the stars but with ourselves.

We are living in an instant coffee, drive through, quick-fix, fast-food, channel-flipping MTV society where waiting two minutes at McDonalds seems like an intolerable burden. Each one of us bears a large measure of responsibility for our current troubles.

But this fast food mentality, this frenetic dedication to pursuing material goals and goods has corroded our ability to formulate public policy. It is in times like this that we have to pause and hold up the lamp of history and review the words and values that have endured over the centuries.

More than 200 years ago, James Madison both recognized and feared the very quandary we face today: that government should reflect the will of the people. But what are we to do when what appears to be the will of the people—such as lower taxes and greater benefits—predictably will lead to disastrous results. Madison placed his hope in legislators who would "refine the public's view and discern the country's true interest."

Let's listen to those words again.

We should "refine the public's views and discern the country's true interests."

It is on this demanding but sensible standard that Congress must be weighed and found wanting.

It is no easy task to refine the public's view as we are constantly bombarded by mixed and contradictory demands such as lower taxes, higher benefits, more safety, less regulation. But the difficulty of the task is no excuse for the abdication of responsibility. And if we are not always able to refine the public's view, we must be faithful to discerning the path of the country's true interest.

We are too often unwilling to say no to well organized and even well meaning special interest groups whose political clout, as we all know too well, is replacing that of political parties.

We need to fundamentally adjust the way we conduct the public's business.

Those of us in Congress have to be willing to tell the American people what they need to know, not just what they want to hear.

We have to stop worrying about pleasing enough different groups to win reelection, and start worrying about what's best for the country.

The public has a role to play as well. If you insist on judging your Representative or Senator mostly on whether he or she has "brought home the bacon," don't be surprised if that continues to produce short-term thinking that will continue to undermine our national will.

Or, to quote Thelma and Louise, "you get what you settle for."

We must look inward and recognize some basic truths:

If we don't control our appetites, they will control us.

Instead of a self-indulgent society obsessed with rights and entitlements, we should refocus our attention on our responsibilities and obligations as citizens.

We will have to endure some modest pain now to avoid crippling pain later.

We will have to reduce our deficit now and remove the ball and chain that we have placed around the necks of our children in the form of $400 B annual deficits.

To move toward these goals, we will have to seriously consider some changes that have been long thought to be politically suicidal. I will mention only a few because the list is lengthy.

We must closely examine and curtail the growth of so-called "entitlement" programs which have become so deeply ingrained in our way of life and make some tough choices about what we demand and what we can afford. And that would include asking whether older Americans at certain income levels should be willing to contribute more or receive less.

We must insist that able-bodied individuals be willing to work or be educated or retrained in order to receive welfare—not to punish the poor, but to break the cycle of welfare dependency.

We must demand that subsidies to wealthy farmers be curtailed or eliminated, that capital gains tax advantages be targeted to promote long-term investment and new capital intensive businesses rather than simply adding to the deficit and raising interest rates.

There are no "off limits," no special preserves for the rich. One cannot bear witness to the savings and loan debacle, the corporate merger and take-over mania of the 1980s and conclude anything but that greed and golden parachutes came at the expense of the shareholder investors and the taxpayers of this country.

Although I have been reluctant to weave economic policy into the fabric of our Constitution, I believe that the time has come to mandate a balanced federal budget and place responsibility directly upon the shoulders of those elected to govern, whether that balance must come through lower budgets, higher taxes or a combination of the two. We can no longer run up staggering bills and tell our children and grandchildren to pay them.

Finally, we must be willing to reduce and reshape the forces and industries that comprise our national defense structure. But I want to urge a note of caution here. When talking about the deficit, there is a regular cry of "take it out of the defense budget," followed by a whisper of "but don't close our bases or shipyards, cancel our weapons contracts or reduce our guard or reserve units."

With the fall of the Soviet empire, and the collapse of the Berlin Wall, there is a compelling need to shift our defense priorities so that we can develop lighter, faster, more mobile and technically equipped fighting forces to protect our interests here and abroad.

But ladies and gentlemen, as a party and a people, we must be committed to doing so in a responsible manner. We should be willing to resist the siren call of those on the left and right who insist that we return to a continental cocoon and watch world events unfold on CNN.

What was once the Soviet Union may no longer pose a military threat to the West, but because one danger has been removed, it does not mean that the world is no longer dangerous.

Missile and nuclear technology is proliferating and reaching the hands of fundamentalist regimes who hold little good will toward America.

We can not afford to become disengaged or walk away from the world because the world is not going to walk away from us. There is no need or reason for the United States to become the world's policeman. But we cannot ever afford to become a prisoner of world events.

There are other issues that we must address, none more important than the need for improving our educational system so that we can produce the scientists, mathematicians, physicians, farmers, technicians and laborers who will allow us to compete and prosper in the 21st century.

And equal in importance is facing up to the need to provide a comprehensive health care program that will help provide affordable insurance coverage to all Americans, impose

workable cost controls and maintain the high quality of care that we now provide.

The AIDS epidemic not only threatens to overwhelm our health care system, but also desensitize us to the human suffering involved to the victims and to their families. Rather than find fault, we need to find a cure for this epidemic as quickly as possible.

This is an election year, and there will be those who seek to paint our party as the friend of the comfortable and the contented, the ally of the fortunate and the favored.

To survive and prosper as a party, we must make choices that send the signal that Republicans are eager to engage in creative thinking and do not just mindlessly embrace the status quo.

We must be willing to reexamine old habits and to take some risks. As St. Thomas Aquinas observed 700 years ago, "If the highest aim of a captain were simply to preserve his ship, he'd just keep it in port forever." We must aim higher.

It is mere child's play to hurl bricks and chunks of cement at our institutions and leadership. It is far more difficult to provide the answers to tough and demanding social and economic problems.

While there are no simple answers to complex problems, there are some simple truths to which we can turn for guidance.

The American tradition has offered each individual the ideal of hard work, competitive achievement and self-fulfillment and freedom. And that freedom is being destroyed by oppressive regulations, reckless spending and a ruinous deficit.

Our strength and greatness has been found in an opportunity society, not a guarantee society, in a work-oriented country, not a welfare state. And we must reward those who save, invest and produce and not passively watch their savings dissolve and their dreams disappear under the debris of political neglect or mismanagement.

There is one final observation that I want to offer:

The sight of mobs, looters, rioters gone mad in our cities can only produce disgust, regret and anger on the part of those who are peaceful and respectful of the rule of the law.

Those who have taken to the street to engage in mob violence to express their rage over the verdict in the Rodney King case should expect no sympathy and should be treated with no leniency.

But I would be remiss if I did not also take this opportunity to say that if we expect the people of this nation to be guided by the hand of justice, then justice must be done.

No fair-minded person can conclude after watching the beating delivered to Rodney King that it was anything but a brutal, inhumane, excessive use of force. To say—as one juror did—that Rodney King was in control of the situtation and that his action dictated the level of violence that we all witnessed reflects either a pathetic naivete or a morally bankrupt mentality. Justice Brandeis reminded us many years ago that "when government becomes a law breaker it breeds contempt for the law. It invites every man to become a law unto himself: it invites anarchy." It doesn't matter if the government wears a blue pin-striped suit or a police badge.

We are the party of Abraham Lincoln and we should never allow a system to develop in this nation that permits one rule of law for blacks and another for whites. And it is my fervent hope that President Bush and the Justice Department will move quickly to restore the belief that we are one nation under God and under one rule of law.

A political philosopher spoke to a reunion of his Harvard classmates on the eve of World War II. "You took the good things for granted. Now you must earn them again . . . For every right that you cherish, you have a duty that you must fulfill. For every hope you entertain, you have a task that you must perform. For every good that you wish to preserve, you will have to sacrifice your comfort and your ease. There is nothing for nothing any longer."

Those words are as imperative today as they were more than 50 years ago when we faced a mechanized evil in Europe.

Today, the monster is on American soil, destroying our prosperity and our dreams.

That monster will not be defeated until each of us in this state and nation recognizes what the Republican Party has known—there is nothing for nothing any longer. And if we want to take the country back to the path of its true interest—we are going to have to lay aside our personal differences and present a united message and party to the American people.●

HAWAII'S CHAMPION SWIMMERS

● Mr. INOUYE. Mr. President, I rise today to recognize the achievements of eight swimmers from Hawaii who, in the spirit of Hawaii's great athletes, recently participated in the Junior National, Senior National and Olympic Trials swimming competitions.

Since the turn of the century, Hawaii has produced a number of international swimming champions. It was during the 1912 Olympics that the world was introduced to Duke Kahanamoku who brought home a gold medal for the United States with his winning performance in the 100 meter freestyle. Soon after his Olympic debut, Kahanamoku set his first of five world records in the 100 meter freestyle, and gained the title as the world's fastest swimmer. Duke Kahahamoku swam in a total of four Olympic Games and won five medals.

In the years following Duke Kahanamoku's victories, Hawaii produced a number of talented swimmers. Of significant note were those who were coached, trained and nutured by Soichi Sakamoto, recognized the world over as one of the greatest teachers of swimming. Coach Sakamoto's pupils began their swimming careers by training in the irrigation ditches of the Puunene sugarcane fields on the Island of Maui. It was an act of improvisation that Sakamoto's swimmers swam in the ditches, and amazingly developed training techniques still used today. Swimming for a specified time period against the current of the ditch, and then allowing the swimmer to rest while they returned with the flow, developed into what is referred today as interval training.

Even more remarkable was the concept of coaching a swimmer while he remained stationary against the current. This technique, referred today as flume training, has only recently been recognized and used by the U.S. National Swim Team. The achievements of Sakamoto's swimmers were far greater than that of defeating the Puunene ditch currents. Of the numerous athletes he trained, Kiyoshi "Keo" Nakama, Jose Balmores, halo Hirose, Fujiko Katsutani and Chic Miyamoto aspired to national and international competitions and carried the spirit of aloha to all corners of the globe. Soichi Sakamoto was decades ahead of his time, and introduced to the world Hawaii's talented swimmers.

Although these talented athletes brought great pride to Hawaii and the United States, it was a young Hawaiian swimmer by the name of Bill Smith that held a special place in Soichi Sakamoto's heart. At a young age, Smith was stricken with typhoid fever which left him unable to move his arms or legs. His father, a Honolulu police officer, sent him to Sakamoto for therapy reasons. Within 2 years, Smith had become a most powerful swimmer. At his swimming debut on May 23, 1941, Bill Smith shattered three world marks in the 880-, 900-, and 1,000-yard freestyle events. Adding to the excitement already felt in Hawaii from his previous day's performance, Smith concluded the second day's competition with three additional world best times in the 550-, 700-, and 800-yard freestyles, making him the greatest middle-distance swimmer in the world.

Mr. President, the swimmers I recognize today exhibit the spirit and commitment to excellence in performance that has long existed in Hawaii's athletes. It gives me great pleasure to recognize them, and to acknowledge their individual achievements.

Ms. Kathy Lyn Allen, daughter of Richard and Kay Allen, recently competed in the U.S. Olympic Trials in the 200/400-meter individual medley events, and the 100/200-meter butterfly events. Kathy received consolation final honors for her performance in the 200-meter butterfly.

Ms. Celeste Jacroux, daughter of George and Pauline Jacroux, competed in the 500/1,000-yard freestyle events, as well as the 200-yard butterfly at the U.S. Junior National Swimming Championships.

Ms. Jodi Jackson, daughter of Steve and Nan Jackson, competed in the 100/200-yard butterfly events, and the 200-yard individual medley at the Junior National Championships. Jodi received consolation honors in the 100-yard butterfly.

Ms. Keiko Price, daughter of Ellis and Carol Price, competed in the 50-, 100-, and 200-yard freestyle events at the Junior National Championships.

Ms. Soo Yon Sung, daughter of Sa Young and Byung Sung, competed in the 100-yard backstroke at the Junior National Championships.

Mr. John "JR" Allen, son of Richard and Kay Allen, swam in the 100/200-yard backstroke events at the Junior National Championships.

Mr. John Flannigan, son of Jack and Robin Flannigan, competed in the 500-yard freestyle and the 200-yard backstroke at the Junior National Championships.

Mr. Kevin Loo, son of David and Diane Loo, swam in the 200/400-yard individual medley events at the Junior National Championships.

Mr. President, it is my privilege and honor to salute the achievements of these talented young swimmers from the State of Hawaii.●

TAIWAN CELEBRATES MAY 20, 1992

● Mr. CONRAD. Mr. President, I rise to note that today, May 20, 1992, marks the second anniversary of President Lee Teng-hui's first term in office and I wish to join my colleagues in wishing President Lee good fortune and the Republic of China continuing political stability and economic prosperity.

When visiting Taiwan several years ago, I was able to spend some time with President Lee. I was impressed. Since then, he has proven to be a successful leader of his nation. Under his leadership, Taiwan's economy has continued to grow, and Taiwan has had an impressively low unemployment rate. Just as important has been the steady progress toward more political freedom and democracy. Taiwan could serve as a model for reform in mainland China.

Our trade relationship with the Republic of China is one that is highly valued by the United States and mutually beneficial. While there have been some trade disagreements between our countries, as there are disagreements between any group of friends, we appreciate Taiwan's willingness to negotiate in good faith with us on these issues.

I would also like to acknowledge Ambassador Ding Mou-shih, Taiwan's representative in the United States. Much of the cooperative attitude and spirit between our countries is directly attributable to his presence. Ambassador Ding and his staff have made the working relationship between our two countries amiable and productive. I look forward to continued strong relations between the United States and the Republic of China.●

LISTEN TO OUR FUTURE

● Mr. SIMON. Mr. President, I have spoken out many times in the past couple of months about the unfortunate prevalence of hate crimes in our society. Now more than ever, in the wake of the Rodney King verdict and the ensuing violence in Los Angeles, we need to acknowledge the reality of racial and ethnic tensions in urban areas. We can no longer afford to ignore this problem. The unfortunate and tragic violence that erupted in Los Angeles is not just frustrating and dismaying. It is also indicative of the deeper problems that plague our Nation—the poverty, crime, the racial tensions, and the despair.

The Monday after the Los Angeles outburst, I chaired a hearing about the problems of Latinos in the Hispanic neighborhoods of Chicago. The one word I heard over and over again was hopelessness.

Mr. President, the Rodney King verdict exposed the true extent of this hopelessness. It is not just a problem, it is an epidemic.

I recently heard from a fifth grade class at the Robert Fulton School in Chicago. These 11 and 12-year-olds wrote to President Bush, expressing their thoughts and reactions to the Rodney King case. Their teacher, Ms. Marcia Williams, forwarded copies of these letters to me because these fifth graders wanted as many people as possible to hear what they had to say.

"Are African Americans people too? Don't we deserve the same kind of justices, the same opportunities?"

"I saw what happened to Rodney King on T.V. I was hurt and still am."

"This just shows me that the police, the courts, America doesn't see me as an equal partner."

"When will black people get the same chances and opportunities: Our country had let me down."

"It is obvious justice is only for whites, not for blacks. When will things change?"

Mr. President, we must now ask the question: "How can we do better?" We must take the time to listen to one another—to listen to those whom we may not ordinarily see or come in contract with. I ask to insert into the RECORD at this point, the full text of each of the letters I received. These letters express the frustrations of the fifth grade students at the Robert Fulton School. I would like to share their concerns with my colleagues. It is time to listen to what our future is saying.

The letters follow:

MAY 4, 1992.

DEAR PRESIDENT BUSH: I saw the Rodney King verdict. I was displeased with the decision, but I was also displeased with the reaction in L.A.

The four white officers should not have gone as far as they did with trying to arrested Mr. King.

But this just shows me the police, the courts, America doesn't see me as an equal partner.

Sincerely

DEMETRIK JOMES.

MAY 4, 1992.

DEAR PRESIDENT BUSH: I am a student at the Robert Fulton School. My name is Parnell Higgins. I am 10 years old, and in the fifth grade.

What I saw in L.A., was not right. It is not right for people to be taken out of their cars and beaten. However, it was not right at all for the policemen to have beaten Rodney King the unjust way that they did.

I saw what happened to Rodney King on T.V. I was hurt and still am.

No one should hurt anyone like that, and get away with it.

Sincerely,

PARNELL HIGGINS.

MAY 4, 1992.

DEAR PRESIDENT BUSH: What I saw and heard on the news that took place in L.A., was awful. Is America saying black people can't be treated fairly?

When will black people get the same chances and opportunities? Our country has let me down.

Sincerely,

ISIAH WASHINGTON.

MAY 4, 1992.

DEAR PRESIDENT BUSH: My name is Latoya Renee Whitehead and I attend Robert Fulton School. I dislike the way this case was handled concerning Rodney King.

I believe the four policemen who beat up on Rodney King had no right to do so. The only reason they did so was because he was a black man and only because he was a black man! It is obvious justices is only for whites, not for blacks. When will things change?

Sincerely,

LATOYA WHITEHEAD.

MAY 4, 1992.

DEAR PRESIDENT BUSH: I feel betrayed and outraged concerning the Rodney King verdict.

I am a young African Americans male, 12 years old. I have seen many injustices, in my life time.

I live in a community where things are not as good, as other communities.

I attend Fulton School on the southwest of Chicago. Our school lacks basic supplies like books, paper & pens. Yet you are willing to send money to Russia!

Mr. Bush, when are you going to help us? Are African Americans people too? Don't we deserve the same kind of justices, the same of opportunites?

Thank you for listening.

Sincerely,

MARVIN L. COOKS.

MAY 4, 1992.

DEAR PRESIDENT BUSH: My name is Aiesha Williams. I go to Robert Fulton School and I am in the 5th grade.

I don't like the way the Black people don't have the supplies in our school.

White people get every thing they need. We are tired of torn up shades, broken down desk and chairs, as well not enough books in our classroom. We want our schools to look the way schools should look. An environment where education can be a true learning experience.

Thank you!

Sincerely,

AIESHA LIYNETTE WILLIAMS.

MAY 4, 1992

DEAR PRESIDENT BUSH: My name is Christina Reyes Brown. I attend Robert Fulton School.

I think that those 6 white policemen had no right to beat Rodney King like a dog. It was not right for the jury to be all white. They should have let Rodney King tell his side of the story.

The reason there is so much crime is because you have taken every tool that was used to help people help themselves.

The money you give to other countries could be used for our country to help the people here.

Sincerely,

CHRISTINA BROWN.

MAY 4, 1992.

DEAR PRESIDENT BUSH: I think you're wrong because you give to your people and

take from ours. I am a African American 11 year old girl. All I see is things going wrong for black people. The Rodney King trial showed me that it is all right for six Police Officers to beat a blackman. Mr. Bush that is why there was rioting in 13 cities. We are sick of all these racism. We are sick of being treated like animals. We won't tolerate it anymore.

Mr. Bush have you ever visited a black inner city school or community? They look like pig pens, but the white community are clean. White schools have everything they need and more.

Next everyone says for black people to get jobs and make something of themselves. How, when there no jobs to get?

I guess its like they say "you can't teach an old dog new tricks." Mr. Bush however I hope America is not an old dog. Put our money where your mouth is!

Sincerely,

SYLVIA MATHLOCH•

COMMENDING RUBY HIRAISHI, OUTSTANDING EDUCATOR

• Mr. INOUYE. Mr. President, President Lyndon Johnson once said:

At the desk where I sit, I have learned one great truth. The answer for all our national problems—the answer for all the problems of the world—comes down to a single word. That word is "education."

Mr. President, it is most fitting that I rise today to commend Ruby Hiraishi, an outstanding educator from the State of Hawaii who was recently selected to receive the prestigious National Distinguished Principal Award from the National Association of Elementary School Teachers and the U.S. Department of Education.

Ms. Hiraishi, principal of Kapunahala Elementary School, has been an educator and administrator in the Hawaii public school system for almost 30 years. A graduate of the University of Hawaii, she also taught and held administrative positions at Kaneohe, Olomana and Hauula schools. Ms. Hiraishi was nominated and selected by her fellow principals through a statewide search process conducted by the Hawaii Elementary and Middle School Administrators' Association. I wholeheartedly concur with Ms. Hiraishi's belief that the school environment should be a nurturing, fun and challenging place where every person experiences growth and success.

The students of Kapunahala Elementary School are fortunate to have Ms. Hiraishi's dedication and commitment to educational excellence. Together with her high caliber faculty, she creates a setting which promotes good values, while encouraging the students' quest for knowledge and their desire to learn. As a proud product of Hawaii's public school system, I have fond memories of special teachers and administrators of days long past who sparked within me a passion for learning which has guided me through the years.

We place in the hands of our educators the monumental responsibility of educating Hawaii's and our Nation's future leaders. This is an awesome task we lay before them, with which I believe must also be laid our gratitude, support, and recognition.

Mr. President, it is my privilege and honor to join the students, parents, and faculty of Kapunahala Elementary School in saluting Ruby Hiraishi for her selection as Hawaii's 1992 recipient of the National Distinguished Principal Award.•

REGARDING THE TRUTH IN SAVINGS REGULATIONS

• Mr. MURKOWSKI. Mr. President, last year I offered an amendment to the banking bill (S. 543) to strike a provision in title V known as the Truth in Savings Act. I opposed this provision because it seemed like needless regulatory overkill that would increase the cost of doing business while doing nothing to improve the safety and soundness of the banking system.

WHAT THE PROVISION REQUIRES

Let me remind my colleagues what this provision requires. The Truth in Savings Act mandates that banks provide in account schedules the fees and interest rates applicable to the deposit accounts and places limitations on the manner in which institutions can calculate interest. Advertisements are subject to similar requirements.

This sounds simple enough. Many of my colleagues seemed confident that a provision this simple could not cost much to implement. In fact, my colleagues pointed out that most banks already provided this service so it would not cost much to mandate this service.

COSTS ARE REAL

Unfortunately, this is not the case. Ensuring that the account schedule fits exactly into the one required by the legislation imposes costs: lawyers will have to review the new law and existing account schedules and advertisements; new accounts schedules will have to be designed in the format required by the law as it is highly unlikely that any bank currently discloses and advertises fees in exactly the manner that would be required; old schedules will have to be retrieved and new ones distributed. Banks will have to audit compliance and prepare for examinations on compliance.

This process will have to be repeated every time the bank changes the terms of the account, or develops a new advertisement, or designs a new product. The potential liability for violations, even for technical and harmless ones, adds to the cost.

Unfortunately, the Senate voted to adopt the truth in savings provision on a 55–42 vote.

PREDICTION PROVES CORRECT

Mr. President, I regret to inform my colleagues that my predictions about the cost of implementing this simple provision are proving correct. The Federal Reserve has recently published proposed regulations to implement the Truth in Savings Act. New regulation DD implements this simple provision in 132 pages of highly technical boilerplate.

The total estimated cost of implementing the Truth in Savings Act is a whopping $278 million. I would recommend that my 55 colleagues that voted for this harmless provision should take the time to read these new regulations and see what they have created.

The estimated cost and proposed regulation follows:

Estimated cost of applying truth-in-savings, 1991

State:	*Millions*
	Millions
Alabama	$3.6
Alaska	.4
Arizona	3.3
Arkansas	2.1
California	27.6
Colorado	2.4
Connecticut	6.6
Delaware	3.7
Dist. of Col	1.4
Florida	12.9
Georgia	5.8
Hawaii	1.6
Idaho	.8
Illinois	14.9
Indiana	5.3
Iowa	3.3
Kansas	2.8
Kentucky	3.6
Louisiana	3.6
Maine	1.3
Maryland	4.8
Massachusetts	11.5
Michigan	8.3
Minnesota	4.8
Mississippi	2.1
Missouri	5.9
Montana	.7
Nebraska	1.9
Nevada	1.0
New Hampshire	1.6
New Jersey	10.3
New Mexico	1.2
New York	35.7
North Carolina	5.9
North Dakota	.7
Ohio	9.8
Oklahoma	2.6
Oregon	2.2
Pennsylvania	15.5
Rhode Island	1.6
South Carolina	2.1
South Dakota	1.2
Tennessee	4.4
Texas	15.6
Utah	1.1
Vermont	.7
Virginia	6.1
Washington	4.5
West Virginia	1.7
Wisconsin	4.3
Wyoming	.5
Puerto Rico and territories	1.6
United States	278.9

FEDERAL RESERVE SYSTEM

12 CFR Part 230

[Regulation DD; Docket No. R–0753]

TRUTH IN SAVINGS

Agency: Board of Governors of the Federal Reserve System.

Action: Proposed rule.

Summary: The Board is publishing for comment a new regulation, Regulation DD, to implement the Truth in Savings Act. The act requires depository institutions to disclose fees, interest rates and other terms concerning deposit accounts to consumers before they open accounts. The act requires depository institutions that provide periodic statements to consumers to include information about fees imposed, interest earned and the annual percentage yield on those statements. The act imposes substantive limitations on the methods by which institutions determine the balance on which interest is calculated. Rules dealing with advertisements for deposit accounts are also included in the law.

Dates: Comments must be received on or before June 10, 1992.

Addresses: Comments, which should refer to Docket No. R-0753, may be mailed to Mr. William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW., Washington, DC 20551. Comments addressed to Mr. Wiles may also be delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m. weekdays, and the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street NW. Comments may be inspected in room B-1122 between 9 a.m. and 5 p.m. weekdays, except as provided in §261.8 of the Board's rules regarding the availability of information, 12 CFR 261.8.

For Further Information Contact: Leonard Chanin, Senior Attorney, or Jane Ahrens, Kurt Schumacher, or Mary Jane Seebach, Staff Attorneys, Division of Consumer and Community Affairs, at (202) 452-2412 or (202) 452-3667; for the hearing impaired only, contact Dorothea Thompson, Telecommunications Device for the Deaf, at (202) 452-3544, Board of Governors of the Federal Reserve System, Washington, DC 20551. For information about the Board's proposed action concerning the recordkeeping and disclosure requirements under the Paperwork Reduction Act only, contact Frederick J. Schroeder, Federal Reserve Board Clearance Officer, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551, at (202) 452-3829, or Gary Waxman, OMB Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, room 3208, Washington, DC 20503, at (202) 395-7340.

Supplementary Information: (1) Background. The Truth in Savings Act (contained in the Federal Deposit Insurance Corporation Improvement Act of 1991, Public Law No. 102-242, 105 Stat. 2236) was enacted in December 1991. The statute directs the Board to issue final regulations by September 19, 1992, and provides that the statutory provisions and rules adopted by the Board shall apply six months after that date. Rather than delay action under the rulemaking moratorium issued by the President, due to the statutory timetable for implementing the act and the need for adequate time for public comment, the Board is going forward with the rulemaking process at this time.

The Board is proposing regulations for comment, and expects to adopt final implementing regulations by September 19, 1992. Compliance with the law would be mandatory by March 19, 1993.

The purpose of the statute and proposed regulation is to assist consumers in comparing deposit accounts offered by depository institutions, principally through the disclosure of fees, the simple interest rate, the annual percentage yield, and other account terms whenever a consumer requests the information and before an account is opened. The statute and regulation also require that fees and other information be provided on any periodic statement the institution sends to the consumer. Rules are set forth for the information contained in advertisements of deposit accounts and advance notice to account holders of adverse changes in terms. The statute and regulation place one substantive restriction on institutions' practices, that is, how institutions determine the account balance on which interest is calculated.

The Board is publishing proposed sample disclosure forms and model clauses to assist institutions in preparing their account disclosures. They appear in appendix B to the proposed regulation.

The Board is requesting comment on whether to eliminate the existing rules in Regulation Q (12 CFR Part 217), that require disclosures (§217.4) and that regulate advertisements for interest-bearing accounts at member banks (§217.6). As discussed more fully in the advertising section below, the Board solicits comment on whether Regulation Q's advertising rules should be eliminated or retained as part of Regulation DD. The Board has consulted with the other federal financial regulatory agencies as directed in section 269(a)(1) of the statute, and the agencies are considering whether to retain or eliminate their existing rules dealing with advertisments for deposit accounts.

(2) Proposed regulatory provisions. The Truth in Savings Act is quite detailed and, for the most part, the proposed regulation mirrors the statutory requirements. The statute recognizes that implementation of a comprehensive scheme such as this may require some adjustments and, in section 269(a)(3), it authorizes the Board to make "such classification, differentiations, * * * adjustments and exceptions * * * as, in the judgment of the Board, are necessary or proper to carry out the purposes of this Act, to prevent circumvention or evasion of the requirements of this Act, or to facilitate compliance with the requirements of this Act." The statute also authorizes the Board to vary the requirements with regard to several particular types of accounts.

The section-by-section description which follows points out those provisions that differ in any significant way from the statute—for example, creating an exception to a statutory provision, adding a disclosure, or departing significantly from the language of the statute—and explains why the differences exist. In addition, the section-by-section description in many cases indicates possible alternatives to the positions reflected in the proposed regulation and solicits comment on these alternatives. In those cases where the statute is not specific and parallel rules would be beneficial, the Board has borrowed definitions and provisions from other consumer regulations (for example, Regulation Z (12 CFR Part 226), which implements the Truth in Lending Act, and Regulation E (12 CFR Part 205), which implements the Electronic Fund Transfers Act).

Section 230.1—Authority, Purpose, Coverage and Effect on State Laws

Paragraph (c)—Coverage

The paragraph on coverage reflects the fact that the act and proposed regulation cover depository institutions, as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461). Thus the regulation would cover depository institutions such as national banks, state member banks, thrift institutions, and nonmember banks and savings banks, whether federally insured or not. This regulation does not apply to credit unions; those entities will be covered by rules issued by the National Credit Union Administration (NCUA). The act provides that the NCUA shall prescribe substantially similar regulations for credit unions within 90 days of the effective date of regulations established by the Board.

Securities brokers and dealers are not considered depository institutions under the act and proposed regulation. However, if advertisements for deposit accounts are placed by brokers and dealers who are deposit brokers, as that term is defined in section 29(g)(1) of the FDIC Act, they are subject to the advertising rules set forth in section 230.8. (See the supplemental information accompanying the definition of "advertisement.")

Paragraph (d)—Effect on State Laws

Section 273 of the act provides a narrow standard for preemption of state laws. To be preempted, a state law must be inconsistent with the disclosure provisions of the act and the implementing provisions of the regulation. A state law is preempted only to the extent of the inconsistency. While the statute refers only to disclosure requirements, the Board requests comment on whether the same standard should apply to all provisions of the law, including the payment of interest provision.

Section 230.2—Definitions

Paragraph (a)—Account

Section 274(1) of the statute defines an account as "any account offered to 1 or more individuals or an unincorporated nonbusiness association of individuals by a depository institution into which a customer deposits funds, including demand accounts, savings accounts, time accounts, and negotiable order of withdrawal accounts." The Board is proposing to define account as any deposit account available to, or held by, a consumer. The regulation would cover interest-bearing as well as noninterest-bearing accounts. It would include all accounts offered to consumers by depository institutions, whether those accounts are federally or state insured or uninsured. The Board solicits comment on whether the regulation should be limited to insured deposit accounts.

The Board does not believe the Congress intended to cover certain other accounts that may be offered by or through depository institutions, such as mutual fund accounts. Both the findings and purpose provisions of the statute speak of "deposit accounts" offered by institutions, and all of the examples listed in the statutory definition are the more traditional type of deposit accounts.

Similarly, the term "account" would not include a consumer's interest in the securities or obligations of a depository institution or any other entity that are being held by the institution on the consumer's behalf, or offered by the institution to the consumer. For example, the purchase of a government security or an annuity through a depository institution would not be an "account" subject to the regulation.

Some institutions permit consumers to open accounts denominated in a foreign currency. Typically, these accounts are offered as money market accounts, though certificates of deposit may be designated as foreign currency accounts. A consumer may purchase one or more of several currencies, de-

pending on the institution's program. Such accounts are eligible for deposit insurance, but are not insured for losses resulting from exchange rate fluctuations. Institutions may or may not pay interest on these accounts. These accounts may be subject to capital gains or losses due to fluctuations in exchange rates.

When such accounts are offered to or held by consumers (as opposed to businesses), the Board believes they meet the definition of an account and are covered by the regulation. In light of the risk of loss of principal for these accounts and the fact that they are not traditional accounts, consumers may not fully understand how they operate. Thus the Board is proposing special disclosure and advertising rules for these accounts. These proposals are discussed in the supplemental information accompanying section 230.4(b)(9) and 230.8(a).

Paragraph (b)—Advertisement

Under the act, each "advertisement, announcement, or solicitation" relating to an account at a depository institution must comply with specified rules. The act does not define advertisement. Under the Board's proposal, an advertisement (which includes any announcement or solicitation) is defined in the same manner as that term is defined under the Board's Regulation Z. Thus, an advertisement would be any commercial message appearing in any medium (for example, newspaper, television, or radio) if it directly or indirectly promotes the availability of an account.

The Board requests comment on whether some of the savings instrument "rate sheets" that are currently published in newspapers, periodicals, or trade journals should be considered "advertisements." Some rate sheet publishers gather information by simply calling various depository institutions and inquiring about their current rates; to this extent, they do not appear to be the type of commercial message intended to be covered.

The statute cover advertisements "initiated by a depository institution or deposit broker." The Board is proposing to define "advertisement" without regard to the party initiating it. In light of this approach, the Board does not have a definition of deposit broker in the proposed regulation, apart from the reference in section 230.1(c). The Board solicits comment on whether deposit brokers who place advertisements that refer to deposit accounts at depository institutions should be covered by the advertising rules. The question arises since the regulation only covers deposit accounts offered by depository institutions to consumers. If a third party, such as a deposit broker, opens an account (such as a large certificate of deposit) at an institution in its own name and then offers its own accounts to the public, the certificate of deposit does not appear to be a consumer account. (Tax information, for example, would be reported in the name of the third party.) Thus, an advertisement placed by a third party for its own accounts is not an advertisement for a consumer account. (This circumstance is clearly different from a third party who acts as an agent for a consumer and opens an account for the consumer at an institution—which would be covered by the regulation.) The Board solicits comment on whether non-agent third parties who advertise their own accounts based on accounts at a depository institution should be covered by the advertising rules.

Paragraph (c)—Annual Percentage Yield

The Board proposes that the regulation incorporate a definition of the annual percentage yield substantially the same as that stated in the act. The act defines annual percentage yield as "the total amount of interest that would be received on a $100 deposit, based on the annual rate of simple interest and the frequency of compounding for a 365-day period, expressed as a percentage calculated by a method which shall be prescribed by the Board in regulations." The proposal does not incorporate the reference to a $100 deposit, since the annual percentage yield calculation can be performed with any amount of principal, and the Board believes reference to $100 might be confusing, especially for accounts that have a higher minimum balance requirement to earn interest or that have a tiered rate structure.

In computing the annual percentage yield, the statute requires institutions to use a basis of 365 days. The Board believes this provision requires institutions to calculate an annual percentage yield by using a 365-day year. The Board proposes that the term "annual percentage yield" be used in both advertisements and disclosures to ensure uniformity and facilitate easy comparisons. (If multiple annual percentage yields are stated, for example, for tiered rate accounts, the term "annual percentage yields" may be used.)

Paragraph (e)—Bonus

The Board proposes to define the term "bonus" to encompass any cash, premium, gift, award, or other consideration (except interest due to the application of a periodic rate) regardless of the form the payment takes. Thus, it is intended that anything of value that is given or offered to a consumer, aside from interest, would be a bonus for the purposes of this regulation. Under the proposal an item could be a bonus if a depository institution gave or offered such a premium to a third party, rather than to the consumer.

Paragraph (f)—Business Day

The Board is proposing to define business day as one during which the offices of the institution are open for carrying on substantially all business functions. This definition is the same one used in other regulations of the Board (such as Regulation Z and Regulation E) and the Board believes this same approach would work well for this regulation.

Paragraph (g)—Consumer

The act does not define the term "consumer." It is clear from the act and legislative history that the protections were intended to apply only to consumer purpose—and not business purpose—accounts. For instance, in section 262, strengthening "the ability of the consumer to make informed decisions regarding deposit accounts" is among the act's goals. Moreover, the statutory definition of an "account" is expressly limited to those "offered to 1 or more individuals or an unincorporated nonbusiness association of individuals . . ."

The Board proposes to use the term "natural person" rather than "individual" and to add the term "primarily for personal, family, household, or other non-business purposes" to the definition. A similar definition has worked well in Regulation Z in determining whether credit is for a consumer purpose, and the Board believes it would be equally helpful in determining coverage for deposit products.

The statute does not expressly exclude from coverage accounts held by, or offered to, individuals operating businesses in the form of a sole proprietorship. The Board proposes to *not* cover such accounts, on the grounds that the act is aimed at protecting consumers. On the other hand, an account held by or offered to an unincorporated association of natural persons (such as a softball team or a book club) would be a consumer account covered by the proposed regulation if that account is primarily for non-business purposes. The Board does not believe an account held by an incorporated, not-for-profit organization is covered by the law, since the act limits its protection to unincorporated associations.

If the legal holder of an account is a natural person, and the account is primarily for a personal, family, household, or other non-business purpose, it would be covered by the regulation. The Board requests comment on whether the regulation should cover an account such as a custodial account, in which a natural person (or unincorporated nonbusiness association of persons) is a beneficial owner but the legal holder (the custodian) may or may not be a consumer. There may be circumstances where the act's purposes are served by requiring disclosures for accounts held by custodians that are not natural persons. There may be other custodial accounts, however, such as those held by institutional investors (for example, a pension plan administrator) for numerous consumers, where disclosures are not needed.

Paragraph (h)—Depository Institution and Institution

Section 274(6) of the act defines a "depository institution" as that term is defined in "clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act." The Federal Reserve Act includes in its definition any insured bank or any bank that is eligible to apply to be insured under the Federal Deposit Insurance Act (FDIA). The FDIA definition of an insured bank includes a foreign bank that has an insured branch as well as any other bank with deposits insured in accordance with the FDIA. Based on these definitions, the Board believes the statute's coverage is very broad, and covers both state and federally chartered institutions, regardless of whether or not the institution is insured (by federal, state, or private insurance). Foreign banks that meet this definition also would be covered.

As discussed in section 230.1, the proposed regulation does not apply to credit unions.

Paragraph (i)—Interest

This definition states that bonuses and similar offers do not constitute interest for purposes of the regulation. This differs from the interpretation of the rule in Regulation Q (12 CFR 217.2(d)), which does include bonuses as part of its definition of interest, due to the prohibition of paying interest on demand accounts, and the fact that in that context a bonus is the equivalent of interest. The proposed definition makes clear that a depository institution's practice of charging higher fees to non-account holders than to account holders does not make the differential "interest." Also, an institution's absorption of expenses incident to providing a normal banking function or its forbearance from charging a fee in connection with a service is not considered to be a payment of interest.

Paragraph (j)—Periodic Statement

The statute does not define "periodic statement," although the term, or similar term "account statement," is used in two provisions (sections 266 and 268). Section 266(e) of the statute (which requires a notice to be given to existing account holders) refers to account statements provided on a quarterly basis. The Board has looked to this provision and to requirements in other regu-

lations in defining periodic statement. For example, Regulation E requires a periodic statement to be provided monthly if electronic transfers have taken place, but at least quarterly if no transfer has occurred. In addition, Regulation Z generally provides that periodic statements must be provided at the end of any billing cycle—which must be at least quarterly—for open-end credit accounts. The Board believes this approach has worked well and proposes to define periodic statement as one sent on a quarterly or more frequent basis. The Board solicits comment on whether this is an appropriate time interval, or whether a narrower or broader definition is more appropriate. The Board also solicits comment on whether a longer time interval should be applied to statements sent on accounts such as time deposits.

An example of a periodic statement is a monthly statement for a NOW account which sets forth account information, such as a listing of transactions. On the other hand, regularly providing general service information to consumers which does not discuss specific transaction activity or other aspects of a particular consumer's account (for example, a quarterly newsletter describing services and other deposit accounts) would not be considered a periodic statement.

If an institution sends a periodic statement due to other legal requirements (for example, if the account can be accessed by electronic fund transfers and is covered by Regulation E), then such a statement would be a periodic statement for purposes of this regulation. Also, if an institution provides a combined statement containing both credit and deposit account activity, such a statement would be covered by the periodic statement rules.

Paragraph (k)—Simple Interest Rate

Section 274(3) of the statute defines the "annual rate of simple interest" as "the annualized rate of interest paid with respect to each compounding period, expressed as a percentage." The Board is proposing to simplify the phrase and reword the definition to clarify that the "simple interest rate" is the rate of interest paid without regard to compounding, shown as an annual figure and expressed as a percentage.

Section 274(3) of the act also provides that the simple interest rate may be referred to as the "annual percentage rate." The Board is proposing to require that institutions refer to this figure using the term "single interest rate" and to permit institutions to use the term "annual percentage rate" only in addition to the term "simple interest rate" and only for account disclosures (not in advertisements).

The Board believes it is essential to assist consumers in comparing accounts to require the use of standardized terminology in this area. The Board believes it may be confusing for prospective account holders to see the same figure labeled as the "simple interest rate" in some advertisements and disclosures and as the "annual percentage rate" in others. Also, the term "annual percentage rate," as required to be disclosed under Regulation Z, is commonly understood by consumers to encompass the *total cost* of credit—including both interest *and other finance charges*. The Board is concerned that consumer confusion may result if the term "annual percentage rate" is used to designate a simple interest rate for the consumer's deposit account at a depository institution, if the same terminology is used to designate a rate that includes both simple interest and, for example, points, for the consumer's mortgage loan with the same institution. Since the potential for confusion is greatest in advertisements, the Board proposes to permit use of the term "annual percentage rate" only in the account disclosures and then only in addition to the term "simple interest rate." In no cases would an institution be required to refer to the simple interest rate as the annual percentage rate.

Paragraph (m)—Stepped Rate Account

The act defines "multiple rate" accounts, and authorizes the Board to adjust its general annual percentage yield disclosure rules to ensure that meaningful disclosures are provided for such accounts. The Board proposes to define "stepped rate" and "tiered rate" accounts, both of which would be "multiple rate" accounts under the statute. While both accounts involve multiple rates, the characteristics of each have different implications for calculating and disclosing the annual percentage yield.

The Board proposes to define stepped rate accounts as those in which two or more simple interest rates (known at the time the account is opened) will take effect in succeeding periods. An example of a stepped rate account is a one-year certificate of deposit in which a 5.00% simple interest rate is paid for the first six months, and 5.50% for the second six months.

Paragraph (n)—Tiered Rate Account

The Board proposes to define tiered rate accounts as those in which two or more simple interest rates paid on the account are determined by reference to a specified balance level. An example of a tiered rate account is one in which an institution pays 5.00% simple interest rate on balances below $1,000, and 5.50% on balances $1,000 and above. There are two types of tiered accounts which are described more completely in appendix A, Part I, (D).

Paragraph (o)—Variable Rate Account

The statute does not define variable rate accounts, but section 265 of the act authorizes the Board to adjust its annual percentage yield disclosure rules for such accounts. The legislative history accompanying the law also indicates that modifications to the act's advance notice requirement for changes in terms were contemplated for variable rate accounts (see discussion of proposed section 230.5 below). The Board requests comment on how variable rate accounts may best be defined to further the purpose of the act. Two alternative definitions are included in the proposed regulation.

Classifying an account as a "variable rate" has two implications: (1) the Board is proposing certain additional account disclosures for those accounts in section 230.4(b)(1)(ii); and (2) the Board is proposing to exempt rate decreases on a variable rate account from the change in terms rule (see the discussion of changes in terms in section 230.5).

A variable rate account clearly would include one with rates based on either an external or an internal index—for example, if an institution tied rate changes to the 1-year Treasury bill or to the institution's own "prime" rate. The majority of institutions, however, currently set rates based on a variety of factors and do not tie changes to an identifiable index.

The first alternative in the proposed regulation would define a variable rate account narrowly, as one tied to an index (either an external or an internal index).

The Board solicits comment on whether the definition of a variable rate account should be broader, so as to encompass all accounts which, pursuant to an account agreement, permit the institution to change the rate at the election of the institution. The Board is aware that most if not all institutions routinely include a contractual right to change rates in their account agreements (other than time deposits), although in some cases the right is seldom exercised and holders of such accounts likely consider the account to be fixed rate. The Board is concerned that, if the definition of a variable rate account encompasses all such situations, consumers who view their accounts as essentially fixed rate accounts would not receive advance notice of rate changes.

One way to deal with this is reflected in the second alternative in the proposed regulation. It would treat as fixed rate those accounts where the institution contracts to provide at least a 30-day advance written notice of rate changes. This would provide a way for institutions that prefer to offer—and consumers who prefer to hold—"fixed-rate" accounts to do so, while providing the advance notice the Congress intended. In other cases, where the institution does not commit itself to a 30-day notice, the accounts would be variable rate accounts, and would not require advance notice when rates changed. For those accounts in which the institution does not guarantee the rate for at least 30 days, it would be required to give full disclosure of the variable rate feature when the accounts are opened (under proposed section 230.4(b)(1)(ii)).

The Board considered a variety of other approaches to defining a variable rate account. For example, it could be viewed as one in which the institution expressly provides for the option to change the rate at a specified frequency, such as every week or every month. Adoption of such an approach may not be effective in distinguishing between fixed and variable rates, however, since institutions could add such a "variable rate feature" by simply modifying their agreements to reflect such a right without changing their pricing practices in any way.

Another alternative considered was to define as variable rate accounts those in which the rate had in fact changed a specified number of times during a specified prior period. Although such an approach has the appeal of being based on actual experience, the Board is concerned that compliance would be complicated and cumbersome.

The Board expressly solicits comment on the two alternatives reflected in the proposal, the advantages and disadvantages of each, and any other alternatives.

Section 230.3—General Disclosure Requirements

Paragraph (a)—General

Section 264 of the act requires depository institutions to maintain a written schedule of fees, interest rates and other terms applicable to each class of accounts offered by the depository institution. The statute requires the disclosures to be written in "clear and plain language." The proposed regulation requires information to be disclosed "clearly and conspicuously," the standard required by other regulations adopted by the Board, such as Regulation Z. The Board believes that use of a commonly used and understood standard facilitates compliance with the law and carries out the act's requirement that disclosures be written in clear and plain language. For uniformity, the format requirement of "clear and conspicuous" would apply to all disclosures provided to consumers, including the change in terms notice and information given on periodic statements, and not just the account opening disclosures. The Board also proposes to include a provision requiring disclosures to reflect the legal obligation between the parties in order to

provide guidance about the basis for disclosures; this parallels the standard used in Regulation Z. The proposal would require that disclosures be provided in a form the consumer can retain, since that seems to be clearly what the Congress intended in order to facilitate comparison shopping. Disclosures need be made only as applicable. Therefore, disclosures for noninterest bearing accounts would not include disclosure of an annual percentage yield, simple interest rate, or any other disclosures that pertain to interest calculations.

The Board is not proposing a rule dealing with the use of estimates in making disclosures. Regulation Z contains such a provision since many fees are not within the control of the lender, and since the timing of a transaction may not be precisely known when disclosures are required to be provided. Regulation E does not contain a rule permitting estimates, and it seems more analogous to this regulation on this question. Since the fees to be disclosed are those established by the institution and are not a function of the amount deposited by the consumer, the Board does not believe a rule on estimates is needed. The Board solicits comment on this issue.

The proposed regulation provides depository institutions with flexibility in designing the order of the disclosures, so long as the information is presented in a format that allows consumers to readily understand the terms of their own accounts. The disclosures required by the regulation may be made on more than one page and may use both the front and reverse sides, as long as the pages are part of one document. Institutions could use inserts to a document or fill in blanks to show current rates. Since rates may change on a frequent basis and rate information needs to be current, the Board believes requiring such information to be preprinted in a document could impose substantial costs and burdens on institutions, with no particular benefit to consumers.

In designing the account disclosures, depository institutions have several alternatives. Institutions could prepare a single document that contains disclosures for all accounts offered, or prepare different documents for different types of accounts. For example, institutions may provide a single document for all transaction accounts, such as NOW and demand deposit accounts. Institutions that choose to combine information about accounts would have to clearly indicate the terms that apply to the account selected by the consumer. (See, for example, the approach taken in B-3 Sample Form, in Appendix B.) Institutions may provide disclosures for each type of account, such as a document that describes all time deposits offered. The regulation also would permit institutions to provide disclosures describing a single account product; for example, an institution offering three different NOW accounts may provide a separate document for each account. In all of these situations, the Board proposes to permit depository institutions to include in the document containing the account disclosures contract terms and other disclosures that relate to the account, such as disclosures required by Regulation E or by Regulation CC (12 CFR part 229), which implements the Expedited Funds Availability Act.

The regulation does not require any particular type size or typeface, nor does it require any term to be stated more conspicuously than any other term in the account disclosures. Sections 230.4(b), 230.6(a) and 230.8 of the regulation would require the "annual percentage yield" (and, in some cases, the "simple interest rate") to be so labeled in account disclosures, periodic statements and advertisements. Apart from this, there is no required terminology.

Finally, the act and regulation do not contain any special requirements regarding whether disclosures may be made in a foreign language rather than in English. Regulation Z allows creditors in Puerto Rico the option of providing disclosures in Spanish, so long as those that do so furnish disclosures in English upon request. The Board requests comment on whether the purposes of the act would be furthered by permitting institutions to deliver disclosures in other languages (in Puerto Rico or elsewhere), provided that disclosures in English are furnished upon request.

Paragraph (b)—Multiple Consumers

The Board proposes that in the case of an account held by more than one consumer, institutions could provide the account disclosures to any consumer who holds the account. Similarly, if the account is held by a group or organization, depository institutions may provide the disclosures to any one individual who represents or acts on behalf of the group.

Paragraph (c)—Oral Responses to Inquiries

The Board is proposing to add this rule to the regulation, which has no counterpart in the statute. Since consumers may call institutions to obtain rate information, the Board believes it is important for uniformity and comparison shopping that any rates quoted be stated as an annual percentage yield. The regulation would also permit institutions to state the simple interest rate, but would prohibit any other rate. An approach similar to this is used in Regulation Z.

Section 230.4—Account Disclosures

The statute requires institutions to maintain an "account schedule" that is provided to consumers before an account is opened, and under certain other circumstances. The Board proposes to use the more general and commonly understood terminology of "disclosures" (rather than schedule) in connection with the information required to be provided to consumers.

Paragraph (a)—Delivery of Account Disclosures

Paragraph (a)(1)—Account opening. Section 266 of the act requires account disclosures to be provided before an account is opened or a service is rendered. The act also allows the disclosures to be sent within 10 days of "the initial deposit" if the consumer is not physically present when the deposit is accepted and the disclosures have not been provided previously. To simplify the timing rules, the proposed regulation applies the 10-day rule to the provision of services, as well as to opening accounts, and defines the period as 10 business days rather than calendar days. The Board solicits comment on whether business days or calendar days should be used in setting forth the timing rules.

The statute suggests that institutions are required both to "maintain" a schedule and to provide it to consumers in the designated circumstances. The Board believes that by providing disclosures as required by the act and regulation, institutions satisfy the statutory requirement to "maintain" a schedule. Thus, the regulation would not place an independent duty on institutions to "maintain" schedules or disclosures.

The Board believes the provision requiring disclosures to be given before a service fee is imposed covers the infrequent circumstance where a fee is assessed for a service prior to the opening of an account. For example, if an institution obtained a copy of a consumer's credit report and charged the consumer for the report prior to opening the account, the institution would have to provide the consumer with the account disclosures prior to assessing the fee. This provision, however, does not require institutions to give disclosures to existing account holders prior to imposing a service fee connected with the account, such as for stopping payment on a check or transferring funds into or out of an account by wire.

If an account is opened or a service is requested by means such as telephone, wire transfer or mail, the account disclosures must be mailed or delivered within 10 business days of the time the account is opened or service is provided. This timing rule would apply, for example, if a consumer opens a time deposit by mailing in the funds. Institutions would comply with the provision if the account disclosures are mailed or delivered to the consumer at the address shown on the records of the depository institution.

The statute states that disclosures need not be provided to the absent consumer if the disclosures were previously provided. The Board believes that institutions may rely on this provision only if the disclosures previously provided contained information about fees, interest rates, and other terms of the account that are still current. The Board requests comment on whether it would be desirable to specify a time limit, for example, 60 days, beyond which prior disclosures would be deemed not to be current—even if they have not changed.

Paragraph (a)(2)—Requests. The act requires that the account disclosures be made available to any person upon request. The proposal implements the act by requiring depository institutions to mail or deliver the disclosures no later than three business days following receipt of a consumer's oral or written request. Requests are likely to come from consumers who are comparison shopping for accounts. While a timing rule of 10 days (business or calendar days) may be appropriate when providing written disclosures to a consumer who has already decided to open an account by mail or telephone, the Board believes it would be more consistent with the act's goals if a consumer's request for account disclosures were fulfilled within a shorter time period, since it is likely the consumer is shopping for an account. Three business days is a timing rule used in Regulation Z for certain transactions, and the Board believes that the rule would work well for this regulation. The Board solicits comment on whether it is necessary to establish a specific time period in which institutions must respond to requests for disclosures, and whether the appropriate period should be three business days or longer, such as 10 business days. (Of course, when the consumer is present at the institution and requests information about an account, the disclosures must be given at that time.)

The Board believes an institution would *not* have a duty to provide account disclosures if a consumer merely asks about current rates for an account. For example, the common practice of telephone inquiries about rates and yields on certificates of deposit would not trigger an institution's duty to send disclosures to the caller—so long as the consumer does not ask for such information to be sent.

Paragraph (a)(3)—Renewals of time deposits.—Paragraph (a)(3)(B)—Time deposits that

renew automatically. The renewal of a time deposit is the equivalent of opening another account, and requires a set of disclosures about the new account, as stated in paragraph (a)(3)(A) of this section. The act requires account disclosures to be provided to consumers at least 30 days prior to the maturity of a time deposit that is renewable without notice from the consumer ("automatically renewable" or "rollover" time deposits). The proposed regulation requires depository institutions to mail or deliver the account disclosures described in §230.4 to such consumers, but creates an exception for short-term time deposits. The proposed regulation would not require institutions to provide an advance copy of disclosures for automatically renewable time deposits with a maturity of three months or less. In such cases, institutions would provide disclosures no later than 10 business days after the account is renewed.

The legislative history accompanying the act recognizes that the Board may wish to establish special rules for short-term time deposits. (See the Committee Report accompanying H.R. 2654, of the Committee on Banking, Finance and Urban Affairs, September 12, 1991.) Two policy reasons for providing advance notice to consumers with automatically renewable time deposits are: (1) To remind the consumer that the account is nearing maturity and that funds will be reinvested for a set period of time (thus limiting access to funds) if the consumer does not act; and (2) to give the consumer an opportunity to comparison shop before reinvestment occurs. The Board believes consumers with short-term accounts do not have the same need of a reminder of impending maturity as do those with longer term instruments. Furthermore, a consumer may derive little or no benefit by receiving a second virtually identical set of disclosures, for example, 15 days after purchasing a 45-day certificate of deposit. In addition, compliance with a 30-day advance notice requirement would literally be impossible for very short-term instruments (such as 7-day certificates of deposit).

The Board solicits comment on whether the proposed exception from advance disclosures should be made for short-term accounts, and, if so, whether a three-month period is the appropriate cutoff.

The Board considered other alternatives for creating an exception from the advance disclosures for short-term automatically renewable deposits, such as a tiered approach. For example, institutions could be required to give account disclosures 30 days prior to maturity for deposits with a maturity greater than six months, 15 days for accounts with a maturity between one and six months, and no advance disclosures for accounts less than one month. The Board solicits comment on this tiered approach, as well as the timing requirements and cutoffs that might be used in such an approach.

One problem presented by the 30-day advance disclosure requirement for both short- and long-term accounts is that the simple interest rate and the annual percentage yield generally will not be known at the time disclosures must be given. The Board does not believe the statute requires institutions to "lock in" or guarantee the rates for an account at the time of the advance notice. The Board proposes as an alternative to stating the simple interest rate and the annual percentage yield in effect at the time the advance notice is sent, that institutions instead state that the simple interest rate and the annual percentage yield for the account have not yet been determined, the dates when they will be determined, and a telephone number the consumer can call to obtain the simple interest rate and the annual percentage yield that will be paid when the account is renewed. The Board believes this approach would facilitate comparison shopping.

The Board considered an alternative approach: requiring institutions to provide consumers with an annual percentage yield that is current when the notice is provided, but that may change before the time deposit renews. The Board is concerned, however, that consumers might believe the annual percentage yield disclosed in an advance notice would be the annual percentage yield applicable for the renewed account. Since the annual percentage yield could fluctuate between the time the disclosures are sent and the renewal date, stating the rate at the time of mailing could thus be misleading. The Board believes consumers would be better served by receiving the actual annual percentage yield that will apply, even if they must contact the institution to do so. Furthermore, since consumers who received an advance annual percentage yield would likely have to call the institution to determine the current annual percentage yield at the time of renewal anyway, the alternative of including the most recent annual percentage yield appears to be of little benefit to consumers.

Institutions with short-term time deposits proposed to be exempt from the advance disclosure rule would still be required to provide disclosures under the general rule (within 10 business days after the account is renewed). The Board proposes, however, that if institutions choose to provide advance account disclosures 30 days prior to the rollover date for those accounts, additional disclosures would *not* have to be provided at renewal—even if the exact simple interest rate and annual percentage yield had not been disclosed earlier. The Board solicits comment on this proposal.

Paragraph (a)(3)(C)—Time deposits that renew by consumer request. For non-automatically renewable time deposits (that is, those that are renewed only if the consumer affirmatively requests the institution prior to or at maturity to renew the account), institutions would provide account disclosures in accordance with the normal timing rules—within 10 days of renewal if not done in person.

Paragraph (b)—Content of Account Disclosures

Paragraph (b)(1)—Rate information—Paragraph (b)(1)(A)—Annual percentage yield and simple interest rate. Institutions would be required to disclose the "annual percentage yield," using that term, computed in accordance with Appendix A, Part I. Institutions also would be required to disclose the "simple interest rate," using that term, and would be permitted to use the term "annual percentage rate" in addition to the simple interest rate. (See the discussion in the supplementary information accompanying §230.2 (c) and (k) regarding the proposal to use standardized terminology for these figures.) Institutions must also disclose the period of time the simple interest rate will be in effect. This requires institutions to state the length of time, if any, the institution guarantees that this rate will continue to be paid after the account is opened. If an institution does not guarantee a rate for any period of time beyond the day the account is opened, the Board does not propose to require that fact to be stated, since the variable rate disclosures would reflect this fact.

If an institution sets a minimum balance to earn interest, for example $400, the institution would *not* have to state that the annual percentage yield is 0% for those days the balance in the account drops below $400.

In the case of stepped rate accounts, each simple interest rate and the period of time each will be in effect would be provided. For example if an institution offered a 1-year certificate of deposit with a simple interest rate of 5.00% for the first six months and 5.50% for the second six months, it would disclose both simple interest rates, the corresponding annual percentage yield (5.39%, assuming interest is compounded daily), and the fact that each simple interest rate would be in effect for successive six month periods. An institution offering tiered rate accounts would disclose each simple interest rate along with the corresponding annual percentage yield (or range of annual percentage yields if appropriate) for that specified balance level. For example, if an institution pays a 5.00% simple interest rate for balances below $1,000 and a 5.50% simple interest rate for balances $1,000 or above, both rates would have to be provided, as well as the annual percentage yields that would apply to the account. (See Appendix A for the calculation of the annual percentage yields for stepped rate and tiered rate accounts.)

Paragraph (b)(1)(B)—Variable rates. The statute does not expressly require specific additional disclosures for variable rate accounts. (See the supplemental information to §230.2(o), where a variable rate account is defined.) Sections 264(d) and 265(2) of the act, however, recognize that the Board may wish to prescribe specific disclosures for variable rate accounts. The Board proposes to require certain basic information about a variable rate feature in the account disclosures. These disclosures are similar to the abbreviated variable rate requirements for open-end credit found in Regulation Z.

Institutions offering variable rate accounts would be required to state that the simple interest rate and annual percentage yield may change. They would also have to explain how the simple interest rate is determined. For example, if the simple interest rate is tied to the 1-year Treasury bill plus or minus a specified margin, the index must be clearly identified and the specific margin stated. If "variable rate account" is defined broadly (see the discussion of §230.2(o) above), an institution that contractually reserves the right to change rates and does not tie changes to an index would disclose that rate changes are solely within the institution's discretion. Depository institutions would also be required to explain the frequency with which the simple interest rate may change. For example, if the institution retains the right to change the rate on a weekly or monthly basis, that would be stated. Institutions that reserve the right to change rates at any time would state that fact.

If the deposit contract places any limits on the amount the simple interest rate will change at any one time or for any period, that would be stated. For example, if the institution places a floor or ceiling on rates or provides that a rate may not decrease or increase more than a specified amount during any time period that would be disclosed.

The proposed regulation refers to the simple interest rate rather than the annual percentage yield in discussing the variable rate disclosures. The Board believes this is more accurate since changes in the annual percentage yield derive from changes in the simple interest rate.

Paragraph (b)(2)—Time requirements. This provision requires institutions to state any time requirement for time deposits, that must be met to obtain the annual percentage yield. Thus, an institution would state the maturity date for certificates of deposit.

Paragraph (b)(3)—Compounding and crediting. The proposed regulation requires institutions to disclose the frequency with which interest is compounded and credited. If the frequency of either would change if the consumer does not meet a minimum time requirement, or under any other circumstance, such frequency would also have to be disclosed. (See the supplemental information accompanying §230.7(b) for a discussion of crediting practices.)

Paragraph (b)(4)—Balance information—Paragraph (b)(4)(A)—Minimum balance requirements. This provision requires institutions to disclose any minimum balance required to open the account, to avoid the imposition of fees, or to obtain the annual percentage yield. For example, if an institution provides that a $3 fee will be assessed if the average daily balance drops below $500, that provision would have to be disclosed. Institutions would also have to describe the method they use to determine that balance. The explanation of the balance computation methods can be combined with the disclosure under paragraph (b)(4)(B) if the methods are the same. Institutions would not be required to describe the method used to determine the balance needed to open the account, since it is simply the dollar amount that must be deposited by the consumer.

Paragraph (b)(4)(B)—Balance computation method. Institutions would be required to describe the method used to determine the balance on which interest is paid. (See discussion of section 230.7(a) regarding permissible balance computation methods.) Thus, if the institution uses the daily balance method it would state that it uses the daily balance method and could describe it as one in which interest is computed by applying a periodic rate to the principal balance in the account each day. If it uses the average daily balance method the institution would state that and describe the method as one in which interest is computed by applying a periodic rate to the average balance in the account for the period or cycle, with the average balance calculated by adding the balance in the account for each day of the period or cycle, and dividing that sum by the number of days in the period or cycle.

The Board solicits comment on whether institutions also should be required to disclose when they begin to accrue interest on noncash deposits. For example, some institutions begin to pay interest on the day such a deposit is received by the institution (sometimes called the "ledger balance" method). Others begin paying interest no later than the business day specified in section 606 of the Expedited Funds Availability Act and its implementing Regulation CC (the "collected balance" method).

Paragraph (b)(5)—Fees. The statute requires disclosure of fees that may be assessed against the "account holder" as well as against the account. The Board believes the wording of the proposal, which requires disclosure of all fees that may be assessed in connection with the account, captures the same information required by the statute.

The statute requires the Board to specify, in the regulation, which fees must be disclosed. Since the proposal requires all fees assessed in connection with the account to be disclosed, the Board is not proposing to list in the regulation every fee that might be imposed. The proposed regulation does not mandate terminology for fees, and the Board does not believe that all fees could be identified by name in the regulation in any event. Institutions use different names to describe the same type of fee. For example, a monthly fee imposed regardless of the consumer's balance or activity might be identified as a "monthly service" fee, a "monthly maintenance" fee, or simply "monthly" fee.

The proposed regulation requires institutions to state the "conditions" under which the fee may be imposed. The Board believes that typically the name and description of the fee will satisfy this requirement. For example, if an institution charges a $.25 fee for each ATM withdrawal from an account, and describes it in that manner, no further information need be provided.

While the Board believes any attempt to list all fees by name would be ineffective, the Board is providing guidance as to the types of fees that are and are not "assessed in connection with the account." Fees that may be assessed in connection with the account would include, for example, maintenance fees, fees charged for each check written on an account, fees to obtain or use an access device (such as a debit card), fees due to lack of account activity for any period of time, wire transfer fees, and fees to have checks printed. The type of fee required to be disclosed under this section is a broader category than the "maintenance or activity fee" discussed in the advertising rules in section 230.8(a). For example, under section 230.4(b)(5), institutions would disclose fees relating to checks that have been returned unpaid and fees to stop payment on a check, even though these would not be deemed an "activity" or "maintenance" fee for purposes of section 230.8(a).

Fees that may be charged to a consumer for services unrelated to the account—and that would be assessed against nonaccount holders—such as fees to purchase a cashier's check or to lease a safe deposit box are not required to be disclosed. Such fees need not be disclosed even if the amount of the fees differ for account and nonaccount holders.

Paragraph (b)(6)—Transaction limitations. The statute requires institutions to disclose the "terms and conditions * * * and account restrictions" applicable to accounts. The Board believes this requires institutions to state any limitations on the number or amount of deposits or withdrawals, or checks that may be written on an account for any time period. If an institution does not permit withdrawals or deposits (for example, for a time deposit) that fact would have to be stated.

Paragraph (b)(7)—Early withdrawal penalties. Proposed section 230.4(b)(7) implements section 264(c)(10) of the statute. The act requires institutions to disclose any requirement relating to the nonpayment of interest, including any early withdrawal penalty. The statute places no limitation on how early withdrawal penalties are calculated. The Board proposes to limit this requirement to time deposits, although the statute does not explicitly do so, since an early withdrawal contemplates a maturity date, which exists only in time deposits.

Section 264(c)(9) of the statute requires institutions to provide a statement, if applicable, that interest that has accrued but not been credited to the account at the time of a withdrawal will not be paid (or credited) due to the withdrawal. The regulation does not contain a parallel provision because, to the extent this is read to refer to a practice other than the imposition of early withdrawal penalties, it appears to conflict with section 267 of the statute. As discussed below in connection with section 230.7(a), section 267 of the statute requires institutions to calculate interest on the full amount of principal in the account each day and prohibits calculating interest using methods such as the "low balance" method. The Board believes the Congress did not intend the disclosure provisions of section 264 to be interpreted as overriding the general rule regarding payment of interest. Thus, the Board believes institutions may not fail to pay interest on amounts withdrawn, and so this disclosure is inapplicable. As stated above, however, institutions may impose early withdrawal penalties on time deposits and may use any method they choose to calculate the amount of the penalty. (Model clause B-1(h), in appendix B, provides three examples of how early withdrawal penalties may be determined.)

Paragraph (b)(8)—Renewal policies. For time deposits, the Board proposes to require institutions to include a statement of whether or not the account will automatically renew at maturity. The statute does not expressly mandate disclosures of an institution's policies about renewal, but does require institutions to disclose the "terms and conditions" applicable to accounts generally. In addition, section 264(d) of the act recognizes that the Board may wish to require information to be given regarding renewal policies for time deposits.

The Board believes it is important for consumers to be informed whether a time deposit will automatically renew or whether the consumer must contact the institution at a later time to renew an account, since time deposits limit the consumer's access to his or her funds in a way other accounts do not. The Board also proposes to require institutions to disclose what will happen to funds after maturity if the consumer does not renew the account, in the case of "non-rollover" accounts. For example, an institution might disclose that the funds will be placed in a non-interest bearing account. The Board solicits comment on whether institutions also should be required to disclose whether the rollover account has a "grace period" (a period after maturity during which the consumer may withdraw the funds without being assessed a penalty) and the length of such a period.

Paragraph (b)(9) Potential loss of principal. As discussed in the definition of "account" in §230.2, the Board believes accounts denominated in a foreign currency that are offered to or held by consumers are covered by the statute. The Board believes that in light of potential changes in exchange rates, consumers are especially in need of certain disclosures to ensure they are aware of how these products operate. Any significant decline in the value of the currency may result in a loss of principal for the consumer, which is typically not a risk associated with other accounts covered by the law.

For these—and any other accounts offered—that involve the risk of loss of principal (other than when that "loss" is due to an early withdrawal penalty for a time deposit), the Board proposes to require institutions to disclose this fact. Thus for foreign currency accounts, institutions would state that fluctuations in exchange rates of foreign currencies may result in a loss of principal. The Board solicits comment on whether institutions should also state that any such loss is not covered by deposit insurance.

Paragraph (c)—Notice to Existing Account Holders. Section 226(e) of the act requires in-

stitutions to include a notice on or with any regularly scheduled periodic statement sent to existing account holders "within" 180 days of issuance of the regulation. Section 269(a) of the act provides that regulations adopted by the Board shall take effect six months after they are published in final form. Section 269(a)(4) of the act provides the law "shall not apply with respect to any depository institution before the effective date of regulations prescribed by the Board." Despite the language in section 226(e), the Board believes the general rule that compliance duties do not begin until six months after the Board has adopted final regulations should apply to the notice given to existing account holders as well as to all other provisions. Otherwise, institutions would be required to include a notice to existing account holders prior to the effective date of the regulation. The Board believes requiring institutions to provide this notice before disclosures are required to be available could be confusing to consumers who might request the disclosures. Furthermore, consumers who open accounts before the effective date of the regulation but after the mailing date of the periodic statement in which the notice was sent would not receive disclosures or be alerted to their availability. The Board therefore proposes to require institutions to give the notice on or with the first periodic statement sent to existing account holders after the effective date of the final regulation. The Board solicits comment on this approach.

The notice required by this section need only be provided once and informs current account holders that they may wish to request terms and conditions about the account. If the institution receives a request, it would provide the account disclosures described in §230.4, including the current simple interest rate and annual percentage yield for the consumer's account. As an alternative to including this notice on a periodic statement, the Board proposes to permit institutions to send the account disclosures themselves, as long as they are sent with the periodic statement.

The statute requires that the notice state both that the account holder has a right to request disclosures *and* that he or she may wish to make such a request. The proposal merely requires a statement that the account holder may wish to request the disclosures.

Section 230.5—Advance Notice of Change in Terms and Advance Notice of Maturity

Paragraph (a)—Change in Terms

Section 266(c) of the act requires institutions to send a 30-day advance notice to the consumer of any change in the items required to be disclosed in the account disclosures *if* the change might reduce the annual percentage yield or adversely impact the consumer. The proposed regulation requires a written notice describing the change and its effective date to be sent 30 days before the effective date of the change. For example, if an institution increases the minimum balance required to earn interest or to avoid imposition of a fee or increases the fee it charges for stop payment orders, an advance notice must be provided. The notice must be given whenever a change occurs after the account disclosures are given. The rule would apply to *all* accounts, not solely accounts opened after the effective date of the regulation.

The notice requirement applies only to items required to be included with the account disclosures. For example, if an institution reduces any grace period for rollover certificates of deposit—a term not required to be stated under proposed section 230.4(b)—a change in terms notice would not be required. (See the discussion of whether any grace period should be disclosed in section 230.4(b)(8), however.) If a combined disclosure statement for two types of accounts was initially provided (and indicated which terms applied to each account), and the institution later changed a term for one of the accounts, the change in terms notice would need only be given to those consumers holding that type of account, and not the holders of the second type of account.

The Board solicits comment on whether an exception to the change in terms notice requirements should be made for rate changes that occur in variable rate accounts. Section 265 and 269 of the act authorize the Board to make exceptions to the act's requirements for variable rate accounts, and the Committee report accompanying H.R. 2654 of the House Committee on Banking, Finance and Urban Affairs indicates the change in terms requirement was not intended to apply to changes in the simple interest rate (and corresponding changes in the annual percentage yield) for variable rate accounts. (See discussion of this issue in section 230.2(o).) The Board believes that requiring an advance change in terms notice for changes to the simple interest rate in variable rate accounts may be very burdensome to institutions, and may reduce the products available to consumers. As discussed earlier under section 230.4(b)(1)(B), the Board is proposing to require institutions to disclose certain information about variable rate features, so consumers will be aware of the potential for rate changes and how often they can occur. In addition, where periodic statements are sent for accounts (such as for NOW or money market accounts), the consumer will receive information about the annual percentage yield that will reflect rate changes that occurred. Commenters are requested to address the advantages and disadvantages of requiring an advance notice of rate changes for variable rate accounts.

The Board is concerned, however, that in cases where periodic statements are not sent for variable rate accounts—such as a passbook savings account—considerable time may pass before consumers learn about rate changes on their accounts. Thus, the Board solicits comment on whether institutions should be required to send a notice after the rate is decreased on a variable rate account, if periodic statements are not furnished. Comment is also requested on whether the subsequent notice requirement should extend to variable rate time deposits where the consumer has agreed to keep funds on deposit until maturity. Comment is requested on the appropriate time period for sending such a notice, such as within 30 days after an adverse change.

In addition to variable rate accounts, there is another situation in which the Board is proposing that a change in terms notice not be required. As discussed earlier, institutions must provide account disclosures 30 days before maturity for rollover time deposits. (See discussion of section 230.4(a)(3)(B).) Since the Board is not proposing to require institutions to state the exact simple interest rate and annual percentage yield with the other disclosures, the Board believes a change in terms notice should not be required if the simple interest rate and the annual percentage yield change from the date the disclosures are provided to the date the consumer opens the account. Of course, if other terms change, the 30-day notice would have to be provided.

Paragraph (b)—Notice of Maturity for Certain Time Deposits

As discussed earlier under section 230.4(a)(3)(B), the act requires that account disclosures be provided to consumers 30 days prior to the maturity of an automatically renewable time deposit. The act does not address whether any notice or disclosures should be provided to consumers prior to the maturity of a time deposit that renews only upon the consumer's request at the time of maturity. The Board is proposing to require a brief advance notice to be sent to consumers holding such time deposits. The proposed notice would require depository institutions to identify the maturity date of the time deposit and explain to the consumer what will happen to the funds after maturity if the consumer does not renew the account. The Board believes it is important for consumers to receive a notice of pending maturity, especially since a periodic statement or other reminder may not be provided. The rule would apply to existing time deposits as of the effective date of the regulation.

The Board would not require such a notice for short-term time deposits, however, since there does not seem to be a need for a reminder in such cases. The proposal uses the same definition of short-term time deposit (three months or less) as is used in section 230.(4)(a)(3)(B) dealing with account disclosures for automatically renewable time deposits. It also uses the same timing rule; that is, notices must be mailed or delivered at least 30 days and not more than 60 days before maturity. Of course, if the time deposit is renewed, the disclosures required by section 230.4 must be provided to the consumer prior to renewal (or within 10 business days thereof, if the consumer does not renew in person at the institution).

The Board solicits comment on whether such a prematurity notice should be provided, whether an exception for short-term deposits is appropriate, and whether a short-term time deposit should be defined as three months or less.

Section 230.6—Periodic Statement Disclosures

Section 268 of the act requires depository institutions to include specific information on or with each periodic statement provided to consumers. The Board does not believe the act requires periodic statements to be sent by an institution, but requires that if an institution sends a periodic statement certain information must be included. (The statute does not define a periodic statement. See the definition in section 230.2(j) above.) This requirement applies to existing accounts as of the effective date, as well as to new accounts opened after the effective date.

The information listed in this section would be given only to the extent applicable; for example, a periodic statement for a noninterest bearing account would not include interest or an annual percentage yield.

Paragraph (a)—Annual Percentage Yield Earned

The annual percentage yield calculation as used for both advertising and account disclosures is an annualized rate that reflects the frequency of compounding, but it is not based on an actual account balance. The act requires that "the annual percentage yield earned" be included on the periodic statement. Several options were considered by the Board in determining what would be the most appropriate way of calculating this figure for the periodic statement. While the Board proposes the first method discusssed below, other alternatives are set forth.

Annual percentage yield earned reflecting relation of interest to the average daily balance.

The Board proposes to require that the annual percentage yield reflect the relation between the interest actually earned during the statement period to the average daily balance for the period. This figure would not reflect any fees imposed during the statement period or bonuses earned. The figure would show true interest earnings for a particular period by showing the relationship between the actual interest earned and the actual balance maintained during that period. It would also capture all rate changes that occurred.

This method would produce a single composite annual percentage yield for tiered rate accounts, demonstrating the effect of the institution's tiering method on total earnings. Thus, institutions that pay a lower simple interest rate on deposits up to a certain level, and a higher rate only on amounts above the cutoff figure, would show a lower annual percentage yield for a given balance than would institutions that pay the same higher rate for the entire balance in the account if the balance exceeds the cutoff figure.

In spite of these advantages, this method has drawbacks. This approach would not provide a figure the consumer could use to verify earnings for the period if multiple rates were used. The figure also would not show rate fluctuations during the period.

This method would produce, however, a single figure that shows the true interest earnings for the period. Thus the impact of minimum balance requirements to earn interest, tiering structure, as well as differing rates applied during the cycle, would all be reflected in a single yield figure.

Annual percentage yield earned as a net earnings figure. A second option would require the annual percentage yield to represent a new earnings figure by taking the total interest paid during the period, adding cash bonuses paid, subtracting all fees imposed during the period, and dividing the difference by the average daily balance for the period to obtain a percentage figure.

The calculation might be more realistic and useful to the consumer to see what happened during a particular cycle, as compared to an annual percentage yield that factors in only interest. This method presents several problems, however. This option raises the issue of whether *all* fees required to be disclosed should be factored into the annual percentage yield. For example, should a stop payment fee or a fee for writing a check on insufficient funds be included in the calculation? If not, there would appear to be no simple test for determining which fees should be reflected in the computation of the annual percentage yield. Including fees in the calculation could mean that for some periods there might be a 0% (or even a negative) annual percentage yield. This approach would raise difficult issues about including the value of bonuses—particularly those paid in merchandise. Finally, the Board believes that using the same terminology to describe different types of annual percentage yield figures (one on periodic statements and another in advertisements and opening account disclosures) would be confusing to the consumer since different information would be factored into the calculation—only one taking into account fees and bonuses.

Like the first alternative, this approach does not provide the consumer with a way to verify that the rate was correctly applied to the account. It also does not show rate fluctuations within the period for accounts where rates change. Comparing the annual percentage yield earned with the annual percentage yield advertised by other institutions would be difficult, if not impossible, since the annual percentage yield in advertisements and account disclosures is calculated without regard to any fees or bonuses.

Annual percentage yield earned reflecting historical rate information. A third option considered by the Board would use the same general annual percentage yield calculation for the periodic statement as is used for advertising and initial disclosures. This figure would not take into account the precise amount of interest earned or the relation of the interest to the actual balance in the account during the period, or the imposition of fees or payment of bonuses. Thus, the annual percentage yield would simply reflect the institution's most recent simple interest rate plus any compounding frequency for the account.

This third option would provide the most accurate description of fluctuating rates during a period by detailing the rates applied during the cycle. The annual percentage yield could easily be compared with the advertised rates of other institutions and would require only one approach for the annual percentage yield calculation for opening disclosures, advertising and periodic statements.

This method has its drawbacks as well. It would be even less useful to the consumer than the first two alternatives to verify earnings for the period, since it would not reflect factors such as minimum balance requirements (and the statute does not require balance information to be given on the periodic statement). In addition, this method might require providing multiple annual percentage yields (possibly a large number for an account that had both variable and tiered rates) that could be confusing to consumers and burdensome to institutions. Arguably this figure would not show the annual percentage yield "earned" as contemplated by the statute. Finally, it would not provide information about the impact of a tiered rate structure on the consumer's actual earnings.

Proposal. The option proposed to be used by the Board is the first one described above, an annual percentage yield that shows the relationship between the interest earned and the balance in the account for the cycle. The proposal carries over the general concept of the annual percentage yield used in advertising and the opening account disclosures which measures only the interest earned. In the periodic statement, however, it would show the relation between the actual interest earned and the balance because that information is known at that time. This approach would show in a single figure how well the consumer's account performed during the period, reflecting the true rate earned on tiered accounts, the impact of rate changes, and the effect of minimum balance requirements, while avoiding the difficulties that could be produced if fees and bonuses were factored in. It also calls for similar computations to those for other annual percentage yields, which will ease the ability of consumers to understand and compare accounts among institutions. The Board solicits comment on all three options with special consideration given to which of the three approaches will most effectively communicate to consumers the appropriate information on earnings for the statement period. The Board also solicits comment on whether the disclosure on the periodic statement should be identified as the "annual percentage yield earned" rather than the "annual percentage yield" to distinguish it from the yields stated in advertisements and opening account disclosures.

Paragraph (b)—Amount of Interest Paid

The proposed regulation requires the periodic statement to include a dollar figure for the amount of interest that has been paid during the statement period. The figure would not include accrued interest that has not been credited to the account during the period, since the consumer has no access to the funds.

The Board proposes that any cash bonuses paid to the consumer during the statement period not be included in the total interest figure, although comment is requested on this issue. Since the Board is not proposing to include any bonus in the annual percentage yield calculation, the Board believes including it in an interest figure on the periodic statement would be confusing to consumers. (It could be shown separately on the statement, of course, as additional information.) The Board solicits comment on whether the regulation should require use of the term "interest" for purposes of this disclosure.

Paragraph (c)—Fees Imposed

The periodic statement would include all fees of the type required to be disclosed under section 230.4(b)(5) that were imposed during the statement period. For example, a monthly maintenance fee, NSF charge, or stop payment fee would have to be disclosed. Fees not imposed in connection with the account, such as those for a cashier's check or lease of safe deposit box, could be included in the periodic statement as additional information, at the institution's option. The regulation would not require fees imposed in connection with a credit account to be disclosed—for example, a fee imposed for accessing an overdraft feature on a checking account—since they are related to a credit feature and currently required to be disclosed under Regulation Z.

Section 268(3) of the act requires disclosure of the "amount of any fees or charges imposed," without specifying whether the fees should be totaled or itemized. The Board considered different methods for disclosing fees. The regulation could require: (1) A single figure showing the total amount of fees; (2) an itemization of fees (perhaps also requiring the date the fee was imposed); (3) both an itemization and a total of fees; or (4) at the institution's option, an itemization, a total, or a combination of these approaches.

The Board believes requiring all institutions to provide an itemization of fees by type is the most desirable approach, and that is reflected in the proposal. A listing of all fees would enable consumers to see the types and amount of fees imposed during the cycle. The Board proposes to permit fees of the same type to be grouped together. For example, all ATM charges imposed during the cycle or all per-check fees could be stated as a single figure, or shown separately.

Comment is requested on whether the regulation should also require the periodic statement to include a total fees figure or even a net earnings figure—that is, the total interest earned less any fees imposed. The latter might be desirable, especially since the Board is recommending that the annual percentage yield calculation not factor in fees.

Paragraph (d)—Number of Days in Period

The proposal tracks the statutory language in requiring that the total number of days in the statement period be given on the periodic statement. The Board requests comment on whether providing the beginning

and ending dates for the period would provide adequate information to consumers (assuming it is clearly stated whether or not both of these days are included as part of the period).

Section 230.7—Payment of Interest

Paragraph (a)—Permissible Methods

Section 230.7(a) implements section 267(a) of the statute. The statute provides that interest on interest-bearing accounts shall be calculated by institutions "on the *full amount of principal in the account for each day* of the stated calculation period" at the rate disclosed (emphasis added). Although a literal reading of this language might appear to require institutions to calculate interest by using a daily balance calculation method (also known as the day-in-day-out method or day-of-deposit-to-day-of-withdrawal method), the legislative history confirms that the Congress considered the average daily balance method an acceptable alternative to the daily balance method. The Board proposes to allow both methods.

The legislative history states that the provision is intended to prohibit institutions from using certain other balance computation methods, such as the "low balance" or "investable balance" method of computing interest. The investable balance method of paying a disclosed rate on only 88% of the funds deposited by the consumer, for example, was clearly one target of the legislation. The low balance method pays a disclosed rate only on the lowest amount of principal in the account on any day in the period. The Committee report accompanying H.R. 2654 (the bill passed by the House in 1991, which contains language identical to that in the law as enacted) discusses the provision as follows:

"Thus, institutions would not be permitted to calculate interest on the "investable balance" or other balances that are less than the full amount deposited * * *. [It is] Congressional intent to prohibit calculation methods such as the low balance, FIFO and LIFO (First In First Out and Last in First Out) that do not meet the criteria stipulated in [this] section * * * . It is the Committee's intent that [this] section * * * be construed broadly to prohibit the use of any other methods that do not pay the same amount of interest, based on the full amount of principal in the account each day, as do either the average daily balance or daily balance methods."

Average daily balance method. Since the statutory language itself is ambiguous with regard to use of the average daily balance method, the Board solicits comment on whether institutions should be permitted to use this method.

Evidence indicates that a substantial number of banks use either the daily balance or the average daily balance method to calculate interest. While most banks use the daily balance method, between 8% and 36% (depending on the type of account) use the average daily balance method. One survey found that for NOW accounts, 91% to 95% of all banks use either a daily balance or average daily balance method. For money market accounts, 88% to 93% use one of these methods, and for savings accounts, 90% to 99%.[3]

The Board believes permitting institutions to use either the daily balance method or the average daily balance is consistent with the purpose of the legislation which requires that consumers be paid interest on the full amount of principal in the account each day. It also comports with the Committee report accompanying H.R. 2654 as quoted above. In addition, the statute requires disclosure of the balance computation method, which would be unnecessary if only one method were allowed.

Both methods require institutions to compute interest by applying a periodic rate to the full amount of principal in the account each day.[4] In the daily balance method the institution applies a periodic rate to the exact daily balance. In the average daily balance method the institution adds the full amount of principal in the account each day of the period or cycle, divides that figure by the number of days in the period or cycle, and applies a periodic rate to the result. Assuming the same compounding and crediting frequency, the interest calculated under either method would be identical in an account with little or no account activity in the period. In most cases, even where there is significant account activity, both methods will produce the same or substantially the same amount of interest. In some instances the daily balance method produces a slightly higher return, and in other situations the average daily balance method produces a slightly higher return. In all cases, under the proposed annual percentage yield calculation for the periodic statement, any differences in these methods would be captured by that figure.

Tiered rate accounts. There is one circumstance in which the daily balance and average daily balance methods can produce more significant differences in interest: tiered rate accounts. To illustrate this point, assume daily compounding occurs for the following account:

Simple interest rate (percent)	Deposit balance to earn rate (with the rate paid on the full balance)
5.00	$.01–<$5,000.
6.00	$5,000 and higher.

The two methods can produce differences in interest, depending on account activity—in particular, depending on whether the average daily balance falls above or below the break point, in this case, $5,000.

For purposes of illustration, assume the principal balance in the account for January and February is $5,000 for the first 20 days of each month and $4,000 for the remaining days of the month. (interest remains on deposit until the end of each month.) The daily balance method produced $22.52 in January and $20.86 in February. The average daily balance method produces $19.77 in January and $18.12 in February. In this example the daily balance method generates more interest ($2.75 and $2.74 per month) because the average daily balance falls below the break point of $5,000. As a second illustration, assume the balance in the account for each month is $4,500 for the first 20 days of the month and $6,500 for the remaining days of the month. In this example the average daily balance method generates more interest ($2.49 and $2.48 per month) because the average daily balance falls above the break point.

As these examples illustrate, in some instances for tiered rate accounts, the daily balance method produces a higher return, and in other situations the average daily balance method produces a higher return.

In spite of these differences, the Board believes institutions should be permitted to use either the daily balance or the average daily balance method. First, in many cases the two methods produce the same or a substantially similar return. Second, where the results differ, neither one consistently produces a higher return. Third, under the proposed APY calculation for the periodic statement, any differences in these methods would be captured by that figure. Fourth, institutions will disclose the method they use under section 230.4(b) so that consumers who prefer one method over the other have the necessary information on which to base their choices. Fifth, the legislative history accompanying the legislation contemplates the use of either method. Finally, requiring institutions to use a daily balance method could impose significant costs on some institutions that would have to change from the average daily balance method without any real benefit to consumers.

Minimum balance and tiered balance requirements. In addition to prohibiting use of the low balance method of balance calculation, the Board believes section 267(a) prohibits use of a "low balance" type of method to determine if a consumer has met a minimum balance requirement to earn interest.[5] Institutions are permitted under the law to set minimum balance requirements that must be met for the consumer to earn interest, or to earn a specified rate for tiered balance accounts. For example, an institution may choose to pay a 5.00% simple interest rate on an account only for those days a minimum balance of $500 is maintained. The Board believes that statute further permits an institution to provide that it will not pay interest on the account for those days the balance drops below the required minimum balance.

The Board does not believe, however, that the statute permits an institution to provide that the consumer does not earn any interest for a given period unless the consumer maintains a minimum balance for the entire period. For example, under the proposal an institution may not provide that a consumer will earn a 5.00% simple interest rate only if the consumer maintains a minimum balance of $500 for each day of a specified period or cycle. Such a practice, in effect, uses a low balance computation method to calculate whether interest is earned on an account. Permitting such a practice would enable an institution to refuse to pay interest even if—under the example above—a consumer maintained a $10,000 balance for 29 days in a cycle, but permitted the balance to drop below $500 for one day in the same cycle.

Similarly, the Board does not believe institutions would be permitted to refuse to pay interest on a portion of a balance once a consumer has met any required minimum balance. If an institution sets its minimum balance requirement to earn interest, for example, at $300 and a consumer deposits $500, the institution must pay the stated simple interest rate on the full $500, and could not pay interest only on $200 of that deposit. The Board believes that this would be contrary to the statutory requirement and the intent of the Congress to require payment of interest at the disclosed rate on the full amount of principal in the account each day.

[3] Retail Banking Report, 1990-1991, American Bankers Association, p. 49.

[4] Since the act and regulation require interest to be paid each day funds remain on deposit, the rate the Board proposes to permit institutions to apply is a daily rate of 1/365 of the simple interest rate for 365 days (or, at the institution's option, 1/366 of the simple interest rate for 366 days during a leap year). The Board also proposes to permit institutions to apply 1/365 of the simple interest rate for 365 days in a leap year, but requests comment on this proposal.

[5] The discussion of this provision addresses only the payment of interest as it relates to the minimum balance requirement. For discussion of the assessment of fees and minimum balance requirements, see the supplemental information accompanying section 230.4(b)(4)(A).

A related issue arises with regard to tiered rate accounts and calculation of the balance on which interest is paid. For example, assume an institution pays and discloses a 5.00% simple interest rate on deposit balances below $5,000, and a 6.00% simple interest rate on balances of $5,000 and above. The Board believes the statute would *not* permit an institution to pay the $5.00% rate for the entire cycle if the balance dropped below $5,000 for a few days during the cycle. For example, assume a consumer maintained a $10,000 balance for 29 days in a cycle, but permitted the balance to drop to $4,999 for two days. The Board does not believe the statute would permit the institution to pay only 5.00% on $10,000 for 29 days, since the full amount of principal in the account for 29 days was actually $10,000 and should earn the stated 6.00% rate. The Board solicits comment on all of these issues.

Minimum balance requirements and balance computation provisions. Comment is also requested on related technical points. For example, should institutions be required to use a daily balance method to determine whether a minimum balance requirement to earn interest has been met, or may an average daily balance method be used instead (given that both methods are proposed to be allowed for purposes of calculating interest)? May institutions use both a minimum balance and an average daily balance measurement in determining whether a consumer has met the minimum balance requirement to earn interest? For example, should an institution be permitted to apply both a $500 daily balance and a $700 average daily balance requirement to determine whether interest is paid on an account for a particular day? Should institutions be permitted to calculate interest using one method and establish the minimum balance by use of a different method? For example, should an institution be permitted to use the daily balance method to compute interest but require a consumer to meet a minimum balance by averaging a month's daily balances? In commenting on these provisions, commenters should address the specific advantages and disadvantages to consumers and institutions for all of these issues.

Paragraph (b)—Compounding and Crediting Policies

Section 230.7(b) of the proposed regulation implements section 267(b) of the statute. It provides that section 230.7(a) does not mandate the frequency of any compounding. Thus institutions may compound bi-annually, annually, quarterly, monthly, daily, continuously, or on any other basis. The compounding frequency is required to be disclosed under proposed section 230.4(b)(3) and is factored into the computation of the annual percentage yield. (See the discussion of the annual percentage yield in the supplemental information accompanying appendix A.)

Section 230.7 also does not mandate a specific crediting policy. Thus institutions could credit interest earned on the account on an annual, semi-annual, quarterly, monthly, or other basis. The institution's crediting policy must be disclosed under section 230.4(b)(3). An institution may credit or post interest to the account at any frequency, thus establishing the intervals at which the consumer can withdraw such interest. Establishing crediting policies, however, does not permit an institution to treat accrued but uncredited interest as unearned. Because the statute and proposed regulation require that interest accrue based on the full balance in the account each day, the consumer's underlying right to such interest cannot be altered. Thus, the institution may not refuse to pay interest that has accrued, even if the consumer withdraws some of the principal in the account prior to the time the interest would be credited. This, of course, does not require an institution to pay interest for those days the consumer fails to meet a minimum balance requirement. Nor does this provision require the institution to permit the consumer to withdraw interest that is earned but not yet credited. If the consumer withdraws funds or closes an account before interest is credited, the institution may delay payment of the accrued interest until the crediting date. Finally, for time deposit accounts, institutions may assess a penalty for early withdrawal, as discussed in the supplemental information accompanying section 230.4(b)(7).

Paragraph (c)—Date Interest Begins to Accrue.

Section 267(c) of the statute requires that institutions must begin to accrue interest for all accounts no later than the business day specified in section 606 of the Expedited Funds Availability Act (EFAA) (12 U.S.C. 4005), subject to subsection 606 (a) and (b). Thus, the Truth in Savings Act provides that the accrual of interest rules in the EFAA apply to nontransaction accounts, such as certificates of deposit, as well as to transaction accounts covered by the EFAA. The EFAA and the Board's implementing Regulation CC generally require an institution to begin accruing interest when the institution receives "provisional" credit. The Board believes a consistent rule is essential for determining the principal balance on which interest accrues. The Board proposes to permit institutions to use the methods set forth in Regulation CC for determining the principal balance. If an institution accrues interest on funds represented by a deposited check that is later returned due to insufficient funds on deposit, or for another reason, the institution would not be required to pay interest for the time period the check was outstanding.

While the EFAA establishes the time institutions must *begin* to accrue interest, because of the general rule in section 267(a) of the Truth in Savings Act that interest must be computed on the full amount of principal in the account for each day, the Board believes institutions must accrue interest on funds up to the date of withdrawal from the account. Thus, if a check written by the consumer on an account is debited from the account by the account-holding institution on a Wednesday, the institution must accrue interest on those funds on deposit through Tuesday. (Because the check is debited on Wednesday, the balance in the account that day has been reduced. Thus, the Board believes the institution need not pay interest for Wednesday.)

Section 230.8—Advertising

This section of the proposal incorporates the advertising provisions of section 263 of the act. While the act's disclosure rules apply to accounts of all depository institutions, section 263(a) of the act's advertising provisions are phrased in terms of accounts offered by insured depository institutions. (Section 263 (b) and (c) of the advertising provisions, however, are not limited to insured depository institutions.) The Board's proposal would apply all of the advertising provisions to all depository institutions, whether insured or not. The Board believes that the act's purposes are furthered if all deposit account advertisements provide uniform disclosures to compare accounts, and does not believe it desirable for only some advertising rules to apply to uninsured depository institutions.

The Board requests comment on whether certain provisions from the Board's Regulation Q (as noted below) should be included in this regulation, and removed from Regulation Q.

Paragraph (a)—Misleading or Inaccurate Advertisements

The statute and regulation prohibit institutions from making misleading or inaccurate advertisements. Since section 271 of the act extends the possibility of civil liability to advertising violations, the Board is interested in construing the term "misleading" appropriately. The Board solicits comment on whether examples of what constitute "misleading or inaccurate statements" in advertising beyond the two in the regulation should be provided in the supplementary information accompanying the publication of the Board's final rule. The Board also request commenters to provide specific examples.

Use of the term "profit". The Board also requests comment on whether institutions should be permitted to refer to interest paid on an account as "profit," or if the use of the term in advertisements could mislead customers. The Board's Regulation Q (12 CFR 217.6(f)) and the advertising rules for deposit accounts of the other federal regulatory agencies have for years prohibited use of that term in deposit account advertisements on the grounds that the term implies a return on an investment, something typically associated with nondeposit accounts.

Advertising "free" accounts. Section 263(c) of the act prohibits an institution from advertising an account as a free or no-cost account if: (1) A regular service or transaction fee may be imposed; (2) a fee may be imposed if any minimum balance requirement is not met; or (3) a fee is imposed if the consumer exceeds a specified number of transactions. The proposed regulation captures these rules, but provides a different organizational approach. Institutions would not be permitted to describe any account as "free" or "no-cost" (or words of similar meaning) if any "maintenance or activity" fee might be imposed on the account. A maintenance or activity fee includes, for example, periodic service charges; per check fees; fees imposed to deposit, withdraw or transfer funds; and fees to receive copies of checks written on the account. It also includes fees imposed if a minimum balance requirement is not met or if a transaction limit is exceeded. A maintenance or activity fee would not include fees such as stop payment fees or fees for returned checks, or fees unrelated to the account such as a fee for purchasing a cashier's check or traveller's checks.

Potential loss of principal. The Board proposes one additional disclosure beyond those in the statute, for advertisments for deposits that involve the risk of loss of principal, such as those denominated in a foreign currency (as discussed in section 230.2 in the definition of "account"). To ensure that consumers are not misled about such accounts, the Board believes any advertisement should state that fluctuations in the exchange rate of foreign currencies could result in a loss of principal. The Board requests comment on whether institutions also should state that any such loss is not covered by deposit insurance. As with all advertisements, institutions would be prohibited from stating any rate or yield figure in advertisements unless it is stated as an annual percentage yield.

Furthermore, the annual percentage yield stated would not factor in any value derived from currency fluctuations. A figure that reflected fluctuations in exchange rates would factor in information fundamentally different from that used for other deposit account offerings, and could lead consumers to be confused about the yield when comparing accounts. The Board solicits comment on whether institutions should be permitted to provide an example to illustrate potential returns on such a product based on currency fluctuations. If such an example were permitted, the Board believes all institutions should use a standardized length of time in calculating such a return. The Board requests comment on what amount of time should be used, and whether more than one example should be provided to show both a short-term and a longer-term effect of currency fluctuations on such an account.

Paragraph (b)—Permissible Rates

Section 263(a) of the act provides that a reference to a specific interest rate, yield, or rate of earnings in an advertisement triggers a duty to state certain additional information, including the annual percentage yield. The proposed regulation requires that if any rate or yield is stated it must be the "annual percentage yield," using that term. The Board requests comment on whether institutions should be permitted to use the abbreviation "APY" in advertisements, given the space and time constraints typically involved in advertisements.

Except for the simple interest rate, as explained below, no other rate or yield (such as an "average" or "aggregate" percentage yield) could be included in an advertisement. The Board believes that allowing institutions to state rates or yields in addition to the annual percentage yield would conflict with the act's stated purpose of providing uniform disclosures to enable consumers to compare accounts. Also, the Board is concerned that permitting other rates to be stated in addition to the annual percentage yield would result in advertisements with a confusing array of terms and numbers.

The Board believes, however, that the act permits the simple interest rate to the stated in advertisements in addition to the annual percentage yield. Thus, the Board's proposal allows the simple interest rate, using that term, to appear in conjunction with (but not more conspicuously than) the annual percentage yield. (The standard of allowing simple interest rates but limiting their prominence is one that is in Regulation Z.) The proposed regulation would not permit institutions to refer to the simple interest rate as the "annual percentage rate" in advertisements. (See the discussion of this issue in the supplementary information accompanying section 230.2(k).)

Paragraph (c)—Advertisement of Terms That Require Additional Disclosures

Section 263(a) of the act requires additional information to be provided in deposit account advertisements if the advertisement refers to a specific rate of interest, yield, or rate of earnings. The act also imposes special format rules in certain cases to ensure that a consumer's attention is drawn to terms such as any differences in the annual percentage yield if a minimum balance is not met. The proposal generally follows the act's approach for the format and content of advertisements, but simplifies the order of the information provided.

The proposed regulation provides that a reference to an annual percentage yield "triggers" advertising disclosures. Since other rates are not permitted (except for the simple interest rate, which in turn requires a statement of the annual percentage yield), the regulation does not include any other "rate triggers." (See, however, the discussion of bonuses in section 230.8(d).)

There is no requirement that deposit account advertisements state an annual percentage yield figure. Stating other information in advertisements—such as "one, three, and five year CDs available" or "high rates available"—does not trigger the duty to state other terms of the account. The Board requests comment on whether a reference to a rate such as "we pay the rate available for 90-day U.S. Treasury bills" is so closely akin to stating a specific rate that the advertising disclosures should be triggered.

Special rules apply to tiered rate accounts: if an institution states an annual percentage yield in an advertisement, it would have to state all of the annual percentage yields, including those required to be shown as a range, as well as the corresponding minimum balance requirements. (See appendix A for annual percentage yield calculations for tiered rate accounts.) For example, assume an institution pays a stated simple interest rate only on that portion of the balance within the following specified balance levels (that is, Tiering Method B described in appendix A), and compounds interest daily:

Simple interest rate (percent)	Deposit balance required to earn rate
5.25	$.01– <$2,500.
5.50	$2,500– <$15,000.
5.75	$15,000–$100,000

Computing the figures in accordance with Appendix A, the institution would have to state the following annual percentage yields:

Annual percentage yield	Balance required
5.39	$.01– <$2,500.
5.39–5.61	$2,500– <$15,000.
5.61–5.87	$15,000–$100,000.

If a trigger term is stated, the advertisement must provide the disclosures listed in paragraph (c) in a clear and conspicuous manner.

Paragraph (c)(1)

The regulation would require institutions that advertise variable rate accounts to state that the rate may change after the account is opened. Although the act does not expressly require the statement, section 265(2) authorizes the Board to prescribe modifications for advertising rules relating to the annual percentage yield on variable rate accounts. The Board believes that a brief statement alerting the consumer to possible changes in the annual percentage yield is necessary in advertisements.

Paragraph (c)(2)

The act and proposed regulation require that advertisements that state the annual percentage yield also state the period during which accounts with that annual percentage yield will be offered. For example, if an institution only guarantees its rates for a week, its advertisement might state "this annual percentage yield is available from June 1 through June 8."

Paragraph (c)(5)

This paragraph implements section 263(a)(3) of the act. It requires that advertisements state any time requirement necessary to earn the advertised yield. The Board proposes to limit this provision to time deposits. If an institution advertises a one-year certificate of deposit, it would state that time period. It also requires advertisements to state any lower annual percentage yield that will be earned if funds are withdrawn prior to meeting the minimum time requirement.

The Board solicits comment on whether to incorporate the current rule contained in Regulation Q (12 CFR 217.6(d)) that addresses deposits with time requirements greater than one year. That rule requires that, if a time requirement is greater than one year, the advertisement must state that period in equal prominence to the annual percentage yield, along with any lower annual percentage yield that will apply if funds are withdrawn prior to maturity.

Paragraph (c)(6)

The act requires deposit account advertisements to contain a statement that "fees or other conditions" could reduce the "yield" on the account. The proposed regulation requires the statement but uses the term "earnings" rather than yield. The act does not mandate terminology, and the Board believes the term earnings more accurately conveys the impact of fees on the account, since in no event does the annual percentage yield take fees into account. The Board proposes to require this statement if an institution can impose any of the maintenance and activity fees discussed in section 230.8(a) (discussing "free" accounts). Thus, for example, the statement would appear on advertisements for interest-bearing transaction accounts that impose a monthly service charge or a fee if a minimum balance is not maintained.

The Board solicits comment on whether the phrase "or other conditions" should be retained as part of the notice. Are there account terms other than fees that should be communicated by this statement?

Paragraph (c)(7)

The Board proposes that advertisements for time deposits with stated maturities of less than one year include a statement that the disclosed annual percentage yield assumes all funds will be on deposit for a full year at the initial simple interest rate. The act does not expressly require such a statement, but section 265 of the act authorizes the Board to modify disclosure requirements relating to advertising annual percentage yields for accounts with an annual percentage yield guaranteed for less than a year. The Board believes the statement would be an important reminder to consumers that the annual percentage yield is calculated on a certain assumption (that is, that the funds remain on deposit for one year, at the initial advertised rate) which may not, in fact, occur. The Board requests comments on whether the statement should be required, and whether it should be limited to accounts with stated maturities, such as certificates of deposit. Should the statement also be required in advertisements for transaction accounts and savings accounts, for example, since actual account activity in such cases also may not correspond to the one-year assumption on which the annual percentage yield is based?

Paragraph (c)(8)

The act requires that advertisements include a statement that an interest penalty will be imposed for early withdrawal. The Board's Regulation Q and the deposit account advertising rules of the other federal financial regulatory agencies currently require a similar notice, but limit it to advertisements for time deposits. The act is not so limited. The Board requests comment on whether the statement should be required only for time deposits containing provisions

for possible early withdrawal penalties (the position reflected in the proposed regulation), or whether it should be required in other cases. For example, some accounts offer bonuses that may be "reclaimed" if funds are withdrawn before an agreed upon date. Some non-time deposits assess a fee if a consumer closes the account within 30 days of account opening. The Board requests comment on whether a disclosure under section 230.8(c)(8) should be required in cases such as these.

The terminology of the proposed disclosure is similar to the act, but does not include the word "interest" (or "substantial," as is required by Regulation Q). The Board requests comments whether either term should be required in the statement.

Paragraph (d)—Bonuses

The proposed regulation treats bonuses as a trigger term. If a bonus is advertised, an explanation of the conditions that must be met for bonuses to be paid and when they will be paid also must be stated, along with the annual percentage yield and the items listed in paragraph (c) of this section. Although the act does not expressly require the bonus disclosures, the Board believes the additional information is consistent with the act's purpose to provide uniform disclosures to compare accounts, and requests comments on the proposal. The Board is concerned that consumers may be misled if full information is included in advertisements about interest earnings while bonus "earnings" are not explained.

Possible limited exemption for broadcast and other media. Section 263(b) of the act authorizes the Board, if it finds the disclosures to be unnecessarily burdensome, to exempt "broadcast and electronic media and outdoor advertising" from stating any initial deposit requirement, or stating that fees or other conditions could reduce the return. The statute limits any relaxation of the advertising rules to these two disclosures. The Board solicits comment on whether such an exemption should be made and, if so, why these disclosures place an unnecessary burden on depository institutions. The Board also requests comment on the merits of an additional exemption for the statement for accounts with a maturity of less than one year that the annual percentage yield assumes that funds remain on deposit for a full year at the initial rate (a provision not in the statute).

Although the statute is quite specific in the categories of advertising that can qualify from a relaxation of requirements, there may be other comparable situations that perhaps should be treated similarly. For example, should an exemption be considered for advertisements inside a depository institution, such as lobby boards, since consumers can obtain account disclosures during business hours?

Section 230.9—Enforcement and Record Retention

Paragraph (c)—Record Retention

The Board proposes to require institutions to retain records regarding their compliance with their responsibilities under the proposed regulation for a minimum of two years after disclosures are required to be made. Two years is the period commonly used under the Board's other consumer regulations (for example, Regulations Z and E). Furthermore, given the frequency of examinations by the enforcement agencies, a record retention requirement of this length should allow an institution's examiners adequate review of pertinent documentation during periodic examinations.

The Board contemplates that records may be stored by use of microfiche, microfilm, magnetic tape, or other methods capable of accurately retaining and reproducing information. The institution need not retain disclosures in hard copy, as long as it retains enough information to reconstruct the required disclosures or other records.

APPENDIX A—ANNUAL PERCENTAGE YIELD CALCULATION

Appendix A establishes the rules that institutions would use to calculate the annual percentage yield. The proposed appendix contains two main parts: Part I discusses the calculations for advertisements and account disclosures, and Part II deals with periodic statement calculations. The Board is proposing only two annual percentage yield formulas in Part I: a "general" formula that can be used for all types of accounts and a "simple" formula that can be used for those accounts that have a maturity of one year, or that have an unstated maturity. The appendix provides several examples to illustrate how these formulas work. The appendix explains the general rules and describes how they should be applied in more complicated accounts, such as stepped rate and tiered rate accounts. If an account has two types of features, such as variable and tiered rates, all applicable rules would have to be followed. Part II contains a single formula for calculating the annual percentage yield on periodic statements, with no special rules for multiple rate accounts.

The appendix provides that the annual percentage yield shall reflect only interest, and may not include the value of any bonuses. Factoring in the value of a bonus would add significant complexity to the calculation of the annual percentage yield. For example, the value would have to be established as well as when the merchandise is provided to the consumer. If a cash bonus is given, assumptions would have to be made about whether the bonus is deposited and whether interest is accrued on the sum. The Board solicits comment on this proposal to exclude all bonuses from the calculation.

The proposed annual percentage yield calculation also excludes any amounts that are determined by circumstances that may or may not occur. For example, an institution may provide earnings to the consumer based on changes in certain stock market indicators (from the date an account is opened to the date it matures or is closed, for example) or on foreign currency fluctuations. The annual percentage yield for these and similar types of accounts would exclude such potential earnings. Similarly, if an institution chooses to pay .01% additional interest for each point scored in a future sporting event, that potential would not be reflected in the annual percentage yield. Such features would be disclosed as variable rate features under proposed §230.4(b)(1)(B). (To the extent the institution paid such interest on the account, the annual percentage yield on the periodic statement would capture this interest.)

The Board is proposing that institutions calculate the annual percentage yield by rounding the figure to the nearest one-hundredth of one percentage point, and showing it to two decimal places. Thus, if an institution calculated an anuual percentage yield to be 5.644%, that figure would be rounded down and shown as 5.64%; 5.645% would be rounded up and disclosed as 5.65%. The Board believes it is necessary to show annual percentage yields to two decimal places to enable consumers to adequately compare accounts.

The Board solicits comment on whether a tolerance for accuracy should be provided for calculating the annual percentage yield. The statute does not expressly provide a tolerance. The appendix includes a proposed tolerance of 1/20 of 1 percentage point (.05%). The Board is not proposing to use the same tolerance for the annual percentage rate found in Regulation Z (1/8 of one percentage point for regular transactions, or 1/4 of one percentage point for irregular transactions). First, the Truth in Lending Act itself provides for a 1/8 percent tolerance and authorizes the Board to designate a tolerance for more complex transactions. Second, the calculation of the annual percentage rate is more complicated than the calculation of the annual percentage yield, since the annual percentage rate factors in fees paid by the consumer (as well as interest), the frequency and amount of the consumer's payments, the timing of disbursements from the creditor to the consumer, and other factors. Such complexities are not present in the annual percentage yield calculation. The Board solicits comment on whether a tolerance is needed at all, and, if so, whether 1/20 of 1 percent would be an appropriate one.

PART I. ANNUAL PERCENTAGE YIELD FOR ACCOUNT DISCLOSURES AND ADVERTISING PURPOSES

A. General rules

In general, the annual percentage yield reflects the relationship between the amount of interest to be earned by the consumer for the term of the account (including any compounding of interest) and the amount of principal assumed to have been deposited to earn that amount of interest. Institutions would be required to calculate the annual percentage yield based on the actual number of days in the term of the account. If an account has an unstated maturity, institutions would calculate the annual percentage yield based on an assumed term of 365 days.

For time deposits that are offered in multiples of months, the Board proposes to permit institutions to base the number of days on either the actual number of days during the applicable period, or the number that would occur for any actual sequence of that many calendar months. For example, if an institution offers a six-month certificate of deposit, the institution could calculate the annual percentage yield based on the number of days in a particular six-month period, or in any six-month period. The Board believes this will minimize the need of institutions to recalculate the annual percentage yield on an ongoing basis. The Board proposes, however, that institutions that choose to use this permissive rule would have to use the same number of days to calculate the interest figure used in the annual percentage yield formula (where "Interest" is divided by "Principal"). Thus, the institution with the six-month certificate of deposit above could base the annual percentage yield calculation on any number of days from 181 to 184, since various six-month periods could contain that range of days. If the institution chose to use 181 days as the "Days in Term," it must also use 181 days to compute the "Interest" figure used in the formula. An institution would not be permitted to use 181 as the "Days in Term" and use an "Interest" figure based on 183 days. (The amount of interest paid by the institution would have to be based on the actual number of days in the account due to the requirement to pay interest on the principal in the account each day. See section 230.7 of the regulation.)

D. Accounts With Tiered Rates (Different Rates Apply Depending on Balance Level)

Due to the nature of tiered rate accounts (in which the simple interest rate paid on the account is determined by reference to specified balance levels), the Board believes special rules are required to enable consumers to compare annual percentage yields for such accounts.

The appendix sets out the two basic methods of tiering used by institutions to calculate the interest they will pay on such accounts. In the first method (shown in the appendix as "Tiering Method A"), an institution pays the applicable "tiered" interest rate on the entire amount of the deposit. For accounts of this type, institutions must state the annual percentage yield that applies to each balance tier. In the example given in the appendix, this results in three separate annual percentage yields to be disclosed—one for each tier. Other than the fact that multiple annual percentage yields must be stated for these types of accounts, each annual percentage yield is calculated according to the general rule in the appendix.

In the second method of calculating interest on tiered rate accounts (shown in the appendix as "Tiering Method B"), institutions do not pay the applicable tiered intertest rate on the entire amount of the deposit, but only on the portion of the deposit balance that falls within each specified tier. For institutions that compute interest in this manner, a range of annual percentage yields must be provided for each tier, other than for the first tier—to accurately reflect how interest is paid. The low end of each range is figured on the highest balance in the tier. This approach requires an assumed balance for the highest tier in cases where the balance in the account is not limited. The appendix is written with an assumed high balance of $100,000. The Board solicits comment on what the high end of each range should be. Several alternatives exist: Using any limit established by the institution in its account agreement; permitting any amount to be used if a limit is not set forth in an agreement; or using $100,000, since that is the current amount for which accounts are federally insured.

PART II. ANNUAL PERCENTAGE YIELD FOR PERIODIC STATEMENTS

The annual percentage yield calculation for the periodic statement is similar to that used for advertising and opening account disclosures. The annual percentage yield is transaction specific for the periodic statement. It reflects the relationship of the interest actually paid and credited to the consumer's account during the period and the average daily balance in the account for the period. Thus, the annual percentage yield factors in the actual number of days in the statement period, as well as the actual interest and principal. It uses the same basic general formula as used in Part I, but reflects the actual interest earned and average daily balance during the period covered by the statement.

APPENDIX B—MODEL CLAUSES AND SAMPLE FORMS

The model clauses and sample forms in Appendix B are intended for optional use by financial institutions to aid compliance with the disclosure requirements of sections 230.4 (account disclosures) and 230.5 (change in terms). Section 269(b) of the act provides that institutions that use these forms and clauses will be in compliance with the disclosure provisions of the act. In addition, use of any modified model form or clause will also be considered in compliance as long as the institution does not delete information required by the act of rearrange the format so as to affect the substance, clarity, or meaningful sequence of the forms and clauses.

As discussed in the supplemental information to section 230.3(a), the proposal provides for flexibility in designing the format of the disclosures. Institutions can either prepare a single document that contains disclosures for several accounts offered or prepare individual disclosures for each type of account.

The Board requests comment on what additional model forms and clauses should be included in Appendix B. For example, a model form for periodic statements was not included with the proposal since the disclosure requirements only duplicate of slightly augment the information currently provided. Comment is requested on whether such a model form is necessary.

1. B-1 MODEL CLAUSES

Clause (a)(ii) contains alternative language for disclosing how the annual percentage yield is determined in variable rate accounts. This reflects the alternative definitions of a variable rate account proposed in section 230.2(o).

Clause (a)(iv) contains alternative language for describing tiered rate accounts. As explained in Appendix A, there are two types of tiered rate accounts. The first type pays the same higher rate on the entire balance in the account if the balance exceeds the cutoff figure. The second type of tiered rate account pays a lower simple interest rate on deposits up to a certain cutoff level, and a higher rate only on amounts above the cutoff level. An institution must provide the disclosure that describes its method of calculating interest.

Clauses (d)(i)—(iii) contain alternatives for disclosing any minimum balance requirements associated with the account. The regulation requires that the disclosures state any minimum balance that is required to open the account, avoid the imposition of fees or obtain the annual percentage yield disclosed. If a fee is incurred for not maintaining a minimum balance, it may be stated either with this disclosure or with other fees (of both).

Clause (f) contains a model format for use in disclosing fees. Institutions would be required to disclose either the amount of any fees that may be imposed in connection with the account or provide an explanation of how the fee will be determined. In addition, the disclosure must state the conditions under which the fee may be imposed if that is not clear from name and description of the fee. (See discussion of section 230.4(b)(5) regarding examples of fees that may be assessed in connection with the account.)

Clause (g) contains model language for disclosing transaction limitations. If a fee is imposed for exceeding the established limitation, it may either be stated with this disclosure or with other fees (or both).

Clauses (h) (early withdrawal penalty) and (i) (renewal policy) would be required only for time deposits.

2. B-3 SAMPLE FORM

This sample illustrates the use of one general multi-purpose disclosure form for several accounts offered by an institution. The disclosures are for a money market account. Through the use of check marks, the disclosure clearly indicates which fees and terms apply to the money market account. A chart is included to illustrate one method of presenting information for multiple accounts. Institutions could either have the form preprinted (and marked accordingly) for each account listed, or have the information filled out at the time the account is opened. The fee shown in this sample (as well as in B-4) are based on average charges for particular services found in various national studies.

3. B-4 AND B-5 SAMPLE FORMS

These samples illustrate individual disclosures for two different types of accounts (a certificate of deposit and a NOW account).

4. SAMPLES B-6 AND B-7

These samples illustrate the requirements for advertisements, found in section 230.8 of the proposed regulation. Specifically, the samples demonstrate how a certificate of deposit and a money market account could be advertised in compliance with the regulation. The advertisement for the money market account shows how an institution that pays the simple interest rate on the *entire deposit* would state the annual percentage yields. (This method is discussed in Appendix A as "Tiering Method A.") Since civil liability applies to violations of the advertising requirements, the Board is proposing to include sample forms for institutions for advertising. Comment is requested on whether sample advertisements should be included at all and, if so, whether the samples provided are useful.

APPENDIX C—EFFECT ON STATE LAWS

This appendix outlines the standards and process used for state law determinations.

APPENDIX D—ISSUANCE OF STAFF INTERPRETATIONS

The Board is proposing to use the same method of providing interpretations to the regulation as for Regulations B, E, and Z. An official staff commentary is expected to be issued in proposed form after the proposed regulation becomes effective in the spring of 1993. Such a proposal would be issued in final form after an opportunity for public comment, with an immediate effective date but with compliance not becoming mandatory for another six months—likely sometime in 1994. Thereafter, periodic updates of the official staff commentary would be contemplated.

The Board has established a pattern for updating several of its consumer regulation commentaries: publish changes for public comment in the autumn, with final rules effective the following spring, but optional until the next October. The Board proposes to follow this pattern with its official staff commentary to this new regulation and solicits comment on whether this approach would be helpful. If the public felt that issuance of so many proposals at the same time would be difficult to deal with, the Board could adopt a different schedule for this regulation—for example, publishing the proposed interpretations for comment in the spring with final versions adopted in the fall.

Effective Date: Institutions will have to provide disclosures to any consumer who opens an account after the effective date of the regulations. Institutions also will have to provide disclosures for any time account renewed after the effective date, even if the account was an automatically-renewable one and had been opened prior to the effective date. Similarly, periodic statement disclosures and change in term notices would have to be provided, as applicable, to all accounts—including those opened prior to the effective date. Finally, the Board believes the substantive provision regarding the payment of interest will apply to existing ac-

counts as of the effective date; it is not limited to new account holders.

(3) FORM OF COMMENT LETTERS

As discussed above, comment letters should refer to Docket No. R-0753. The Board requests that, when possible, comments be submitted using a standard typeface with a type size of 10 or 12 characters per inch. This will enable the Board to convert the text into machine-readable form through electronic scanning, and will facilitate automated retrieval of comments for review.

(4) ECONOMIC IMPACT STATEMENT

The Board's Division of Research and Statistics has prepared an economic impact statement on the proposed regulation. A copy of the analysis may be obtained from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC, 20551, or by telephone at (202) 452-3245.

(5) LIST OF SUBJECTS IN 12 CFR PART 230

Advertising, Banks, Banking, Consumer protection, Deposit accounts, Interest, Interest rates, Federal Reserve System, Truth in savings.

(6) PAPERWORK REDUCTION ACT

In accordance with section 3507 of the Paperwork Reduction Act of 1980 (44 U.S.C. 35; 5 CFR 1320.13), the proposed information collection will be reviewed by the Board under the authority delegated to the Board by the Office of Management and Budget after consideration of the comments received during the public comment period.

A detailed description of the proposed recordkeeping and disclosure requirements (including the reasons for them, the institutions that would be subject to them, and how frequently disclosures may be required) is contained elsewhere in this notice.

The information collection is mandatory (105 Stat 2236, 2334). The requirements will apply to both large and small institutions. The impact on small institutions will depend upon the extent of the disclosures and the options for compliance offered by the final regulations. Model disclosure forms in the regulation will somewhat ease compliance burdens on institutions. (The proposed model forms and clauses are set forth in Appendix B.)

The following information about paperwork burden relates only to the effect of the proposal on state member banks. Institutions that will be subject to Regulation DD other than state member banks are supervised by other federal agencies: the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. For purposes of the Paperwork Reduction Act, these agencies will report their own estimates of the paperwork burden imposed by the Truth in Savings requirements.

The Board preliminarily estimates that the disclosure requirement will result in a one-time reporting burden of 206,000 hours and an annual reporting burden of 1,560,160 hours for state member banks.

Proposed information collection

Report title: Recordkeeping and Disclosure Requirements in Connection with Regulation DD (Truth in Savings).

Report number: Not applicable.

OMB docket number: 7100-0255.

Frequency: As needed.

Reporters: State member banks.

	No. of records subject to requirement		Estimated time per response	=	Estimated total no. of hours of annual reporting burden
Notice to Existing Accountholders (one time burden)	8,240,000	....	1.5 min	....	206,000
Complete Disclosures:					
Upon Request	907,000	....	3 min	....	45,375
New Accounts	2,750,000	....	2 min	....	91,667
Rollover CDs	800,000	....	1 min	....	13,334
Notice for Non-Rollover CDs	267,000	....	1 min	....	4,450
Change in Terms	1,100,000	....	1 min	....	18,334
Periodic Statements	82,500,000	....	1 min	....	1,375,000
Advertising	12,000	....	60 min	....	12,000

Pursuant to authority granted in section 269 of the Truth in Savings Act (Pub. L. No. 102-242) the Board proposes to create a new regulation in 12 C.F.R. 230.

1. The authority citation for Part 230 would read:

AUTHORITY: Sec. 269, Truth in Savings Act, Pub. L. No. 102-242, 105 Stat. 2236

2. Part 230 would be added to read as follows:

PART 230—TRUTH IN SAVINGS

230.1 Authority, purpose, coverage and effect on state laws.
230.2 Definitions.
230.3 General disclosure requirements.
230.4 Account disclosures.
230.5 Advance notice of change in terms and advance notice of maturity.
230.6 Periodic statement disclosures.
230.7 Payment of interest.
230.8 Advertising.
230.9 Enforcement and record retention.
Appendix A—Annual percentage yield calculation
Appendix B—Model clauses and sample forms
Appendix C—Effect on state laws
Appendix D—Issuance of staff interpretations.

§ 230.1 Authority, purpose, coverage and effect on state laws.

(a) *Authority.* This regulation, known as Regulation DD, is issued by the Board of Governors of the Federal Reserve System to implement the Truth in Savings Act of 1991, contained in the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. No. 102-242, 105 Stat. 2236) ("the act"). Information collection requirements contained in this regulation have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. 3501 et seq. and have been assigned OMB No. 7100-0255.

(b) *Purpose.* The purpose of this regulation is to enable consumers to make informed decisions about deposit accounts at depository institutions. The regulation requires depository institutions to provide disclosures of the terms and conditions on which interest is paid and fees are assessed against deposit accounts so that consumers can make meaningful comparisons among depository institutions.

(c) *Coverage.* This regulation applies to depository institutions except for credit unions. In addition, the advertising rules in section 230.8 apply to any person who advertises a deposit account offered by a depository institution, including deposit brokers as defined in section 29(g)(1) of the Federal Deposit Insurance Corporation Act (12 U.S.C. 1831f).

(d) *Effect on state laws.* State law requirements that are inconsistent with the disclosure requirements of the act and this regulation are preempted to the extent of the inconsistency. Additional information on inconsistent state laws and the procedures for requesting a preemption determination from the Board are set forth in Appendix C.

§ 230.2 Definitions.

For purposes of this regulation, the following definitions apply:

(a) "*Account*" means a deposit account held by or offered to a consumer by a depository institution. It includes accounts such as time deposits and demand, savings, and negotiable order of withdrawal accounts.

(b) "*Advertisement*" means a commercial message, appearing in any medium, that promotes directly or indirectly the availability of, or a deposit in, an account.

(c) "*Annual percentage yield*" means the total amount of interest paid on an account, based on the simple interest rate and the frequency of compounding for a 365-day period, expressed as a percentage, calculated according to the rules in Appendix A.

(d) "*Board*" means the Board of Governors of the Federal Reserve System.

(e) "*Bonus*" means a premium, gift, award, or other consideration, whether in the form of cash, credit, merchandise, or any equivalent, given or offered to a consumer in exchange for opening, maintaining, or renewing an account of depositing funds in an existing account.

(f) "*Business day*" means a day on which the offices of a depository institution are open to the public for carrying on substantially all business functions.

(g) "*Consumer*" means a natural person (or unincorporated non-business association of persons) who holds an account primarily for personal, family, household, or other non-business purposes, or to whom such an account is offered.

(h) "*Depository institution* and *institution*" mean an institution defined in section 19(b)(1)(A)(i)-(vi) of the Federal Reserve Act (12 U.S.C. 461), except credit unions defined in section 19(b)(1)(A)(iv). The term includes state and federally chartered banks, state and federally chartered savings associations, and state and federally chartered savings banks and mutual savings banks.

(i) "*Interest*" means any payment to a consumer or to a consumer's account for the use of funds in an account. For purposes of this regulation, the term does not include the payment of a bonus, the waiver or reduction of a fee, or the absorption of expenses.

(j) "*Periodic statement*" means a statement setting forth account information that is provided to a consumer on a regular basis four or more times a year.

(k) "*Simple interest rate*" means the rate of interest paid without regard to compounding, shown as an annual figure and expressed as a percentage. For purposes of the account disclosures in section 230.4(b)(1)(A), the rate may be referred to as the "annual percentage rate" in addition to being referred to as the "simple interest rate."

(l) "*State*" means a state, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

(m) "*Stepped rate account*" means an account that has two or more simple interest rates that take effect in succeeding periods and are known when the account is opened.

(n) "*Tiered rate account*" means an account that has two or more simple interest rates that are determined by reference to a specified balance level.

(o) "*Variable rate account*" [Alternative one] means an account in which the simple interest rate may change after the account is opened, as long as that rate is determined by reference to an index.

[Alternative two] means an account in which the simple interest rate may change after the account is opened, except if the institution contracts to give at least 30 days advance written notice of rate changes.

§ 230.3 General disclosure requirements.

(a) *General.* Depository institutions shall make the disclosures required by section 230.4 through 230.6, as applicable, clearly and conspicuously in writing and in a form that the consumer may keep. Disclosures for each account offered by an institution may be presented separately or they may be combined with disclosures for the institution's other accounts, as long as the applicable information is clear. The disclosures shall reflect the legal obligation between the consumer and the depository institution.

(b) *Multiple consumers.* If an account is held by more than one consumer, disclosures may be made to any one of the consumers.

(c) *Oral responses to inquiries.* In an oral response to a consumer's inquiry about interest rates payable on its accounts, the depository institution shall state the "annual percentage yield," using that term. The "simple interest rate," using that term, also may be stated. No other rate may be stated.

§ 230.4 Account disclosures.

(a) *Delivery of account disclosures.*

(1) *Account opening.* The depository institution shall provide the account disclosures to the consumer before an account is opened or a service is provided, whichever is earlier. An institution is deemed to have provided a service when a fee required to be disclosed is assessed. If the consumer is not present at the institution when the account is opened or a service is provided and has not already received the disclosures, the institution shall mail or deliver the disclosures no later than ten business days after the account is opened or the service is provided, whichever is earlier.

(2) *Requests.* A depository institution shall provide the account disclosures to any consumer upon request. If the request is made in writing or by telephone, the institution shall mail or deliver the disclosures no later than three business days after it receives the request.

(3) *Renewals of time deposits—*

(A) *Disclosures required.* The renewal of a time deposit is a new account requiring account disclosures.

(B) *Time deposits that renew automatically.* In the case of time deposits with a maturity of more than three months that automatically renew at maturity without a request from the consumer, the institution shall mail or deliver the account disclosures at least 30 days but not more than 60 days before maturity. For time deposits with a maturity of three months or less, the institution shall mail or deliver the account disclosures no later than ten business days after the account is renewed.

(C) *Time deposits that renew by consumer request.* In the case of time deposits that renew only if requested by the consumer, if the consumer is not present at the institution when the request is made, the institution shall mail or deliver the account disclosures no later than ten business days after the account is renewed.

(b) *Content of account disclosures.* Account disclosures shall include the following:

(1) Rate information—(A) *Annual percentage yield and simple interest rate.* The "annual percentage yield" and the "simple interest rate," using those terms, and the period of time the simple interest rate will be in effect. In the case of stepped rate and tiered rate accounts, all annual percentage yields and simple interest rates must be included.

(B) *Variable rates.* In the case of variable rate accounts:

(i) The fact that the simple interest rate and annual percentage yield may change;

(ii) How the simple interest rate is determined;

(iii) The frequency with which the simple interest rate may change; and

(iv) Any limitation on the amount the simple interest rate may change.

(2) *Time requirements.* In the case of time deposits, any time requirement to obtain the annual percentage yield disclosed.

(3) *Compounding and crediting.* The frequency with which interest is compounded and credited.

(4) *Balance information.*

(A) *Minimum balance requirements.* Any minimum balance required to:

(i) Open the account;

(ii) Avoid the imposition of fees; or

(iii) Obtain the annual percentage yield disclosed.

Except for the balance to open the account, the disclosure shall include an explanation of how the balance is determined for these purposes.

(B) *Balance computation method.* An explanation of the method (as permitted by section 230.7) used to determine the balance on which interest is paid.

(5) *Fees.* The amount of any fee that may be imposed in connection with the account (or an explanation of how the fee will be determined) and the conditions under which the fee may be imposed.

(6) *Transaction limitations.* Any limitations on the number or dollar amount of withdrawal or deposits.

(7) *Early withdrawal penalties.* In the case of time deposits, a statement that a penalty will be imposed for early withdrawal and the conditions under which such a penalty may be assessed. The annual percentage yield and simple interest rate that will apply if the time requirement is not met shall also be stated.

(8) *Renewal policies.* In the case of time deposits, a statement of whether or not the account will renew automatically at maturity. If the account will not renew automatically, an explanation of what will happen to the funds after maturity if the consumer does not renew the account shall also be stated.

(9) *Potential loss of principal.* In the case of an account that involves the risk of loss of principal, a statement of that fact.

(c) *Notice of existing account holders.* Depository institutions shall include a notice on or with the first periodic statement provided to existing account holders after March ___ 1993. The notice shall state that the account holder may request account disclosures containing terms, fees, and rate information for the account. Alternatively, institutions, may include the applicable account disclosures (as described in paragraph (b) of this section) instead of the notice with the periodic statement.

§ 230.5 Advance notice of change in terms and advance notice of maturity.

(a) *Change in terms.* A depository institution shall give advance notice to affected consumers of any change in a term required to be disclosed under section 230.4 if the change may reduce the annual percentage yield or adversely affect the consumer. The notice describing the change shall state the effective date of the change and shall be mailed or delivered at least 30 days before the effective date. The notice is not required for changes in the simple interest rate and corresponding changes in the annual percentage yield for variable rate accounts.

(b) *Notice of maturity for certain time deposits.* For time deposits with a maturity of more than three months that renew only if requested by the consumer, the depository institution shall give advance notice to consumers that the deposit is about to mature. The notice shall state the maturity date and describe what will happen to the funds after maturity if the consumer does not renew the time deposit. The notice shall be mailed or delivered at least 30 days but not more than 60 days before maturity.

§ 230.6 Periodic statement disclosures.

If a depository institution mails or delivers a periodic statement, the statement shall include the following disclosures:

(a) *Annual percentage yield earned.* The "annual percentage yield," using that term, earned during the statement period, calculated according to the rules in Appendix A, Part II.

(b) *Amount of interest paid.* The dollar amount of interest paid during the statement period.

(c) *Fees imposed.* Fees required to be disclosed under section 230.4(b)(4) imposed during the statement period. The fees shall be itemized by type and disclosed as dollar amounts.

(d) *Number of days in period.* The total number of days in the statement period.

§ 230.7 Payment of interest.

(a) *Permissible methods.* Depository institutions shall calculate interest on the full amount of principal in an account for each day by use of either the daily balance method or the average daily balance method.[1]

(b) *Compounding and crediting policies.* This section does not prohibit or require institutions to use any particular frequency of compounding or crediting of interest.

(c) *Date interest begins to accrue.* Interest shall begin to accrue not later than the business day specified for interest-bearing accounts in section 606 of the Expedited Funds Availability Act (12 U.S.C. 4005 *et seq.*).

§ 230.8 Advertising.

(a) *Misleading or inaccurate advertisements.* An advertisement shall not be misleading or inaccurate and shall not misrepresent a depository institution's deposit contract. An advertisement shall not refer to or describe an account as "free" or "no cost" (or contain a similar term) if any maintenance or activ-

[1] Under the daily balance method, interest is calculated by applying a periodic rate to the full amount of principal in the account each day. Under the average daily balance method, interest is calculated by applying a periodic rate to the average balance in the account for the period. The average balance is determined by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

ity fee may be imposed on the account. In the case of an account that involves the risk of loss of principal, that fact shall be stated.

(b) *Permissible rates.* If an advertisement states a rate of return, it shall state the rate as an "annual percentage yield," using that term. The advertisement shall not state any other rate, except that a "simple interest rate," using that term, may be stated in conjunction with, but not more conspicuously than, the annual percentage yield.

(c) *Advertisement of terms that require additional disclosures.* If the annual percentage yield is stated in an advertisement, the advertisement shall state the following information, to the extent applicable, clearly and conspicuously:

(1) For variable rate accounts, a statement that the rate may change after the account is opened.

(2) The period of time the annual percentage yield is in effect.

(3) The minimum balance required to earn the advertised annual percentage yield. For tiered rate accounts, the minimum balance requirement shall be stated for each tier and shall be stated in close proximity and with equal prominence to the applicable annual percentage yield.

(4) The minimum deposit required to open the account, if it is greater than the minimum balance necessary to earn the advertised annual percentage yield.

(5) The minimum time required to obtain the advertised annual percentage yield, together with any lower annual percentage yield that will apply if the deposit is withdrawn prior to that time.

(6) A statement that fees or other conditions could reduce the earnings on the account.

(7) In the case of time deposits with a stated maturity of less than one year, a statement that the annual percentage yield assumes that the funds will remain on deposit for a full year at the rate provided for in the deposit contract.

(8) In the case of time deposits, a statement that a penalty may be imposed for early withdrawal.

(d) *Bonuses.* If a bonus is stated in an advertisement, the advertisement shall state:

(1) The "annual percentage yield," using that term;

(2) The information in paragraph (c) of this section;

(3) The conditions that must be met in order to qualify for the bonus; and

(4) When the bonus will be paid.

§ 230.9 Enforcement and record retention.

(a) *Administrative enforcement.* A violation of the act or this regulation is subject to administrative sanctions as provided in section 270 of the act. Compliance is enforced by the agencies listed in that section.

(b) *Civil liability.* Section 271 of the act contains the provisions relating to civil liability for failure to comply with the requirements of the act and this regulation.

(c) *Record retention.* A depository institution shall retain evidence of compliance with this regulation for a minimum of two years after the date disclosures are required to be made. The administrative agencies responsible for enforcing the regulation may require depository institutions under their jurisdiction to retain records for a longer period if necessary to carry out their enforcement responsibilities under section 270 of the act.

APPENDIX A—ANNUAL PERCENTAGE YIELD CALCULATION

The annual percentage yield (APY) is a measurement of the amount of interest an institution pays on an account, expressed as an annualized rate.[1] The annual percentage yield is based on a 365-day year.[2] Part I of this appendix discusses the annual percentage yield calculations for account disclosures and advertisements, while Part II discusses annual percentage yield calculations for periodic statements.

The annual percentage yield shall be calculated and expressed as a rate rounded to the nearest basis point (one-hundredth percentage point) and shown to two decimal places. The annual percentage yield shall be considered accurate if it is not more than five basis points (1/20 of one percentage point) above or below the annual percentage yield determined in accordance with the rules in this appendix.

PART I. ANNUAL PERCENTAGE YIELD FOR ACCOUNT DISCLOSURES AND ADVERTISING PURPOSES

In general, the annual percentage yield for account disclosures under §§230.4 and 230.5 and for advertising under §230.8 is an annualized rate that reflects the relationship between the amount of interest that would be earned for a 365-day year and the amount of principal used to calculate that interest. Special rules apply to accounts with tiered interest rates.

A. General Rules

The annual percentage yield shall be calculated by the formula shown below, which reflects, on an annualized basis, the relationship between the amount of interest earned by the consumer for the term of the account and the amount of principal assumed to have been deposited to earn that amount of interest. Institutions shall calculate the annual percentage yield based on the actual number of days for the term of the account. For accounts without a stated maturity date (such as a typical savings or transaction account), the calculation shall be based on an assumed term of 365 days. In determining the total interest figure to be used in the formula, institutions shall assume that all principal and interest remain on deposit for the entire term, and that no other transactions (deposits *or* withdrawals) occur during the period.

The annual percentage yield is to be calculated by use of the following general formula:

$$APY=100[(1+Interest/Principal)^{(365/Days\ in\ term)}-1]$$

"Principal" is the amount of funds assumed to have been deposited at the beginning of the account.

"Interest" is the total dollar amount of interest earned on the Principal for the term of the account.

"Days in term" is the actual number of days in the term of the account.

When the "days in term" is 365 (that is, where the stated maturity is 365 days or where the account does not have a stated maturity), the APY can be calculated by use of the following simple formula:

$$APY=100\ (Interest/Principal)$$

EXAMPLES: (1) If an institution would pay $61.68 in interest for a 365-day year on $1,000 deposited into a NOW account, the APY is 6.17%. Using the general formula above:

$$APY=100[(1+61.68/1,000)^{(365/365)}-1]$$
$$APY=6.17\%.$$

Or, using the simple formula above (since the term is deemed to be 365 days):

$$APY=100(61.68/1,000)$$
$$APY=6.17\%$$

(2) If an institution pays $30.37 in interest on a $1,000 six-month certificate of deposit (where the six-month period used by the institution contains 182 days), the APY is 6.18%. Using the general formula above:

$$APY=100[(1+30.37/1,000)^{(365/182)}-1]$$
$$APY=6.18\%$$

B. Stepped Rate Accounts (Different Rates Apply in Succeeding Periods)

For accounts with two or more fixed simple interest rates to be applied in succeeding periods (where the rates are known at the time the account is opened), an institution shall assume each simple interest rate is in effect for the length of time provided for in deposit contract.

Examples: (1) If an institution offers a $1,000 6-month certificate of deposit on which it pays a 5% simple interest rate, compounded daily, for the first three months (which contain 88 days), and a 5.5% simple interest rate, compounded daily, for the next three months (which contain 91 days), the total interest for six months is $26.10, and the APY is 5.39%. Using the general formula above:

$$APY=100\ [(1+26.10/1,000)^{(365/179)}-1]$$
$$APY=5.39\%$$

(2) If an institution offers a $1,000 2-year certificate of deposit on which it pays a 6% simple interest rate, compounded daily, for the first year, and a 6.5% simple interest rate, compounded daily, for the next year, the total interest for two years is $133.13, and the APY is 6.45%. Using the general formula above:

$$APY=100\ [(1+133.13/1,000)^{(365/730)}-1]$$
$$APY=6.45\%$$

C. Variable Rate Accounts

For variable rate accounts without an introductory premium or discounted rate, an institution must base the calculation only on the initial simple interest rate in effect when the account is opened (or advertised), and assume that this rate will not change during the year.

Variable rate accounts with an introductory premium or discount rate must be treated like stepped rate accounts. Thus, an institution shall assume that: (1) The introductory simple interest rate is in effect for the length of time provided for in the deposit contract; and (2) the variable simple interest rate that would have been in effect when the account is opened or advertised (but for the introductory rate) is in effect for the remainder of the 365-day year.

For example, if an institution offers an account on which it pays a 7% simple interest rate, compounded daily, for the first three months (which contain 88 days), while the variable simple interest rate that would have been in effect when the account was opened was 5%, the total interest for a 365-day year for a $1,000 deposit is $56.35, and the APY is 5.64%. Using the simple formula:

$$APY=100\ (56.35/1,000)$$
$$APY=5.64\%$$

D. Accounts With Tiered Rates (Different Rates Apply Depending on Balance Level)

For accounts in which the simple interest rate paid on the account is determined by specified balance levels, the institution must calculate the annual percentage yield in ac-

[1] The annual percentage yield reflects only interest and does not include the value of any cash bonus, merchandise, or other items that may be provided to the consumer to open, maintain, increase or renew an account. Interest or other earnings are not to be included in the annual percentage yield if such amounts are determined by circumstances that may or may not occur.

[2] Institutions may calculate the annual percentage yield based on a 365-day or a 366-day year in a leap year.

cordance with the method described below that it uses to calculate interest. In all cases, an annual percentage yield (or a range of annual percentage yields, if appropriate) must be disclosed for each balance tier.

For purposes of the examples discussed below, assume the following:

Simple interest rate (percent)	Deposit balance required to earn rate
5.25	$.01 up to but not exceeding $2,500.
5.50	2,500 up to but not exceeding $15,000.
5.75	15,000 and higher.

Tiering Method A

Under this method, an institution pays on the full balance in the account the stated simple interest rate that corresponds to the applicable deposit tier. For example, if a consumer deposits $8,000, the institution pays the 5.50% simple interest rate on the entire $8,000.

When this method is used to determine interest, only one annual percentage yield will apply to each tier. Within each tier, the annual percentage yield will not vary with the amount of principal assumed to have been deposited.

For the simple interest rates and deposit balances assumed above, the institution will state three annual percentage yields—one corresponding to each balance tier. Calculation of each annual percentage yield is similar for this type of account as for accounts with a single fixed interest rate. Thus, the calculation is based on the total amount of interest that would be received by the consumer for each tier of the account for a 365-day year and the principal assumed to have been deposited to earn that amount of interest.

First tier. Assuming daily compounding, the institution will pay $53.90 in interest on a $1,000 deposit. For the first tier, the APY is 5.39%. Using the general formula:

APY=100 [(1+53.90/1,000)$^{(365/365)}$−1]
APY=5.39%

Using the simple formula:

APY=100 (53.90/1,000)
APY=5.39%

Second tier. The institution will pay $452.29 in interest on a $8,000 deposit. Thus, the annual percentage yield for the second tier is 5.65%. Using the simple formula:

APY=100 (452.29/8,000)
APY=5.65%

Third Tier. The institution will pay $1,183.61 in interest on a $20,000 deposit. Thus, the annual percentage yield for the third tier is 5.92%. Using the simple formula:

APY=100 (1,183.61/20,000)
APY=5.92%

Tiering Method B

Under this method, an institution pays the stated simple interest rate only on that portion of the balance within the specified tier. For example, if a consumer deposits $8,000, the institution pays 5.25% on only $2,499.99 and 5.50% on $5,500.01 (the amount that exceeds the cutoff level between the first and second tiers).

The institution that computes interest in this manner must provide a range that shows the lowest and the highest annual percentage yields for each tier (other than for the first tier, which, like the tiers in Method A, has the same annual percentage yield throughout). The low annual percentage yield is calculated based on the total amount of interest earned for a 365-day year assuming the *minimum* principal required to earn the simple interest rate for that tier. The high annual percentage yield is based on the amount of interest the institution would pay on the *highest* principal that could be deposited to earn that same simple interest rate. If the account does not have a limit on the amount that can be deposited, the highest principal for the top tier shall be deemed to be $100,000.

For the amounts assumed above, the institution would state a total of five annual percentage yields—one figure for the first tier and two figures stated as a range for the other two tiers.

First tier. Assuming daily compounding, the institution would pay $53.90 in interest on a $1,000 deposit. For this first tier, the annual percentage yield is 5.39%. Using the simple formula:

APY=100 (53.90/1,000)
APY=5.39%

Second tier. For the second tier the institution would pay between $134.75 and $841.45 in interest, based on assumed balances of $2,500 and $14,999.99, respectively. For $2,500, interest would be figured on $2,499.99 at 5.25% simple interest rate plus interest on $.01 at 5.50%. For the low end of the second tier, therefore, the annual percentage yield is 5.39%. Using the simple formula:

APY=100 (134.75/2,500)
APY=5.39%

For $14,999.99, interest is figured on $2,499.99 at 5.25% simple interest rate plus interest on $12,500 at 5.50% simple interest rate. For the high end of the second tier, the annual percentage yield is 5.61%. Using the simple formula:

APY=100 (841.45/14,999.99)
APY=5.61%

Thus, the annual percentage yield range that would be stated for the second tier is 5.39% to 5.61%.

Third tier. For the third tier, the institution would pay between $841.45 and $5,871.78 in interest, based on assumed balances of $15,000 and $100,000, respectively. For $15,000, interest would be figured on $2,499.99 at 5.25% simple interest rate, plus interest on $12,500 at 5.50% simple interest rate, plus interest on $.01 at 5.75% simple interest rate. For the low end of the third tier, therefore, the annual percentage yield is 5.61%. Using the simple formula:

APY=100 (841.45/15,000)
APY=5.61%

For $100,000, the assumed high end of the third tier, interest would be figured on $2,499.99 at 5.25% simple interest rate, plus interest on $12,500 at 5.50% simple interest rate, plus interest on $85,000.01 at 5.75% simple interest rate. For the high end of the third tier, therefore, the annual percentage yield is 5.87%. Using the simple formula:

APY=100 (5,871.78/100,000)
APY=5.87%

Thus, the annual percentage yield that would be stated for the third tier is 5.61% to 5.87%.

PART II. ANNUAL PERCENTAGE YIELD FOR PERIODIC STATEMENTS

The annual percentage yield for periodic statements under §230.6 is an annualized rate that reflects the relationship between the amount of interest actually paid and credited to the consumer's account during the period and the average daily balance in the account for the period.

The annual percentage yield shall be calculated by using the following formula:

APY=100 [(1+Interest earned/Balance)$^{(365/\text{Days in period})}$−1]

"Balance" is the average daily balance in the account during the period covered by the statement.

"Interest earned" is the actual amount of interest accrued and credited to the account for the period covered by the statement.

"Days in period" is the actual number of days for the period covered by the statement.

For example, if an institution pays $5.25 in interest for a period containing 30 days, and the average daily balance for the period is $1,000, the APY is 6.58%. Using the formula above:

APY=100 [(1+5.25/1,000)$^{365/30)}$−1]
APY=6.58%

APPENDIX B—MODEL CLAUSES AND SAMPLE FORMS

B-1—Model Clauses for Account Disclosures (Section 230.4(b))
B-2—Model Clause for Change in Terms (Section 230.5(a))
B-3—Sample Form (Multiple Accounts)
B-4—Sample Form (NOW account)
B-5—Sample Form (Certificate of Deposit)
B-6—Sample Form (Certificate of Deposit Advertisement)
B-7—Sample Form (Money Market Account Advertisement)

B-1—Model Clauses for Account Disclosures

(a) Rate Information

(i) *Fixed rate:* The simple interest rate for your account is _____% with an annual percentage yield of _____%. You will be paid this rate [for _____] [until _____].

(ii) *Variable rate:* The simple interest rate for your account is _____% with an annual percentage yield of _____%. You will be paid this rate [for _____] [until _____].

Your simple interest rate and annual percentage yield may change.

Determination of Rate

The simple interest rate for your account is based on [*index*] [plus] [minus] a margin of _____.

We may change the simple interest rate for your account based on market or other factors.

Frequency of Rate Change

We may change the simple interest rate for your account [every_____] [at any time we choose].

Limitations on Rate Changes

The simple interest rate for your account will never change by more than _____% each _____.

The simple interest rate will never be [less] [more] than _____%.

(iii) *Stepped rate accounts:* The simple interst rate for your account is _____%. You will be paid this rate [until _____] [for _____]. After that time, the simple interest rate for your account will be _____%, and you will be paid this rate [until _____] [for _____]. The annual percentage yield for your account is _____%.

(iv) *Tiered rate accounts:* If your [daily balance] [average daily balance] is below $_____, the simple interest rate for your account will be _____% with an annual percentage yield of _____%.

If your [daily balance] [average daily balance] is $_____ or more, the simple interest rate paid on the entire balance in your account will be _____% with an annual percentage yield of _____%.

The simple interest rate that will be paid for only that portion of your [daily balance] [average daily balance] that exceeds $_____ is _____%. The annual percentage yield for the excess balance will range from _____%

to _____%, depending on the balance in the account.

You will be paid these rates [for _____] [until _____].

(b) Time Requirements

To earn the annual percentage yield listed above, your entire deposit must remain on deposit [until _____].

(c) Compounding and Crediting

Interest will be compounded [on a _____ basis] [every _____].

Interest will be credited to your account [on a _____ basis] [every _____].

(d) Minimum Balance Requirements

(i) *To open the account.* You must deposit $_____ to open this account.

(ii) *To avoid imposition of fees.* A minimum balance fee [of $_____] will be imposed every _____ if your account does not have a [daily balance] [average daily balance] of at least $_____ for _____.

(iii) *To obtain the annual percentage yield disclosed.* You must maintain a minimum [daily balance] [average daily balance] of $_____ to earn the annual percentage yield listed above. You will earn interest for every day during the period that your account equals or exceeds the minimum balance requirement.

(e) Balance Computation Method

(i) *Daily balance method.* The balance on which interest is computed for your account is determined by the daily balance method, which applies a periodic rate to the full amount of principal in the account each day.

(ii) *Average daily balance method.* The balance on which interest is calculated for your account is determined by the average daily balance method, which applies a periodic rate to the average balance in the account for the period. The average daily balance is calculated by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

(f) Fees

The following fees may be assessed against your account:

_____ $____
_____ $____
_____ $____
_____ (if ____) $____
_____ %____ of ____

(g) Transaction Limitations

You may only make _____ withdrawals from your account each statement cycle—_____ by check and _____ otherwise. The minimum withdrawal is $_____.

You may only make _____ deposits into your account each statement cycle.

You may only make _____ ATM [withdrawals from] [deposits into] your account each statement cycle.

You may only make _____ preauthorized transfers [from] [into] your account each statement cycle.

You may not make deposits into or withdrawals from this account until the maturity date.

(h) Early Withdrawal Penalty

We will impose a penalty if you withdraw [any] [all] of the deposited funds before the maturity date. The fee imposed will equal _____ months of interest.

A penalty of $_____ will be charged if you withdraw [any] [all] of the deposited funds before the maturity date.

If [any] [all] of the deposit is withdrawn before [the end of] that time, the simple interest rate paid on the remaining funds in your account will be _____% with an annual percentage yield of _____%.

(i) Renewal Policy

(i) *Automatically renewable.* This account will automatically renew at maturity.

(ii) *Renewal upon notice from consumer.* The account will not renew automatically at maturity. If you do not renew the account, your deposit will be placed in a [_____ account for which interest will be paid based on the simple interest rate in effect at that time] [noninterest-bearing account].

(j) Potential Loss of Principal

Changes in the [*description of feature*] may result in a loss of principal.

B-2—Model Clauses for Change in Terms

On _____, the cost of [*description and fee*] will increase to $_____.

On _____, the annual percentage yield for your account will decrease to _____%.

On _____, the minimum balance required to avoid imposition of a fee will increase to $_____.

B-3—Sample Form (Multiple Accounts)

BANK ABC—DISCLOSURE OF INTERST AND CHARGES

This disclosure contains information about your:

—Now Account
—Passbook Savings Account
X Money Market Account
—1 Year Certificate of Deposit (CD)
—2 Year Certificate of Deposit (CD)

Fees

The following fees and penalties may be assessed against your account:

X Fee per month for not maintaining a $500 minimum balance every day	$6.00
—Fee for every check you write on the account	.25
X Fee for each ATM withdrawal	.25
X Fee for each ATM deposit	1.00
X Fee for a stop payment order	12.50
X Fee for checks presented against insufficient funds	15.00
X Fee for each wire transfer (incoming or outgoing)	10.00
X Fee for writing more than 3 checks per month	6.00
X Fee for making more than 6 (total) withdrawals per month	8.00
—Fee for set up to gain access to computerized home banking	6.00
X Fee for check printing (200 checks) (depending on style selected)	12.00 to 18.00
X Fee per month for access to telephone bill payment plan	3.00
X Fee for assistance with reconciling bank statements (hourly rate)	17.00
X Fee for a photocopy of monthly statement or Form 1099	4.00
—Fee for making a transaction without an account passbook	1.75
—Penalty for early withdrawal (1 year CD)	50.00
—Penalty for early withdrawal (2 year CD)	100.00

Rate Information (Current Rates are Listed Below)

—Your simple interest rate and annual percentage yield are fixed.
X Your simple interest rate and annual percentage yield are fixed.
X Your simple interest rate and annual percentage yield may change. The simple interest rate for your account is based on the 6 Month Treasury bill plus a margin of .25%. This rate may change daily. The simple interest rate will never be less than 3%.

Minimum Balance To Avoid a Fee

X A fee will be imposed every month if your account does not have a minimum daily balance of $500 for each day of the month

Compounding and Crediting Policies

X Interest will be compounded on a daily basis
X Interest will be credited to your account on the last day of each month
—Interest will be credited to your account on the last day of each month and at maturity

Transaction Limitations

X You may only make 6 withdrawals from your account each month—3 by check and 3 otherwise. The minimum withdrawal is $100
—You may not make deposits or withdrawals from this account until the maturity date

Early Withdrawal Penalty

—A penalty will be charged if you withdraw any of the deposit before the maturity date

Renewal Policy

—The account will not renew automatically at maturity. If you do not renew the account, your deposit will be placed in a noninterest-bearing account

Time Requirements

—To earn the annual percentage yield listed above, your entire deposit must remain on deposit until [_____]

Additional disclosures for your account are included in the attached chart.

ADDITIONAL DISCLOSURES ABOUT YOUR ACCOUNT

	Annual percentage yield (percent)	Simple interest rate (percent)	Period of time the simple interest rate is in effect	Minimum balance to open the account	Minimum daily balance to earn interest[1]	Method to determine balance on which interest is paid[1]
NOW Account	4.08	4.00	Rate may change daily	$100	$100	Daily balance method.
Passbook Savings Account	3.56	3.50	30 days from account opening	$100	$100	Daily balance method.
Money Market Account	4.60	4.50	Rate may change daily	$100	$100	Daily balance method.
1 year Certificate of Deposit	5.34	5.20	Until maturity	$1,000	$1,000	Daily balance method.
2 year Certificate of Deposit	5.97	5.80	Until maturity	$1,000	$1,000	Daily balance method.

[1] The balance on which interest is paid is determined by the daily balance method, which applies a periodic rate to the full amount of principal in the account each day.

B-4—Sample Form (NOW Account)

Bank XYZ—Disclosure of Interest and Charges NOW Account

Fees

The following fees and penalties may be assessed against your account:

Fee per month for not keeping a $500 minimum balance	$6.00
Fee for every check you write on your account	.25
Fee for an ATM card (annual fee)	10.00
Fee for each ATM withdrawal	.25
Fee for each ATM deposit	1.00
Fee for a stop payment order	12.50
Fee for checks presented against insufficient funds (NSF)	15.00
Fee for printing checks (per 200)	12.00 to 18.00
Fee to establish a preauthorized transfer	3.00
Fee for not providing taxpayer ID number	7.00
Fee for bank-by-mail kit	5.00
Fee to hold a periodic statement at branch	15.00

Rate Information

The simple interest rate for your account is 5.00% with an annual percentage yield of 5.13%. You will be paid this rate until 9-1-92.

Your simple interest rate and annual percentage yield may change.

We may change the simple interest rate for your account based on market or other factors at any time.

The simple interest rate will never be less than 3%.

Minimum Balance Requirements

You must deposit $100 to open this account.

A minimum balance fee will be imposed for every month your account does not have an average daily balance of $500.

You must maintain an average daily balance of $100 to earn the annual percentage yield listed above.

Balance Computation Method

The balance on which interest is paid for your account is determined by the average daily balance method, which applies a periodic rate to the average balance in the account for the period. The average daily balance is calculated by adding the full amount of principal in the account for each day of the period and dividing that figure by the number of days in the period.

Compounding and Crediting

Interest for your account will be compounded daily and credited to your account balance on the last day of each month.

B-5—Sample Form (Certificate of Deposit)

XYZ Savings Bank—Disclosure of Interest and Charges; 1 Year Certificate of Deposit

Rate Information

The simple interest rate for your account is 6.00% with an annual percentage yield of 6.18%. You will be paid this rate until the maturity date of the certificate.

Time Requirement

To earn the annual percentage yield listed above, your entire deposit must remain on deposit until June 28, 1993.

Minimum Balance Requirements

You must deposit $1,000 to open this account.

You must maintain a minimum daily balance of $1,000 to earn the annual percentage yield listed above.

Balance Computation Method

The balance on which interest is paid for your account is determined by the daily balance method, which applies a periodic rate to the full amount of principal in the account each day.

Transaction Limitations

You may not make deposits or withdrawals from this account until the maturity date.

Early Withdrawal Penalty

If you withdraw any funds before the maturity date, a penalty of $50 will be charged to your account.

Renewal Policy

This account will be automatically renewed at maturity. Even after it is renewed, you may withdraw the funds within 10 days without being charged a penalty.

Compounding and Crediting

Interest for your account will be compounded daily and credited to your account balance on the last day of each month and at maturity.

B-6—Sample Form (Certificate of Deposit Advertisement)

Bank XYZ—Always Offers You Competitive CD Rates

Account	Annual percentage yield
5 Year Certificate	6.31
4 Year Certificate	6.07
3 Year Certificate	5.72
2 Year Certificate	5.52
1 Year Certificate	4.54
6 Month Certificate [1]	4.34
90 Day Certificate [1]	4.21
The annual percentage yields are effective 3/9/92 through 3/16/92.	Funds must remain on deposit until maturity to earn the advertised yield.

[1] The annual percentage yield assumes funds will remain on deposit for a full year at the advertised rate. A penalty may be imposed for early withdrawal. The minimum daily balance to open the account and to earn interest is $1,000.

For more information call: 202-123-1234, Bank XYZ. Deposits insured to $100,000 by FDIC.

B-7—Sample Form (Money Market Account Advertisement)

The Prime Dollars In The Market Are In Money Market Accounts With Bank XYZ

	Annual percentage yield
Accounts with a balance of $5,000 or less.	5.07% [1]
Accounts with a balance over $5,000	5.57% [1]
The annual percentage yields are available April 15 through April 20.	Fees or other conditions could reduce the earnings on the account.

[1] The rates may change after the account is opened.

For more information call: 202-123-1234, Bank XYZ; founded 1899. Deposits insured to $100,000 by FDIC.

APPENDIX C—EFFECT ON STATE LAWS

(a) Inconsistent Disclosure Requirements

State law requirements that are inconsistent with the disclosure requirements of the act and this regulation are preempted to the extent of the inconsistency. A state law is inconsistent if it requires a depository institution to make disclosures that contradict the requirements of the federal law. A state law is also contradictory if it requires the use of the same term to represent a different amount or a different meaning than the federal law, or if it requires the use of a term different from that required in the federal law to describe the same item.

(b) Preemption Determinations

A depository institution, state, or other interested party may request the Board to determine whether a state law requirement is inconsistent with the federal requirements. A request for a determination shall be in writing and addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551. Notice that the Board intends to make a determination (either on request or on its own motion) that will be published in the FEDERAL REGISTER, with an opportunity for public comment unless the Board finds that notice and opportunity for comment would be impracticable, unnecessary, or contrary to the public interest and publishes its reasons for such decision. Notice of a final determination will be published in the FEDERAL REGISTER and furnished to the party who made the request and to the appropriate state official.

(c) Effect of Preemption Determinations

After the Board determines that a state law is inconsistent, a depository institution may not make disclosures using the inconsistent term.

(d) Reversal of Determination

The Board reserves the right to reverse a determination for any reason bearing on the coverage or effect of state or federal law. Notice of reversal of a determination will be published in the FEDERAL REGISTER and a copy furnished to the appropriate state official.

APPENDIX D—ISSUANCE OF STAFF INTERPRETATIONS

Officials in the Board's Division of Consumer and Community Affairs are authorized to issue official staff interpretations of this regulation. These interpretations provide the protections afforded under section 271(f) of the act. Except in unusual circumstances, interpretations will not be issued separately but will be incorporated in an official commentary to the regulation, which will be amended periodically. No staff interpretations will be issued approving depository institutions' forms, statements, or calculation tools or methods.

By order of the Board of Governors of the Federal Reserve System, April 2, 1992.

JENNIFER J. JOHNSON,
Associate Secretary of the Board.

AN AWARD FOR PATRICIA M. ZELL

• Mr. INOUYE. Mr. President, a few days ago I had the great pleasure of attending the annual awards banquet of the American Indian Resources Institute, an event attended by several hundred Native Americans from across this country. Among the distinguished service awards presented at the event, one may be of special interest to my colleagues on the Select Committee on Indian Affairs and to my other colleagues in this body.

Before calling your attention to that award, I want to join my friends in Indian country in applauding the other honorees: the later Robert Newlin, Inupiat Eskimo of Noorvik, AK, the former chairman of the board of the NANA Regional Corp., and village leader, awarded a Posthumous Distinguished Service Award; Larry E. Echohawk, a Pawnee, a former Idaho legislator, now Idaho's elected attorney general, the 1992 Distinguished Achievement Award; Franklin D. Ducheneaux, Cheyenne River Sioux, the long-time counsel on Indian affairs for the House Interior and Insular Affairs Committee, a 1992 Distinguished Service Award; and Paul J. Bernal of

Taos Pueblo, who fought for more than 20 years for the return of the Blue Lake area to the Taos Pueblo, the 1992 Allan Houser Lifetime Achievement Award.

In manifold ways these persons made very important contributions to protecting the rights and advancing the interests of American Indians and other Native Americans, and the honors bestowed upon them were clearly earned and well deserved.

The honoree who may be of especial interest in this body, however, was Patricia M. Zell, a Navajo who is today staff director and majority counsel to the Select Committee on Indian Affairs, a post to which I appointed her in early 1991. Although the tribute paid Patricia included her service in this position, her presenter, Billy Frank, Jr., the Chairman of the Northwest Indian Fisheries Commission, reached nearly 20 years to describe her vigor and intelligence, and the respect for Indian rights she exhibited when they first met.

Mr. President, Members of this body who are afforded honors may sometime react as I do to such awards, grateful that our efforts are noticed, but troubled that staff contributions to what we are doing are too often overlooked. This may be why I was so moved at hearing the tribute to Patricia's personal attributes and her accomplishments last week as she was awarded a 1992 Distinguished Service Award, and why I thought it important to inform my colleagues.

Mr. President, I request that the brief portrayal of Patricia Zell contained in the program of the 1992 American Indian Achievement Awards dinner be printed following my remarks.

The tribute follows:

PATRICIA M. ZELL, 1992 DISTINGUISHED SERVICE AWARD RECIPIENT

Although she rarely mentions it, Patricia Zell's decision to put aside a Ph.D. in clinical psychology in favor of a career in law not only changed her life, but also has proved to be a boon to the American Indian community which has benefited enormously from her many talents. The trail that led her to her current position of Staff Director and Chief Counsel to the Senate Select Committee on Indian Affairs began when she worked for the American Indian Policy Review Commission from 1975 to 1977, serving as the research director for the Task Force on Tribal Government and later as a member of the staff that prepared the Commission's final report.

In 1977, Patricia accepted a staff position with the U.S. Commission on Civil Rights, where she worked on the Investigation into the Administration of Justice by the State of Washington as it affects Native Americans and was a contributor to the Commission's 1981 publication entitled "Indian Tribes: A Continuing Quest for Survival."

In 1978, Patricia joined the staff of the Senate Select Committee on Indian Affairs as a professional staff member and also began her legal studies at Georgetown University, earning a Juris Doctor in 1981. After graduation from Georgetown, she worked for a year as a staff attorney with the American Indian Lawyer Training Program before returning in 1982 to the Senate Select Committee on Indian Affairs to serve as a staff attorney. In 1985, she began serving as the editor of the Indian Law Reporter.

In 1986, the then new Chairman of the Committee, Senator Daniel Inouye, recognizing the innate abilities and political adroitness of this soft-spoken Navajo woman, appointed Patricia as Chief Counsel to the Committee. In December 1990 Patricia also assumed the duties of Staff Director.

From professional staff member to her now dual position of Staff Director and Chief Counsel, Patricia Zell has helped shape a legislative landscape that is more friendly to the rights and concerns of American Indians than it has ever been before.•

BUDGET SCOREKEEPING REPORT

• Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending exceeds the budget resolution by $6.5 billion in budget authority and by $6.1 billion in outlays. Current level is $2.9 billion above the revenue floor in 1992 and $0.7 billion below the revenue floor over the 5 years, 1992–96.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $354.4 billion, $3.2 billion above the maximum deficit amount for 1992 of $351.2 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 1992.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1992 and is current through May 15, 1992. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 121). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meet the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated May 12, 1992, there has been no action that affects the current level of budget authority, outlays or revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS. AS OF MAY 15, 1992

[In billions of dollars]

	Budget resolution (H. Con. Res. 121)	Current level [1]	Current level +/− resolution
On-budget:			
Budget authority	1,270.7	1,277.2	+6.5
Outlays	1,201.7	1,207.8	+6.1
Revenues:			
1992	850.5	853.4	+2.9
1992–96	4,836.2	4,835.5	−.7
Maximum deficit amount	351.2	354.4	+3.2
Debt subject to limit	3,982.2	3,795.0	−187.2
Off-budget:			
Social Security outlays:			
1992	246.8	246.8	.....
1992–96	1,331.5	1,331.5	.....
Social Security revenues:			
1992	318.8	318.8	.....
1992–96	1,830.3	1,830.3	.....

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 102D CONG., 2D SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1992 AS OF CLOSE OF BUSINESS MAY 15, 1992

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	.....	.....	853,364
Permanents and other spending legislation	807,567	727,184	.....
Appropriation legislation	686,331	703,643	.....
Mandatory adjustments [1]	(1,041)	1,105	.....
Offsetting receipts	(232,542)	(232,542)	.....
Total previously enacted [2]	1,260,314	1,199,389	853,364
ENACTED THIS SESSION			
Emergency unemployment compensation extension (Public Law 102–244)	2,706	2,706	.....
American Technology Preeminence Act (Public Law 102–245)	.....	.....	(3)
Technical Correction to the Food Stamp Act (Public Law 102–265)	(3)	(3)	.....
Further continuing appropriations, 1992 (Public Law 102–266) [4]	14,178	5,724	.....
Total enacted this session	16,884	8,430	(3)
PENDING SIGNATURE			
Extend certain expiring veterans' programs (S. 2378)	(4)	(4)	.....
Total current level	1,277,196	1,207,817	853,364
Total budget resolution [5]	1,270,713	1,201,701	850,501
Amount remaining:			
Over budget resolution	6,483	6,116	2,863
Under budget resolution	.....	.....	.....

[1] Adjustments required to conform with current law estimates for entitlements and other mandatory programs in the concurrent resolution on the budget (H. Con. Res. 121).

[2] Excludes the continuing resolution enacted last session (Public Law 102–145) that expired Mar. 31, 1992.

[3] Less than $500,000.

[4] In accordance with section 251(a)(2)(D)(i) of the Budget Enforcement Act, the amount shown for Public Law 102–266 does not include $107,000,000 in budget authority and $28,000,000 in outlays in emergency funding for SBA disaster loans.

[5] Includes revision under section 9 of the concurrent resolution on the budget (see p. S4055 of "Congressional Record" dated Mar. 20, 1992).

Note.—Detail may not add due to rounding.•

COMMUNITY NURSING CENTERS

• Mr. INOUYE. Mr. President, today I would like to draw attention to a long unrecognized source of health care, community nursing centers. Recently the National League for Nursing conducted a nationwide study, funded by the Metropolitan Life Foundation, doc-

umenting the valuable work these centers have been doing to provide care to clients of all backgrounds and incomes, but especially to the homeless, indigent, chronically ill and underserved of this Nation.

These centers have proliferated within the past 5 years suggesting a profound acceptance by the American public for the services provided by them. In 1990, when the data were collected, there were approximately 250 centers nationwide. These centers have proven that an alternative health care source can and should be part of the answer to high-quality care for a reasonable cost. While cost will vary somewhat based on location and time in existence for a particular center, overall cost has been estimated at $78 to $54 per client visit. One center in Atlanta is able to provide an all-inclusive health care visit for an average of $40. This includes needed medications and laboratory tests. How many of our traditional fee-for-service providers can boast the same?

Types of services provided in these centers and documented by the National League for Nursing include physicals and checkups, ambulatory and outpatient care, immunization and infusion therapy, home care to the acute, chronic, and terminally ill and respite care to children. These centers receive only 24 percent of their funding from Medicaid-Medicare and another 19 percent from private insurance. The remaining 57 percent comes from various sources, such as from the institution to which the center is affiliated, or private donations.

Nurse practitioners and other nonphysician professionals are providing this country a valuable service with relatively little support from the Federal Government. It is time that we take a closer look at these alternative resources in all of our health care legislation, as a potential solution to our health care deficit and enact legislation which does not discriminate against nonphysician health care professionals.•

SEVENTY-FIFTH ANNIVERSARY OF UNITED WAY OF BUFFALO

• Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that this year marks the 75th anniversary of the United Way of Buffalo and Erie County. This fine institution is dedicated to helping the community by aiding the elderly, the unemployed, the disabled, abused and neglected children, recovering substance abusers, and others in need.

The United Way performs an invaluable service to the people of Buffalo and Erie County. Its contributions to the region are deeply felt, and greatly appreciated. I commend its staff and volunteers on their efforts to improve the quality of life for the disadvantaged, and I wish them all much continued success.•

OPPOSING THE CONTINUED FORCIBLE RETURN OF THE VIETNAMESE BOAT PEOPLE FROM HONG KONG

• Mr. D'AMATO. Mr. President, I rise today to oppose the continued forcible return of the Vietnamese boat people from Hong Kong to Vietnam.

With the signing of an agreement on May 12, 1992, Britain and Hong Kong agreed to terms with Vietnam providing for the forced repatriation of Vietnamese nationals who have sought refuge in Hong Kong. Since the end of the Vietnam war, over 1.5 million Vietnamese boat people have fled the oppression of a Communist dictatorship which was imposed upon them. The current agreement between Britain and Vietnam authorizes the forcible return of 54,000 boat people currently being held in detention camps in Hong Kong.

As we witness the expansion of democracy throughout the former Soviet Union and Eastern Europe, we must not forget that oppression continues in Vietnam. On November 9, 1991, the first 59 Vietnamese refugees were returned kicking and screaming to Vietnam in anticipation of brutal treatment upon their return. We must not allow any more refugees to be subjected to the same treatment and deprived of those basic human rights which the United States has so vehemently defended.

In forcibly returning the boat people to Vietnam, the British authorities are subjecting these people to reprisal from an oppressive regime and probable inhuman treatment. They will be subject to political reeducation, widespread discrimination, and forced labor.

In sitting idly by, we simply condone activities which subject others to a life of oppression. The return of the Vietnamese boat people is a deplorable act on the part of British authorities and impedes efforts by the international community to defend personal freedom and liberty. These actions are an affront to democratic principles and must not be tolerated. The Vietnamese boat people must not be thrown back into the fire of Communist Vietnam.•

PRESIDENT LI TENG-HUI'S SECOND ANNIVERSARY IN OFFICE

• Mr. BURNS. Mr. President, 2 years ago, on May 20, 1990, President Li Teng-hui of the Republic of China on Taiwan, was sworn in as the eighth President of that island nation. Much economic and political progress has been made in those 24 months. Economically, Taiwan has continued its growth; in fact, the Asian Development Bank estimated that Republic of China's 1992 economic growth will reach 7.8 percent. Politically, Taiwan has been fostering the growth of a number of political parties and in the continuing process of constitutional reform.

Taiwan's goal, as announced by Premier Hau Peits'un, is to build itself into a high-quality society, one that is economically and politically advanced and one that can serve as a development model for mainland China and as a respected member of the international community.

On the eve of President Li Teng-hui's second anniversary in office, which is May 20, 1992, I truly hope that Taiwan will soon realize its stated goal of becoming a high-quality society, worthy of admiration.

To President Li Teng-hui, Foreign Minister Fredrick Chien, and Ambassador Dong Mou-shih and the people of Taiwan, I send my congratulations.•

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDERS FOR THURSDAY, MAY 21, 1992

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, May 21; that following the prayer, the Journal of the proceedings be deemed approved to date and the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the following Senators recognized for the time limits specified: Senators WOFFORD and ADAMS for up to 15 minutes each; Senators SANFORD, ROTH, SIMPSON, and GORTON for up to 10 minutes each; and a total of 20 minutes for Senators DASCHLE and LEVIN; further, that at 10:30 a.m., Thursday, the Senate proceed to the consideration of Calendar 467, S. 2743, the Yugoslavia Sanctions Act of 1992; that immediately after the bill is reported by the clerk, without intervening action or debate, the bill be deemed read three times and the Senate proceed to vote on final passage.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FORD. Mr. President, I now ask unanimous consent that it be in order to request the yeas and nays on final passage.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. FORD. Mr. President, I do not know of any other Senator who wishes to speak.

I ask unanimous consent that the Senate now stand in recess under the previous order.

There being no objection, the Senate, at 10:17 p.m., recessed until Thursday, May 21, 1992, at 9 a.m.