SENATE—*Thursday, May 21, 1992*

(Legislative day of Thursday, March 26, 1992)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HERB KOHL, a Senator from the State of Wisconsin.

PRAYER

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

Let us pray:

And he shall turn the heart of the fathers to the children, and the heart of the children to their fathers, lest I come and smite the earth with a curse.—Malachi 4:6.

Faithful Father in heaven, these last words in the Old Testament fill us with nostalgia and fear as we contemplate a desperate tragedy in our culture, the dysfunctional family. Help us to be parents to whom our children may turn their hearts as we turn ours to them. Our conscience tells us that after God Himself, the family comes next, and then career. Forgive us, Lord, for inverting these priorities, putting career first, often to the neglect of the family and complete indifference to God. Help us to see that indifference is the most painful kind of rejection, and forgive us for our penchant to put God last, if we bother with Him at all.

Gracious God, whatever our responsibility, however pressing, however heavy, help us not to excuse neglect of family, not to be victimized by the urgent, but to put our priorities in order, that our spouses and children may enjoy the benefit of one who loves and cares for them.

In the name of Him who said, * * * *Suffer the little children to come unto me, and forbid them not* * * *.—Mark 10:14. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 21, 1992.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HERB KOHL, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, 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 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Pennsylvania [Mr. WOFFORD] is recognized to speak for up to 15 minutes.

A LEGISLATIVE AGENDA FOR RECLAIMING OUR YOUNG PEOPLE BY ASKING THEM TO SERVE, EARN, AND LEARN

Mr. WOFFORD. Mr. President, last week, I described my visit to south central Los Angeles in the days after the riot and some of the lessons I learned there.

First of those lessons was that the crisis is not only of the cities, or of race, but is, above all and foremost, and maybe most hopefully, a crisis of our young people. As I pointed out last week—and it was hammered to me all day in Los Angeles—not all the rioters were of any one racial or cultural background. But all were young.

I also sketched out in broad brushstrokes a vision of large-scale youth service as a key part of our response, not just in the short term but over the long haul.

Today, I would like to paint in, in more detail, how Congress can take immediate action to put the young people of this country to work—rebuilding their communities and reshaping their own lives in the process.

I found out exactly the same thing in Watts 27 years ago after the riots there. Yet here we are, nearly three decades later, watching another generation of inner-city young people drop out of school into the streets, into drugs, into welfare, into crime, into prison, even into death.

I believe we can break that cycle. I believe we know how to do it. We have seen it work in the past. We have pilot programs today in many parts of this country that are working right now, but the time has come for those pilot lights to ignite the whole furnace.

The toughest indictment of our current dependency system, and the best argument for how to change it, was put to me a few years ago by a young Philadelphia Youth Service Corps member who was a dropout, who was in a street gang, and he enlisted in the Philadelphia Youth Service Corps. I asked him why he had broken this pattern and gone into the service corps for hard work, to serve, earn and learn. He said, "Look, man, all my life people have been coming to do good against me, trying to help me. I got tired of that. And this corps came along and asked me to do something and I'm making a difference."

Over the years I have come to believe that major reforms are possible only when two conditions occur: When certain propositions become self-evident and when the lack of action to make them real becomes a scandal.

I believe that work, not welfare, is now a self-evident truth—and we know—we can begin applying that principle to the young.

We understand that personal responsibility and self-esteem cannot simply be taught by lectures. They have to be earned. And we need to give young people the opportunity to earn those qualities, which are the same qualities that a good citizen needs and a productive worker needs.

I believe it is a scandal now, and recognized as such, that we know this but we sit by idly while another generation of young people falls into alienation, hopelessness, frustration and anger; succumbs to the epidemic of crack cocaine, to the gangs that replace family, church, or any other institution that instills the values of responsible citizenship and productive workmanship.

A society with children who need care, with older people who need help, roads that need repair, bridges that need building, cannot afford to allow—and sometimes even pay—able young people to sit idle. It is a scandal, too, that we do not challenge the college-bound young people to move beyond a self-centered life of civic indifference.

All our young people, in coming of age in America, must be asked to serve, not to be served. To produce, not just to be consumers.

Today, I want to suggest how we can turn that word "ask" into the strong verb it was when John Kennedy said, "Ask not what our country can do for us, ask what we can do for our country."

First, I want to make it clear that I am not imagining the one big, federally run Peace Corps that we once envisioned in the days of John Kennedy, a

• 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

Peace Corps come home to America, a million strong. We talked about that at the beginning of the War on Poverty.

Instead of that, I see us coming to a new Bill of Rights and Responsibilities for the young with a voucher for a year or two of living expense stipends and educational bonuses that could be used to support work in a wide range of service programs run by local, State or Federal governments or by communities, church, student organizations, or nonprofit corporations. Some could be very small, like the best one I know of in the country, the Boston City Year. Some could be larger, like the Pennsylvania Conservation Corps which I administered in recent years, and the California Conservation Corps, the first of the State conservation corps.

We can go back even further in our history for an older model that worked. What worked best for America in the Great Depression was the Civilian Conservation Corps. Franklin Roosevelt himself said the best thing he ever did was the Civilian Conservation Corps. It enlisted more than 2.5 million young unemployed Americans in a State-based system of residential, Army-run camps in or on the edge of our parks and forests.

What worked with FDR was work—not the dole, not welfare, but work. The young men of the CCC were challenged to achieve big goals. They transformed our parks and forests, and then graduated into the national service of World War II.

More important, they transformed themselves. Just as the GI bill after the war was one of the best investments America ever made, so is the Civilian Conservation Corps. Such corps are an important part of the answer to the crisis of the young and the problem of welfare dependency. More than 60 such corps are in operation today around the country. Pennsylvania is proud to believe that it leads the way with the largest number of organized, full-time youth corps of all kinds, but every city, every community in our country can develop one or more of these programs.

The vehicles for achieving this goal are at hand. Some would not cost any more tax dollars. They would ensure that we make better use of the funds we are now spending on federally mandated youth employment and training programs. And to the extent we do expand our investments in our cities and our young people, the money is already there if we would finally take the step of breaking down the budget wall so we can invest military savings in our pressing domestic needs.

The world has been turned upside down. We have the chance now to turn America's priorities right side up. Taking $8.9 billion from a single B–2 bomber could pay for a quantum leap in national youth service and, like the GI bill and the Civilian Conservation Corps, it would be one of the best investments this country ever made.

Let us take one of those nonexistent, unnecessary B–2's and land it in American youth service. Breaking down that wall between defense savings and our national needs would give us the resources we need to rebuild our cities, revitalize our economy, and to begin a large-scale youth service program.

Let me propose a legislative roadmap for a quantum leap in organized youth service. First, the Commission on National and Community Service established by the National Community Service Act of 1990. The Commission is one of Congress' most creative bipartisan accomplishments. I salute the efforts of Senator KENNEDY, who worked tirelessly to make the Commission a reality; Senator HATCH, who supported it; Senator MIKULSKI, who has championed it and led it through her committee. And I salute the Commission itself, under the excellent leadership of former Congressman Pete McClosky. That Commission is now primed to be an engine of a new movement for national service. In its first request for proposals, the Commission received 489 requests from 49 States and several territories and Indian tribes. The funding requests amounted to more than $226 million. That is about a third of one of those B–2's, roughly three times the $67 million it has the ability to distribute this year. Only a fraction of the youth corps applications were able to be approved, and in order to speed the grants to those that were, the amounts granted were less than needed.

Last night, this body took a good step in adopting an amendment I offered with Senator MIKULSKI and cosponsored by Senator NUNN and Senator SPECTER to the emergency supplemental appropriations that will apply $25 million of the $700 million slated for summer job programs to invest in rigorous, well-organized service corps programs funded through the Commission on National and Community Service. Without adding a single penny to the cost of this emergency legislation, that amendment will make effective job programs available right now, this summer to young people throughout the Nation. That is a good start. We must go on to expand funding for the Commission.

In addition to the $25 million from the emergency supplemental appropriations, I would like to see us double the Commission's funding for next fiscal year. We can do it by fully funding the Commission at the authorized $105 million level and recapture the $55.9 million lost and reverted to the Treasury because of the delay in the appointment of the bipartisan Commission. This would amount to a total appropriation of $160 million in 1993.

Two, the Community Work Progress Act of 1992. Today, some of us will testify before the Senate Subcommittee on Unemployment and Productivity on Senator BOREN's Community Work Progress Act of 1992 which I and a number of our colleagues have cosponsored. We should move forward quickly to enact that legislation and enable its provisions to get underway.

Two new national youth corps are key elements of that legislation. Each would provide substantial education benefits to students and young adults in exchange for work on community service projects. The first division, the Youth Community Corps, would allow secondary school students to earn college scholarship funds by working on approved community projects after school, on weekends, or in the summer. Beginning in the 7th grade, students could work up to 250 hours per year on these projects until they reach the 12th grade. Students participating for 6 years could earn up to $10,000 in scholarship funds or $5,000 in direct payments after graduation.

The second division of Senator BOREN's bill, the National Youth Community Corps, would create dormitory environments for young people age 17 to 22 to work on projects ranging from reforestation to auxiliary police work to urban renewal. This CCC approach would provide up to $10,000 for each year of service to be used for college or vocational school. Those not wishing to continue their education after high school would also have the option of receiving a $5,000 payment per year of service.

Senator NUNN has long pioneered in pressing us toward consideration of such a youth service program. These two youth corps would give preference to young people from families who are on welfare, out of work, or below the poverty line. But it is essential that these corps not be limited just to those groups. They need to be economically and ethnically diverse. That is why the single-most effective program, in my opinion, is the Boston City Year, which was from the beginning designed to be diverse and representative of urban and suburban young people, rich and poor, college-bound and high school dropouts, black, white, and brown.

I ask unanimous consent, Mr. President, to print in the RECORD articles on the Boston City Year and on the Civilian Conservation Corps, on the Pennsylvania and Philadelphia youth service programs.

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

[From the Boston Globe; Apr. 29, 1992]

SERVING BOSTON, SHOWING THE NATION

(By Lauren Robinson)

Until last year, her mother made every critical decision in 18-year-old Laura Rivera's life. She sheltered her from the dangers of her Roxbury neighborhood. She chose the colleges to which Rivera should apply.

And when Rivera stood up to her mother and refused to go away to college, her moth-

er "made" her apply to City Year, the urban youth corps that pays young people a nominal fee to perform community service.

After nearly completing her nine months of City Year service, Rivera thanks her mother for pushing her to get involved. Helping others has given her the confidence to help herself, Rivera said yesterday at a breakfast with community leaders at Roxbury Community College where expansion plans for City Year were announced.

City Year officials, hoping to make the Boston program a national model for urban youth service, plan to increase the number of participants from 100 to 200 by the fall, to 350 by 1993 and to 500 by 1996.

The youth corps received more than 500 applications for the 100 slots last year and expects to receive about 1,000 for next year. City Year participants, aged 17–22, are drawn from Boston's neighborhoods and from throughout the country.

"The demand has grown," said Michael Brown, who cofounded City Year with Alan Khazei and other friends when they were students at Harvard Law School. "We're at a crossroads."

Participants said the program is in demand because, not only do young people get $100 a week and a $5,000 bonus upon graduation, but they get the chance to learn the value of themselves and others.

Rivera, who is from Guatemala, said that, through developing and running English language programs for immigrants in Chelsea, she realized she was a capable young woman who could make her own decisions and live with the consequences.

"It's changed my life a lot," said Ouseth Chea, who joined City Year after high school graduation because he could not afford to go to college and had no prospects for a job. He is now headed to architectural school.

Stephen Spaloss, 23, who completed the program and joined City Year's staff, said that, in his New Hampshire hometown, community service was something people did when they got into trouble.

"When you see growth in yourself it is absolutely exciting." said Spaloss, who was forced by his father to join the program—because "I had gotten myself into a lot of trouble."

Spaloss's father, a lawyer, decided it was time for a dose of reality. Through cleaning vacant lots and work with the less fortunate, Spaloss said he got it.

"I had no belief in the older generation," Spaloss said. "They would say you could do things but wouldn't give you a chance to do them. City Year empowers young people. It has showed me that you can make a change."

City Year began in 1988 as a summer project and expanded to a nine-month program in 1989. Khazei said it started as an idea among friends who were frustrated about the lack of opportunities for young people and even more frustrated that America, the country of wealth and opportunity, harbored great poverty.

The feeling was that nothing would change unless people took the opportunity to "walk a mile" in their neighbors' "moccasins," Khazei said.

"There's a wealth of untapped spirit out there," he said. "The idea is to tap the energy and idealism of our young people for community service."

City Year, which has operated on millions of dollars in private funding and donations, is an evolving project that changes as needs do, Khazei said.

A recent survey of those who completed the program since its inception, showed that about 40 percent were enrolled in four-year college programs, 8 percent were in two-year programs, 8 percent were either in part-time or vocational programs, 32 percent were working, and others were either new parents or could not be tracked.

Brown said the program, in keeping with its goal to become a national model, is now seeking federal funding to help the expansion. He said the goal is to show a large program that works and to prove whether such programs can help young people while fulfilling community needs, train youths to be leaders and become catalysts for widespread community service.

Brown said the program will also work in new target areas, suggesting the youths might become involved in violence-prevention programs at public schools, with environmental protection and with organizing community volunteer centers.

Boston School Committee member George Joe, one of several community members who were asked yesterday to boost City Year efforts, said the emphasis on teamwork, multicultural diversity and aiding others will "open the doors for our youths, our leaders of tomorrow."

Roxbury Community College president Hubie Jones called the City Year expansion a necessary "quantum leap" for a nation that is "absolutely wasting the resources of young people." He added:

"They are at the forefront of something that will ultimately explode in this country and that is national youth service."

[From the National Journal, May 9, 1992]

HIGHER MISSIONS FOR HIGHER EDUCATION

(By Neal R. Peirce)

PHILADELPHIA.—As Ira Harkavy, a vice dean at the University of Pennsylvania, sees it, it's not just unseemly for universities located in the nation's inner cities to ignore the chaos at their doorsteps—"to be islands of affluence in seas of poverty, oases in deserts of despair."

The dereliction, in Harkavy's view, goes further: It is a betrayal of the optimistic 18th and 19th-century missions of American universities: not simply to advance learning, but to create a new and better society.

Harkavy has University of Pennsylvania professors and instructors, graduate students and undergraduates actively involved in reaching out to some of West Philadelphia's most ravaged neighborhoods and troubled schools. They've become personally engaged in inventing courses and programs, in guest teaching, in getting inner-city kids to open their minds to the idea of service to their own communities.

The model is the polar opposite of the way most universities ignore—or simply exploit—their host cities. It's based on Harkavy's belief that the real problem in such poverty-ravaged areas as West Philadelphia "is not housing or education or health care—it's the collapse of community." The only long-term cures, he believes, lie "in developing caring, cohesive, cosmopolitan communities." The public mission of universities demands their involvement, he added, "not researching on people, but with them."

The results of Harkavy's efforts are now appearing in several West Philadelphia public schools (some of them not far from the site of the infamous 1985 firebombing of a row house occupied by the radical MOVE group). Activities range from rehabilitating housing to repairing concert pipe organs, from projects with the elderly to removing graffiti and litter.

Visit the Turner Middle School on a Saturday, for example, and you'll find students taking courses on computers, airplane modeling, remedial writing, dance, vegetarian cooking and African-American history. Instructors include schoolteachers, residents of the community and Penn undergraduates.

On weekdays, seventh graders learn about health from faculty members of the Penn Medical School and then go to a feeder elementary school to share what they've learned with the younger children. Eighth-graders work one morning a week at a local hospital and run an evening program on hypertension, even performing—under supervision—the initial screening of adults.

The long-term goal is a full neighborhood health promotion and disease prevention center that seeks its advances through health improvement activities rather than simply handing out health information.

Students at West Philadelphia High School built a greenhouse with advice from one of the university's landscape gardeners. And they renovated an abandoned crack house under the direction of a retired union carpenter.

The ultimate goal of Harkavy's West Philadelphia experiment is to set up "community schools" that operate at least 18 hours a day, seven days a week, and serve as a neighborhood's educational and social service nerve center—the site of job training programs, public health services and day care programs.

But the idea behind Harkavy's experiment isn't simply the delivery of services: it's "to activate people including students in a leadership role, to serve each other and the community," he said. A current goal, for example, is to get middle-school students to work directly with kids in Head Start classes.

Schools that elect to become community centers, Harkavy said, need to make a full commitment. And the university needs to come in to "serve as a permanent anchor" for public schools that want to be community centers. "We won't cut and run," he said.

There are tough issues, Harkavy added, in how much decision making falls to the university, how much to professional educators, how much to the community. Harkavy doesn't advocate 100 per cent community control. He thinks that the collaborations can work if there's commitment on all sides to the idea of democratically run partnerships.

Despite this advanced thought and action, not to mention the enthusiastic support of Sheldon Hackney, the president of the University of Pennsylvania, broad faculty involvement is tough to get rolling at Penn—or, for that matter, at any American college or university.

And it's not hard to figure why: The incentives are all wrong. What gives young faculty members a shot at promotion or tenure? It's not teaching. It's not thinking creatively and holistically across subject areas. And it's certainly not getting their hands dirty in the nitty-gritty problems of the surrounding communities.

Instead, the senior faculty who control today's highly specialized academic departments routinely reward and promote their clones—scholars who publish copiously, however arcane the subject. A young chemist or historian or political scientist forms his loyalties down the hallway or with colleagues in institutions hundreds or thousands of miles away, but not in service to the real city where he or she works.

Harkavy acknowledged such disincentives but said that he believes the tides are starting to shift. Dissatisfied taxpayers in the

cash-strapped '90s will want to see more responsiveness in publicly financed universities. More and more academics will get fed up with the career straitjackets imposed by single departments. And students, he said, will "want to put their idealism into action, not just by volunteering but by doing research with real people to solve real problems in communities."

Most people may find it hard to be quite that optimistic. But one thing is certain: When America's institutions of higher learning finally start casting about for the most-creative examples of college and university engagement in our increasingly complex and troubled cities, they will find an intriguing model in Philadelphia.

[From the Philadelphia Inquirer, May 13, 1992]

FOR HINTS ON HOW THE RACES CAN COEXIST, LOOK NO FARTHER THAN THE U.S. MILITARY

(By David S. Broder)

Of the millions of words spoken and written in the aftermath of the Rodney King verdict and the Los Angeles riots, none were more pertinent, pointed and eloquent than those of Gen. Colin L. Powell, the chairman of the Joint Chiefs of Staff.

Addressing the graduating class at Fisk University in Nashville, his wife's alma mater, Powell reflected not only his own remarkable character but also the special moral authority he gains from the largely unrecognized performance of the institution to which he has devoted his adult life—the United States military.

Here is the gist of Powell's message, for those who have not heard it or read it:

"As I saw those pictures on my television set," he began, "my heart hurt . . . I didn't want to believe what I was seeing.

"Violence—by the police or by the mob—is not the answer. . . . It shouldn't be; we've come too far for this. But it did happen. And we see once again what a long way we still have to go. Because the problem goes beyond Rodney King. The problem goes beyond Los Angeles. It goes beyond the trial of those four officers.

"The problem goes to the despair that still exists in the black community over the inability of black Americans to share fully in the American dream. Too many African Americans are still trapped in a cycle where poverty, violence, drugs, bad housing, inadequate education, lack of jobs and loss of faith combine to create a sad human condition, a human condition that cannot be allowed to continue if this nation is to hold its rightful place in the world.

"We have an American problem," Powell said. "It can only be solved by all Americans working together."

Respecting the inhibitions of his official position, the general did not outline an agenda for governmental action. Instead, he addressed the graduates—and through them, all Americans—about the responsibilities of citizens in this crisis.

"First," he said, "I want you to believe in yourself. You have to know that you are capable, that you are competent, that you are good. . . .

"Second, I want you to believe in America . . . We are still, as Abraham Lincoln said, 'the last, best hope of earth.'

"Third, I want you to find strength in your diversity. Let the fact that you are black or yellow or white be a source of pride and inspiration to you. Draw strength from it. Let it be someone else's problem, but never yours. Never hide behind it or use it as an excuse for not doing your best. . . .

"I want you to fight racism. I want you to rail against it. We have to make sure that it bleeds to death in this country once and for all. . . .

"Finally, I want you to raise strong families. As you raise your families, remember the worst kind of poverty is not economic poverty, it is the poverty of values. It is the poverty of caring. It is the poverty of love."

Obviously, the man who said this is a remarkable person. But he is also the product—the symbol—of a remarkable institution, the United States military, which in the last two generations has probably done more and succeeded better in creating a nonracist, bias-free meritocracy than any other part of American society. Powell's position as the head of the armed services symbolizes, but does not begin to describe, this success story.

The scope of the change was pointed out to me last year by David Gergen, the wise editor at-large of U.S. News & World Report, when we participated in a program at the Army War College. Gergen made the point then that the military's combination of disciplined structure and genuinely color-blind opportunity for advancement had transformed the lives of thousands of minority youths—and made the non-commissioned officers' (NCO) and officers' clubs far more integrated than college faculties, business boardrooms or newsrooms.

Gergen argues passionately that the military services and its people have vital experiences and lessons to share with civilian America. Last week, I heard the same point made by historian Stephen Ambrose, who has been spending time on military bases in connection with his own work. Ambrose made a historian's point: "There's all this argument about whether the Great Society programs worked, or whether Jack Kemp's enterprise zones will work. Why not return to ideas that everyone agrees did work?"

One of those ideas, he says, was the Civilian Conservation Corps (CCC) of New Deal days, which took unemployed youths and put them to work on what we would now call environmental projects.

"It was run by the military," Ambrose said, "when the military had not much else to do. It pulled those kids out of the morass of their lives, gave them a sense of identity and discipline and of group purpose—the same things they need now."

Like Gergen, Ambrose noted that thousands of men and women—senior NCOs and junior officers in their 30s—face involuntary separation from their military careers because of the post-Cold War budget cuts. Why not take these young Colin Powells and let them lead a new CCC, he asks.

Why not?

[A Report of the Work Force Development Committee of the Pennsylvania Economic Development Partnership, April 1991]

A STATE PREPARED: DEVELOPING PENNSYLVANIA'S WORK FORCE

(By Robert P. Casey, Governor, Commonwealth of Pennsylvania; Dr. Peter Likins, Committee Chairman)

Young people must be challenged to serve and thereby learn to be good citizens and productive workers.

The Committee has heard strong testimony that teamwork, problem-solving skills, self-esteem, initiative, leadership and a commitment to life-long learning are key elements of a high-performance work force and a responsible citizenry. Corporate leaders and other major employers agree with Governor Casey that "the qualities of a productive worker are the same as those of a good citizen."

The committee has also seen evidence that an effective way to acquire these qualities and learn these skills is through active learning in well-organized forms of community service and youth corps. In both full-time youth service corps, organized in teams with team leaders, and in part-time, school-based volunteer service, young people learn team work and good citizenship by practicing it.

Dr. Ernest Boyer emphasized the same theme in his 1989 talk to the National Business Roundtable: "Above all, I'd like to see all students feel needed and have a sense of their own worth. In our report, High School, we proposed a new Carnegie Unit of high school credit—a community service term to help teenagers become responsibly engaged in youth clubs, in retirement villages, and in tutoring other kids at school, discovering a connection between what they learn and how they live."

Learning by doing is the essence of apprenticeship or workplace learning. Citizenship needs to be learned that way. It can't be learned just by lectures, anymore than basketball could be taught off the court by a coach's talk or house-building learned in a classroom. Well-planned community service assignments stretch and test young people, and enable them to discover their power to improve their communities while exploring possible careers.

The committee also appreciates the problem facing schools as increasing proportions of students come from disadvantaged backgrounds and as new needs press on the public purse. The Committee is impressed by the promising results obtained from programs of community service where youth themselves become the resources to solve their own problems and help meet the needs of their communities. In many parts of Pennsylvania, youth are serving as tutors of younger students, as environmental recyclers, as housing rehabilitators, and as conservation workers in parks and forests and on other public land. Instead of being an added burden on taxpayers, youth engaged in service are giving an immediate return on the investment in their education.

The basic difference in this approach is that it is not youth who are served, but youth who serve. Too often in our society youth are just consumers with no opportunity to be productive. In successful programs of service they replace alienation with engagement, exchange boredom with excitement, and learn the exhilaration of making a difference. In this active form of education teachers and trainers become coaches, the community becomes the classroom, and students become resources.

The President of the United States and all 50 Governors have recognized this approach as an integral part of our nation's educational goals. In 1990 they adopted six national education goals (see Appendix G) which would ensure that by the year 2000 "all students will be involved in activities that promote and demonstrate good citizenship, community service, and personal responsibility." Such service learning was seen as an important way to achieve Goal Three: that all students are "prepared for responsible citizenship, further learning, and productive employment in our modern economy."

The concept of citizen service has been supported by Pennsylvania's State Board of Education and by the major educational organizations in the Commonwealth. The State

Board resolved that "programs of community service should be an integral part of education at all levels and strongly urges schools, colleges and universities to institute or strengthen community service programs so every student is encouraged to serve and participate in volunteer service."

The Commonwealth must now find the ways and means to achieve this goal and make community service the common expectation and experience of all young Pennsylvanians as they prepare to be the work force of the future. This will require the creation of a youth service system which strengthens existing institutions and creates new institutions of full-time service, so that a sustained period of community service becomes an established route from school-to-work or from school-to-college.

Objective: To expand the opportunities for full-time community service that are offered by such organizations as the Pennsylvania Conservation Corps and local corps so that a sustained period of full-time community service becomes an alternative route from school to work or from school to college.

Recommendations:

1. State, federal, local and private funds should combine to continue the expansion of the Pennsylvania Conservation Corps and local corps throughout the Commonwealth.

2. The Department of Education should promote the use of service corps as alternative education programs.

3. PennSERVE should initiate a study of alternative funding sources including fee-for-service contracting for youth service programs.

4. Business/education partnerships should work with school districts, colleges and universities, private industry councils, and other agencies to expand opportunities for full-time service, in both year-round and summer corps.

5. The Private Industry Councils of the state's 28 Service Delivery Areas under the federal Job Training Partnership Act should devote the major part of their funds mandated for summer youth programs and for year-round youth programs to the initiation and support of youth service corps.

APPENDIX F—PENNSERVE: THE GOVERNOR'S OFFICE OF CITIZEN SERVICE

The report of the EDP Committee on Work Force Development frequently mentions community service as a component of education and job training. Pennsylvania is a national leader in the application of service-learning principles to these issues. Under the leadership of Governor Robert P. Casey, and the administration of Secretary of Labor and Industry Harris Wofford and Secretary of Education Donald Carroll, Pennsylvania has become a model in the attempt to mobilize the voluntary efforts of youth in service to their community and themselves as a conscious strategy. This appendix outlines the organizational and programmatic structure that has made this effort possible.

To ask and enable

PennSERVE was created by Governor Casey in 1988 as an interdepartmental initiative "to ask and enable all Pennsylvania to serve their communities." To carry out this mission PennSERVE: Provides competitive grants to schools, colleges, local governments and non-profit agencies; offers technical assistance, training, in-service presentations and fund-raising information to community service programs; administers the Pennsylvania Conservation Corps and provides assistance to summer corps and full-time local corps; serves as an advocate for volunteering in public policy and as an information exchange for public and private volunteer initiatives; cooperates with other public and private agencies; publicizes and recognizes successful model programs and outstanding volunteers; serves as Pennsylvania's designated point of contact for the development of a comprehensive proposal under the National and Community Service Act of 1990.

PennSERVE's interest encompass the entire range of community service and volunteer programs, but it has a special mission to encourage and support community service by young people. PennSERVE believes that the habits of service, once established, will continue throughout life, and that young people are an overlooked resource in the development of strong communities and a healthy environment.

Located administratively in the Department of Labor and Industry, PennSERVE reports to an ad hoc Committee of the Cabinet headed by the Secretaries of Labor and Industry and Education. It is guided by an advisory board which also operates its own programs as the Citizen Service Project of Pennsylvania. In 1990-91 PennSERVE had a total budget of $6,990,000 and a staff of seven. Through PennSERVE and associated programs, the Commonwealth invests about $10 million in youth service. In return it receives at least $10 million in completed projects and many times that figure in skills, enhanced self-esteem and lives given purpose and meaning.

Students as resources, school and college based community service

Traditionally, education and youth development policies and practices have focused on the perceived problems of youth, such as ignorance, irresponsibility and immaturity. Service-learning reverses those assumptions; it builds on the capacities, skills and abilities of youth. It views youth as resources—as workers and citizens. Service-learning has proved its worth as a means of raising self-esteem, cutting dropout rates, helping students to see the relevance of their academic work, providing a laboratory for citizenship skills and values, and serving as a stimulus to school restructuring. It plays a vital role in building an effective citizenry and work force. PennSERVE supports school- and college-based service-learning through:

Mini-grants: PennSERVE, on its own and in cooperation with Project Success, an award-winning dropout prevention program of the Department of Education, provides three-year, $15,000 mini-grants to support community service programs in 85 schools.

Training: PennSERVE has worked closely with the Philadelphia School District and the Citizen Service Project of Pennsylvania to launch a statewide community service training institute, the Pennsylvania Youth Service Institute. PennSERVE also offers in service programs, regular regional workshops and summer teacher institutes.

Literacy Corps: PennSERVE administers the Pennsylvania Literacy Corps, which provides grants, workshops and technical assistance to 16 colleges. It also works closely with the 12 colleges in Pennsylvania that have received federal Literacy Corps grants. Through these programs more than 840 college students provide literacy tutoring to over 2,100 Pennsylvanians as part of credit-bearing courses.

Advocacy: PennSERVE sponsors joint workshops with the 27 school districts involved in Pennsylvania's school restructuring project, "RE: Learning." PennSERVE helped launch the Pennsylvania Campus Compact, an agreement among 35 college presidents to encourage student community service on campus. PennSERVE works closely with the State Board of Education and the Department of Education. Materials on community service are a regular feature in departmental publications and mailings.

Service-learning has shown promising results. Chestnut Ridge School District raised its going-on-to post-secondary education rate from 28 percent to 68 percent in five years; Philadelphia's Overbrook High School raised attendance among its most at-risk students from 75 percent to 89 percent after adding a service component. Pittsburgh's OASES program for at-risk 8th graders places nearly 20 percent of its participants on the honor roll.

Service-learning is spreading. The proportion of schools offering academic credit for service has increased from 5.6 percent to 13.5 percent in two years; five school districts in Pennsylvania now require community service for graduation. In all, it is estimated that some 25,000 Pennsylvania students are involved in intensive and well-organized school-based community service.

Youth as resources: Conservation and Service Corps

Many youth seek a more intensive, full-time community service experience. At the same time, there is much community work that needs the concentrated effort that a team of young people can provide. Environmental improvement, housing rehabilitation, cabin and park headquarter construction and elder care are just a few of the types of work undertaken by the more than 10,000 young Pennsylvanians who have served in Pennsylvania's various conservation and service corps in the past 6 years.

Youth corps offer young people the chance to develop the skills of citizenship and employability. Working in groups under the direction of skilled crew leaders, youth corps members learn to work as a team, to be punctual, to show initiative, to carry out instructions and to shoulder responsibility. By completing needed, substantial and highly visible projects, corps members develop self-confidence and know—perhaps for the first time—how it feels to have accomplished something of importance and to have it recognized by others.

PennSERVE's goal is to have a year in a corps become the expected pattern of growing up in Pennsylvania. In the near term the program aims to provide opportunities for 10,000 young Pennsylvanians to serve each year. PennSERVE's current efforts include:

Pennsylvania Conservation Corps: PennSERVE administers the Pennsylvania Conservation Corps (PCC), the second-largest statewide corps program in the country. Since 1984, 9,000 PCC corpsmembers have undertaken some 450 conservation, recreation and historic preservation projects throughout the Commonwealth. PCC has improved 18,000 acres of forest lands, 30 miles of streams and 2,500 acres of wildlife habitat; built or renovated 4,600 miles of trails, 349 state park cabins and 417 picnic areas; rehabilitated 22 historic buildings and a nineteenth-century sailing ship; and planted 150,000 trees. Every dollar invested in the corps produces over $1.30 in completed projects. But the larger value of the Corps lies in giving lives dignity and purpose. All corpsmembers were unemployed when they joined the Corps; nearly 50 percent had not completed high school; nearly 20 percent were on public assistance. After a term in the Corps, one-third of all corpsmembers move directly into outside jobs.

Local Corps: PennSERVE has provided financial and technical assistance to eight municipalities for the creation of new, locally operated youth corps that will serve as integral parts of youth development in their communities. It is expected that 400 youth will serve in local full-time corps in 1991-92.

Summer Corps: PennSERVE has worked closely with the Bureau of Job Training Partnership and the Pennsylvania Service Delivery Areas to restructure the Summer Youth Employment and Training Program into the Summer Youth Service Corps, an effort attracting national attention and emulation. During the summer of 1990, more than 1,000 young people were enrolled in 100 summer corps.

All Pennsylvanians

PennSERVE devotes much of its time and resources to youth, but its mandate is to "ask and enable ALL Pennsylvanians to serve." PennSERVE works closely with like-minded organizations, including the Pennsylvania and National Volunteer Centers, the Pennsylvania Association for Volunteerism, the United Way of Pennsylvania and the Citizen Service Project of Pennsylvania. PennSERVE functions as an advocate for volunteering and an information center for volunteer activities in the state. PennSERVE co-sponsors an annual statewide conference on volunteering with the Pennsylvania Association for Volunteerism, and distributes information through newsletters, articles in journals and through phone contacts.

For further information contact:

John Briscoe, Director, PennSERVE: The Governor's Office of Citizen Service, 1304 Labor and Industry, Harrisburg, PA 17120. Telephone: 717-787-1971.

Mr. WOFFORD. Mr. President, third, college work study. Under title IV of the higher education amendments now in conference committee, we should immediately mandate 10 percent of all Federal work study dollars go to students engaged in community service. When Congress created the work study program almost 30 years ago, it envisioned that many or most of those jobs would be in the community, but the colleges and universities define the public service programs that students would work in as college programs on campus helping their own budgets.

I was a college president and was part of the whole process. But experience shows us that the original vision of students working their way through college by working in the community has been lost. We must go beyond encouraging colleges and universities to a mandate that requires that they move in the direction of the original vision of students working in the community. The 10-percent mandate is a beginning, and I would, having read the GAO report on that program that shows that only a tiny fraction of the students, the large number of students engaged in that program work in the community, urge that we go on and that we ask colleges and universities to see that the majority of those jobs are serving the community.

Mr. President, I ask unanimous consent for 5-additional minutes unless my colleagues need the time at this moment.

Mr. ADAMS. Reserving the right to object, Mr. President, and I shall not object, 5 minutes more will be all because we have time assigned to each of us this morning. I do not know if others are behind me, but I have been waiting.

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

Mr. WOFFORD. I thank the Senator from Washington.

Fourth, Job Training Partnership Act. An expanded investment in the Job Training Partnership Act would be helpful. But what we most need is a change in approach. While I was Secretary of Labor and Industry in Pennsylvania, administering that program, we succeeded in stipulating that an increasing share of all JTPA dollars go to youth job training and employment programs that are designed in the model of youth corps. We made great progress in that direction. That progress can be made all over the country.

We found that so much of the present work experience programs of the JTPA funding are make-work jobs, menial jobs, not structured to be demanding or in any way transform the lives of the young people. And our business and academic leadership task force in Pennsylvania, of which I was a member, recommended, just before I was appointed to this body, that the majority of the JTPA employment and training programs for young people be organized in the form of the youth corps. I urge that we seize the day with those dollars we are now investing, more than $1 billion mandated for youth programs, as we have begun to do in the amendments that are now before us in the JTPA bill, to make far better use of the JTPA Program.

JTPA programs need to reorganize and refocus their efforts more along the youth corps model—emphasizing teamwork and economic and ethnic diversity, performing work on challenging community projects while developing citizenship and leadership skills. Private industry councils should devote the major part of their funds mandated for summer youth and year-round youth programs to the initiation and support of youth service and conservation corps.

This body should be proud of the current JTPA reauthorization, now in conference, that creates a new year-round jobs program while encouraging some of the things I have mentioned.

YOUTHBUILD

Youthbuild employs and trains young people in rehabilitation and construction of buildings to provide permanent and transitional housing to homeless and other low-income people. The Youthbuild Program is geared to attract young people, age 16 to 24, who have a low income and a need for education. Seventy-five percent of participants must be young people who have dropped out of school.

Under the National Affordable Housing Act, I encourage the strong support of HOPE for Youth. While many of us have legitimate concerns about the President's HOPE Program in general, the Youthbuild portion is a good step forward to expand this program. It would allocate to States $40 million in the first year and $80 million in year two.

The Police Corps contained in the current crime bill would do much to make our streets and communities safer.

Expand VISTA and the Peace Corps. Obviously I have a strong personal commitment here. Having been involved with Sargent Shriver in the founding of both the Peace Corps and Volunteers in Service to America—our domestic Peace Corps. I know these programs can change lives. Not only of those who are helped, but of those who do the helping.

That is the hidden genius of the service movement. That is what that Philadelphia Youth Service Corpsmember understood when he said he was tired of people doing good against him. Service is a way of developing the characteristics needed not only for responsible citizens, but also for productive workers—discipline, self-reliance, teamwork, initiative, leadership and a commitment to lifelong learning.

The fires of Los Angeles illuminate a reality we have been avoiding for years about our cities and the children who grow up in them. But the cleanup of the ashes illustrated something even more powerful.

So long as we treat our young only as the danger to be feared, the problem to be solved, the client to be served, we and they will never progress. Our young people need to be seen as a resource, a solution, a talent ready to contribute something to their communities.

The young people of Los Angeles are ready to start rebuilding their city. The young people of American are ready to rebuild America. We must enable them to do it.

This idea of service goes beyond ideology, beyond the debate over who's to blame. It brings together liberals and conservatives, Republicans and Democrats, Congress and the Executive. This is something we can agree on. It's time for us to do it.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Washington [Mr. ADAMS] to speak for up to 15 minutes.

Mr. ADAMS. I thank the Chair.

PRESERVATION FOR THE SPOTTED OWL

Mr. ADAMS. Mr. President, I have taken this time this morning because I

think it is absolutely essential that we discuss the problems that are centered in the Northwest, which are really worldwide problems, regarding the ecosystems of the world and the preservation of our forests. The people of Washington State and the Northwest have been waiting for over 2 years for the Bush administration to propose a recovery plan for the northern spotted owl.

In 1987, as a member of the Appropriations Committee, I indicated to the administration and to the delegations of the Northwest that we could no longer depend upon riders on the administration or other appropriations bills to set the cut for the Pacific Northwest's timber. Since 1980, we have drastically overcut our forests, and it is this overcutting and false management of the forests that has caused our problem.

This is not a spotted owl versus logger problem. This is a problem of mismanagement and overcutting which has led to the damage of our systems and, yes, to the extinction, or potential extinction, of a number of species. I say this to remind you of an amendment passed in 1989 that gave fair warning that the appropriate committees on both the House and the Senate side, the authorizing committees, needed to examine this problem and, hopefully, solve it with appropriate legislation.

The House is presently considering in its authorizing committees a series of forest management bills, some ranging all the way from "Just cut any place you want" and "Timber production should be paramount," to those that push for total preservation. We have been waiting for these bills to come over to the Senate.

But what concerns me, and the reason I am taking this time this morning, is that recent announcements by the Secretary of the Interior, Secretary Lujan, and statements by Members of this body and Members of the House on what might or might not be included in a recovery plan, mean that those of us who have been waiting for a solution have to move now.

You see, the administration has not produced a recovery plan for the forests or for the species. You notice I did not say "owl" because the northern spotted owl is only a marker to show the status of the ecosystem that is known as the forests of the Pacific Northwest and California. The worst of our fears as to administration action has been realized by the Secretary of the Interior's recent announcement, and by statements of Members of both the House and the Senate that they intend to introduce bills to implement this type of approach. This is the creation of a red herring, using the owl to excuse faulty forest management plans and systems and then continuing them in the future.

These are not preservation plans. The Interior plan, as it was proposed, is an extinction plan. I want to emphasize that. This is an extinction plan for the owl, and a slashing permit that will work in direct contravention of the multiple-use assignment that was given to the forests and to all Americans who have a part of that forest. Listen to what the administration's own scientists say in the "Preservation Plan for the Northern Spotted Owl," and I quote:

> The preservation plan of the spotted owl, which says it is highly likely that conditions would have been established that would, over a longer timeframe, eventually result in the extinction or nearly complete extinction of the northern spotted owl.

This plan also abandons the Pacific Northwest salmon and condemns it to extinction, too. It completely ignores the scientific evidence that says we have to protect our watersheds. It is incredible to those of us who have lived our lives in the forest and have worked in the forest that there is not a recognition that these are tremendous ecosystems. We get our water from them, our salmon from them. We have many species there. People hunt, graze cattle. Timber is only a portion of all this. And yet if this plan that has been announced by the Secretary of the Interior, is implemented we would not only have an extinction plan, but we would be right back in court because the intensity of that timber harvest would destroy the salmon habitat right and left. And I testified before the committees all last week, Mr. President, pointing out that, starting in 1980, our timber cut in that area went up in the public forests from 3.3 billion board feet to 5.5 billion board feet, and during that time we lost 26,000 jobs. The jobs that are being lost are because of forest management and changes in technology. They are not a result of the Government's regulations destroying it. Not only that, but the predictions by the companies and by the other experts in that area are that we will lose 33,000 more jobs in the next 10 years to technology and changes in the manner in which both the housing market operates and the whole timber industry and forest industry operates.

But the President raised false hopes for us. Like when he promised to be an environmental President, but has missed 35 statutory deadlines in the 1990 Clean Air Act. Like when he promised to be an education President but directed all new funding toward private—not public—schools. Like when he promised fundamental health care reform and give us Band-aids.

The President's failure to support a scientifically credible owl recovery plan, as mandated by law, once again puts politics and profits ahead of sound science, common sense and the law.

If the Congress were to accept this so-called preservation plan, or a bill to implement it, we would take a shortcut to clearcutting of our forests. And as our forests disappear, so do our few remaining logging jobs. We must preserve our forests for the future, not squander them for short-term political profit or political gain or for greed. We must use scientific planning and the proper use for the future of our children, not greed, as our test.

I call on my colleagues to recognize this so-called preservation plan of the Secretary of the Interior and any bills that support it for what it really is, and reject it.

For several weeks Senator LEAHY and I and other Members of this body have been working on legislation to provide for the recovery of our forests—not just the spotted owl, but recovery of our forests. After the work period that starts this next week Senator LEAHY, the chairman of the Agriculture Committee, and I will be introducing legislation. We urge our colleagues to join in it. It will provide for recovery of our forests, and for their management on a sustainable basis. This can and should be done, and it will be done with all of us working together on it.

This legislation provides real hope for the people of the Pacific Northwest. Part of it is directed toward jobs, not just retraining but, yes, retraining; not just recovery of some of the companies but, yes, the establishment of systems so that these companies can survive; and yes, preservation of one of the world's great ecosystems.

We do not know all of the things that can come out of the forests. For example, we just discovered in the yew tree a potential cure, or assistance in a cure, for breast cancer.

There are many little critters and there are many, many species that exist in these forests. They are magnificent gifts of God for this world. We have to be certain that we treat them carefully, and we have not. We have clear-cut them. We have over-harvested, and we have committed sins against these forests.

All we are asking now is that our colleagues join with Senator LEAHY as Senator LEAHY and I develop this bill. We hope they will send us their suggestions, and we hope they will join in the bill which we will introduce, and that we will meet with a bill from the House that we hope will have the same type of provisions in it.

The people of the United States and the entire world are recognizing that timber is a sustainable resource. But it is not a sustainable resource if you approach it from the viewpoint of how much you are going to cut. It is a sustainable resource if you approach it from the basis of, we will see that it recovers, that it is healthy, that it is not subject to ravages of either disease or of man, and in the force of this we will save these species.

We are hopeful also that we will save the species that come from these for-

ests. We are on this planet together. But this is a real test for all of us to show that we understand that we all live on this planet together and that the trees, the species, yes, even the little critters like the spotted owl, which is nothing more than a marker for the other species that are there, have a chance to survive. They should not become extinct because of greed, and no one is going to want that kind of a program.

So I ask my colleagues to carefully examine and not to sign on to any bills that say these are just jobs, or loggers versus owls. That never has been the question, and never will be the question. The question here is management of our forests in the appropriate manner, and since 1980 they have been mismanaged. We have to go back to managing them properly.

As a member of the Appropriations Committee, I would certainly stand with the other members of that committee as we now have for the last 3 years. We said we will not simply appropriate money to cut and not look at the whole picture of what we are doing as we are authorizing the cutting.

Mr. President, I ask unanimous consent that I may have printed in the RECORD certain editorials, and certain comments of my colleagues.

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

ANCIENT FOREST ALLIANCE: THE WILDERNESS SOCIETY, NATIONAL AUDUBON SOCIETY, NATIONAL WILDLIFE FEDERATION, SIERRA CLUB, WESTERN ANCIENT FOREST CAMPAIGN, SIERRA CLUB LEGAL DEFENSE FUND,

May 20, 1992.

DEAR SENATOR: Last week, the Bush Administration released so-called "Preservation Plan" for the Northern Spotted Owl. This plan would sacrifice the remaining unprotected ancient forests and the diversity of life they support in the coastal mountains of California, Oregon and Washington. By offering this plan, the Administration once again has failed to accept the facts about the ancient forests of the Pacific Northwest and California. They have characterized the forest debate as a jobs issue that can be solved with a chain saw. But that characterization is simplistic, shortsighted, and wrong.

The fact is, of the original ancient forest, only ten percent remains. Cutting the rest does nobody a favor. Not the logger or the small town facing an inevitable economic transition. Not the salmon fisherman whose catch depends on clean water flowing from uncut forests. Not the medical researcher reliant on the forest's genetic reserves for sources of new pharmaceuticals. And, certainly not America's children whose inheritance of majestic forests and abundant wildlife would be lost. These are public lands after all.

Fortunately, the House Interior and Agriculture Committees are demonstrating real leadership by moving ahead with legislation to protect these magnificent forests and to assist workers and communities in the midst of economic transition. The Committees enjoy broad public support for their efforts. The American people were not fooled by the Administration's empty rhetoric. Nor were the Washington Post, New York Times, Los Angeles Times, San Francisco Examiner, Seattle Times or USA Today. The attached editorials summarize the issue before you quite well. We commend them to your attention, and we encourage your support for strong and effective ancient forest legislation.

Sincerely,

Karin P. Sheldon, the Wilderness Society; Brock Evans, National Audubon Society; Jim Owens, Western Ancient Forest Campaign; Sharon Newsome, National Wildlife Federation; Kevin Kirchner, Sierra Club Legal Defense Fund; David Gardiner, Sierra Club.

[From the Washington Post, May 18, 1992]

THE OWL GOES TO CONGRESS

A willing administration could resolve the Pacific Northwest logging dispute within the framework of the Endangered Species Act. The message from the Bush administration last week was that it is not willing, thinks the act is extreme and can't be counted upon to enforce it. The effect was to toss the issue of how much logging to permit on which tracts back to Congress, which will now try to legislate a solution directly. Congress isn't famous for its defense of natural resources in election years, either, but this time around there seems to be a chance that it will draw up a decent plan. Someone should.

The Endangered Species Act has become a kind of environmental safety net, the all-purpose, bottom-line statute to which advocates turn when lesser means fail. Here it has been invoked in the name of the northern spotted owl. That has led to the usual ridicule; what kind of country allows an entire industry to be held up by a forlorn bird? But the owl is only a proxy for its old-growth habitat, a priceless and disappearing resource.

The administration and industry like to say that the choice is between owls and jobs. That's a good bumper sticker, but it's not the fundamental choice. If heavy logging continues on the public lands, in not too many years there will be neither owls nor jobs; the resource will be depleted. Employment in the timbering industry in the Northwest has already declined in recent years. Automation, export patterns and the shift of the industry to the Southeast have all had an effect. The simple decline of the forest will be next. Logging has meanwhile had the effect of reducing employment in some other industries—by damaging the spawning grounds on which the salmon fishery used to depend, for example. Conservationists say that here is not a case in which the environment can be saved only at the economy's expense; rather, they argue that in the long run it will be good for the economy and environment alike if the region shifts from timbering toward other sources of employment.

To use the Endangered Species Act to enforce such a shift is to do it obliquely. The administration's various actions last week—one required step forward, two symbolic steps back—showed how much slippage there can be in such a process. First the administration published a "recovery plan" required by law to save the spotted owl by cutting back sharply on logging on federal lands within its habitat. At the same time, however, Interior Secretary Manuel Lujan also released a "preservation plan" that has no standing in law and likely wouldn't save the owl in the long run but which the administration prefers because it would cost fewer jobs. In effect this was a request to Congress to weaken the Endangered Species Act without quite saying so. Meanwhile, because the owl has been listed as endangered under the act, a presumption exists against further logging on federal land inside its habitat; a special administration committee voted to permit a small exception to that rule.

This action by the so-called "God squad" will be taken to court; every administrative action is in a dispute such as this. The House Interior and Agriculture committees would put the entire process to rest by drawing a map. Each is working on a bill that would say where logging can't and can occur in the public forests and at what rates. The Interior bill is currently better; if it or something like it can be passed, fine. If only a weak bill emerges, it ought to be killed; better the current, poorly enforced laws and the stalemate in the courts.

[From USA Today, May 18, 1992]

BUSH PITCHES STRIKE THREE AND ENVIRONMENT LOSES

As environmental president, George Bush has been absolutely magical—as in, "Now you see him, now you don't."

His latest conjuring trick: Trumpeting the Clean Air Act as his top planet-friendly deed—while quietly letting 40,000 large utilities, oil companies and factories ignore, in effect, the new law.

The act says companies must get permission before exceeding assigned pollution limits.

That's simple and sensible. Even Bush's top environment official thought so. But Bush now rejects that argument.

He contends that requiring hearings and EPA approval for minor pollution increases is too burdensome to business.

It certainly is not easy.

But writing the rules so businesses can simply tell regulators they will pollute more—as Bush plans—would deprive opponents of a chance to stop them. Result: dirtier air.

That's hardly the act of the environmental president Bush pledged to be. Yet this is the third time in a month that Bush has put business gripes above environmental necessities.

Last week, Bush's "God squad" OK'd cutting down old-growth forests to preserve logging jobs that are doomed to disappear. They can't last longer than the forests do, and that time is not far off.

Days earlier, Bush rejected target dates for decreasing pollution thought to cause global warming. He turned next month's international environmental summit into little more than a photo op.

Business, 3; environment, 0.

Economic concerns certainly deserve prominent consideration. But Bush has gone too far. If he doesn't reconsider, Congress should do the job for him.

Clean air must be a reality, not just a political illusion.

[From the New York Times, May 18, 1992]

MR. BUSH'S POLITICAL ENVIRONMENT

The "Environment President" now seems mainly interested in becoming the "Reelected President." Twice in one week, on the issues of air pollution and forests, the Bush Administration has handed down rulings that sacrifice long-term environmental concerns to short-term commercial and political interests.

And perversely, in both instances, the Administration, even while enraging environmentalists, offers false promises to the inter-

ests whose favor it wishes to curry in this election year.

The most recent example is last week's decision by Vice President Quayle and the Council on Competitiveness to allow companies to increase pollution emissions without public hearings. Mr. Quayle argued that public reviews might delay changes in manufacturing processes to improve efficiency and competitiveness.

Nevertheless, the ruling is an empty promise. The Clean Air Act—which Mr. Bush hails as his major environmental achievement—explicitly requires "public comment." The ruling is therefore likely to invite lawsuits that could deny industry the flexibility Mr. Quayle seeks. The ruling also runs counter to some state regulations requiring public review, inviting bitter legal battle.

Finally, it embarrasses the administrator of the Environmental Protection Agency, William Reilly, whose plan to give industry some leeway within the spirit of the law was rejected.

It was not one of Mr. Reilly's better weeks. Just as he was losing on the pollution issue, a Cabinet-level committee chaired by Interior Secretary Manuel Lujan voted to override both Mr. Reilly and the Endangered-Species Act and permit logging on 1,700 acres of Federal land in Oregon that is home to the threatened northern spotted owl. The 1,700 acres don't amount to much, either to the owl or the loggers. At the same time, however, Mr. Lujan also announced a broader "preservation plan" setting aside about 2.8 million acres for the spotted owl—about half the acreage mandated by the Endangered Species Act and the courts. Mr. Lujan said his plan would save half the 32,000 jobs that would otherwise be lost.

Again, false promises, both to the owl and the loggers. Mr. Lujan's own biologists say the owl can't survive on less than five million acres. Nor will all that many jobs be "saved" by cutting the owl's habitat in half. There will be a short-run saving. But loggers are already fighting relentless market forces. Automation and the industry's shift to the Southeast have cost more jobs than the owl.

And when Mr. Lujan's vulnerable acreage is gone, more logging jobs will also disappear. Neither do his calculations include the jobs that will be lost in other industries if heavy logging continues—in tourism, for example, and salmon fishing, which depends on streams undamaged by over-cutting.

There are two bills in the House that would put more than six million acres off limits to logging. That's probably enough to save the owl, fishing and tourism. Both bills also seek to cushion the economic hardship in local communities.

Neither bill is perfect; yet both seek to demonstrate a just balance between economic needs and the environment. Whether the issue is clean air and jobs, or forests and jobs, the Bush Administration has so far produced an unwise balance.

[From the Los Angeles Times, May 16, 1992]

ENVIRONMENT: NOT GIVING A HOOT

The Bush Administration could not have found a more bizarre way to prepare for the President's trip to the Earth Summit in Rio de Janeiro next month.

One of the most important questions on the agenda of the U.N. Conference on Environment and Development is how to stem the destruction of plant and animal species that is being committed in the name of economic growth.

So how did the Administration spend Thursday? Trying to torpedo a decision by a panel of top government scientists to begin restoring the population of spotted owls that live in the ancient forests of the Pacific Northwest.

Bush was already under fire for making it clear—as a condition for even attending the Rio meeting—that the United States will make up its own mind about how fast and how far to go in trying to ease the danger of global warming. His Administration's reaction to the owl decision can only make some countries that seek to go further in acting against the so-called greenhouse effect wonder why they bothered to make any concessions.

The survival of plant and animal species—the preservation of what scientists call biodiversity—goes beyond wanting to protect cuddly owls with round faces and big, dark eyes. Scientists calculate that half of the Earth's remaining species live in tropical forests, most of which are in quite poor nations. They also know that the forests have in the past served as breeding grounds for plants whose chemical compounds provided clues to wonder drugs. What they do not know is how many more wonder drugs may one day be found in the forest and which diseases they might cure.

The Earth Summit hopes, among other things, to produce agreements under which poor nations will stop destroying tropical forests—and those species that live in them. In general the poor nations ask how their people are to survive if they cannot sell the forests' valuable hardwoods.

The Bush Administration's very public pre-Rio lack of concern for an endangered species is hardly an answer that poor nations will respect.

[From the San Francisco Examiner, May 17, 1992]

IF OWLS LOSE, PEOPLE LOSE

The proposition that protecting the northern spotted owl means sacrificing people by eliminating jobs in the timber industry is a false formulation of the issue. Eliminating the threatened owl by destroying the habitat of the 2,000 or so remaining pairs hurts far more people—all of us—in ways we can only partly assess. The owl itself is an "indicator species" whose disappearance would only hint at much broader losses, not the least of which are the old-growth forests themselves.

The dismissive tone of Interior Secretary Manuel Lujan ("Owls die every day") offers no reassurance that key figures in the Bush administration have a clear idea of what is involved in the Endangered Species Act, which they would like to gut. A cabinet-level committee—the "God squad"—last week granted an exemption to allow logging on 13 tracts of federal land inhabited by the owl in Oregon. And the administration has set out alternative plans for long-term protection of the owl. One of the plans is conceded by government experts to mean eventual extinction of the bird, for the sake of 17,000 timber jobs.

The economic benefit in cutting down the remaining 10 percent of the country's old-growth forests, mainly in federal ownership, is marginal, at best. Much of the wood product is shipped out of the country raw, so Americans don't get the milling jobs. And when the majestic trees are gone from picturesque areas of the Northwest, who will want live there or spend tourist dollars there?

The prudent course, economically as well as environmentally, is to tamper as little as possible with the living conditions of the spotted owl, whose demise would not be the last in a grim series. The Endangered Species Act is a protection that should not be undermined for short-sighted financial gain. With the law due for reauthorization, Congress must fight off the administration's attempted chain-saw massacre.

[From the Seattle Times, May 18, 1992]

LUJAN MISSES THE POINT OF THE SPOTTED OWL DEBATE

The "God Squad's" decision to allow logging in some spotted owl habitats in Oregon betrays the long-term public interest for a fleeting political benefit.

Environmental Protection Agency administrator William Reilly and Portland businessman Tom Walsh opposed exempting any land from Endangered Species Act protection; they were outvoted by five Bush administration officials on the squad.

At best, exempting 1,700 acres of federal Bureau of Land Management land would postpone the loss of a thousand timber jobs. How long those jobs will be preserved is anyone's guess—automation could eliminate half of them in a few years.

Douglas and Coos counties in Oregon, where the exemption would apply, lost tens of thousands of jobs in the 1980s due to automation, changes in product demand, and mill consolidations by timber companies. Those forces have always controlled the destiny of timber towns and will threaten them long after spotted owls die out.

Yet Interior Secretary Manuel Lujan and the God Squad are willing to sidestep environmental laws for jobs that could be eliminated by any shift in the market.

In addition to land exempted by the God Squad, Lujan proposes waiving protection for habitat on the Olympic Peninsula, the North Cascades and parts of the Oregon Coast Range. He suggests capturing the owls in those forests and relocating them elsewhere. Sen. Slade Gorton, always eager to play loggers off against owls, will be introducing the Lujan scheme in the Senate.

Of its impact, Lujan says, "Owls die every day, just like people, but this gives us more than a 50 percent chance the owl will be preserved for the next hundred years." His cavalier comments show he still doesn't understand the nature of the problem.

The owl is important because it is an indicator species. Capturing the birds and putting them into national parks or zoos does not change the fact that old-growth ecosystems are being destroyed by decades of overcutting. The owl's decline is only a symptom of significant, long-term damages to those ecosystems.

Only a turnabout from past harvest practices can prevent further degradation of forest life forms. The U.S. Fish and Wildlife's owl recovery plan, which Lujan opposes, for example, would set aside 5.4 million acres of harvestable federal forest. Yet even this plan assumes a reduction in owls from 3,000 pairs to 2,300 pairs. To Fish and Wildlife scientists, saving a specific number of owls is less important than protecting their endangered habitat—which is precisely why Lujan's plan to airlift owls is utterly pointless.

Ecosystem recovery clearly will carry an economic cost, and communities that have been sustained by huge harvests will suffer most. Lujan and the Bush administration would serve those towns better by funding worker retraining and helping local economies diversify. Simply giving loggers more trees to chop now won't help them survive the next decade.

Mr. ADAMS. Thank you, Mr. President.

I hope my colleagues will carefully consider this legislation when Senator LEAHY and I introduce it.

I yield the floor.

Mr. GORTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. GORTON] is recognized for up to 10 minutes.

Mr. GORTON. Mr. President, I am authorized 5 minutes of leader time which has been added to that.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. GORTON. I thank the Chair.

(The remarks of Mr. GORTON pertaining to the introduction of S. 2762 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina.

Mr. SANFORD. Thank you, Mr. President.

THE 50TH ANNIVERSARY OF THE ARMED FORCES RADIO AND TELEVISION SERVICE

Mr. SANFORD. Mr. President, I am pleased to commend today the accomplishments of an organization in the Department of Defense which, on May 26, 1992, celebrates 50 years of continuous, dedicated service to our soldiers, sailors, airmen, and marines stationed at sea and in foreign lands, the Armed Forces Radio and Television Service.

In 1941 on new Army posts under construction in remote places far away from recreation available to Americans back home, innovative GI technicians began building private, unofficial radio transmitters. Their goal was to provide entertainment to their fellow servicemen in the form of popular records, amateur comedy, and drama. These volunteer radio stations led in May 1942 to the official establishment of the Armed Forces Radio Service [AFRS] in the Morale Services Division of the War Department.

The Armed Forces Radio Service [AFRS], AF Radio we called it, got underway in Los Angeles under the remarkable leadership of then Maj. Tom Lewis, who was recruited from the top ranks of national radio broadcasting and advertising. Major Lewis established an unshakable foundation for AFRS that has today become the most far flung broadcasting service in the world.

As Trent Christman notes in Brass Button Broadcasters:

> Sylvester Pat Weaver, who later became President of NBC Television, who invented the TV Special, developed the Today and the Tonight shows and is considered one of the geniuses of the business, arrived at AFRS in 1944. He said many years later that "this was the zenith of American radio and that AFRS programs may well stand as the highest expression of American radio broadcasting."

Our military broadcasters, writers, announcers, disk jockeys, technicians, and other support staff followed our troops into combat. They sometimes leapfrogged from station to station. At other times they would travel by mobile broadcast vans. Whatever the means of transportation, they provided an always available electronic source of news, information and entertainment to our fighting men and women and let them know that a grateful nation was behind them.

At the height of World War II, Armed Forces Radio operated more than 300 radio stations in the Pacific, China-Burma-India, and European theaters. AFRS severely diluted the poisonous propaganda of the infamous Tokyo Rose and Axis Sally. Many of the most notable celebrities of World War II, Bing Crosby, Bob Hope, Jack Benny, and my favorite, Lucille Ball, among others, gave willingly of their time and talent to entertain our soldiers, sailors, airmen and marines through the broadcast facilities of AFRS. Every American who has served in uniform overseas in the last half century has touched by Armed Forces Radio.

I remember on a snow covered Christmas at the height of the fury of the Battle of the Bulge, pausing in a big cow barn in Belgium before continuing the attack, hearing a small radio someone had plugged in to an Armed Forces Radio and was receiving a program of Christmas carols that brought hometown cheer to all of us. The song "I'm Dreaming of a White Christmas," which we had in spades, was playing, sung, I am sure of course, by Bing Crosby. And I remember the first sergeant was constantly singing that song for the next 6 weeks until his comrades were ready to choke him. But I will never forget that Christmas AFRS program, a reminder of the warmth and love of home that kept us determined to complete the job.

It must be noted that some of today's most notable celebrities began their careers as Armed Forces Radio and Television broadcasters: George Kennedy, Pat Sajack, Gary Collins, Ray Briem, and Adrian Cronauer of "Good Morning, Vietnam" fame.

The German song "Lili Marlene" came first as intended morale shattering propaganda to make the soldiers long for loves left at home. But our Armed Forces Radio turned it into an American favorite, a morale booster for the American troops.

I remember the sergeant major woke me from sleep early one morning to tell me in tears, "Sir, our President is dead." He had heard it on AF Radio. And I remember also the news that Hitler was kaput and that General Eisenhower was laying down the terms of peace. And it was at sea, headed from Europe for deployment to the Pacific, after refitting in the United States, that we heard on AF Radio the news of the atomic bomb. For us we knew that the war was over. It is fair to say that I have a sentimental attachment to AFRTS.

Since the addition of television in 1953, the Armed Forces Radio and Television Service, AFRTS, has served around the globe on land and sea to bring the sights and sounds of home to our military men and women on duty protecting this country's national interests in peace and war.

AFRTS has thrived due both to the unselfish contributions of stars and corporate leadership of American entertainment and to the selfless dedication of military broadcasters, often under fire, who brought news, information, variety, comedy, and drama to front line troops.

AFRTS packed up its transmitters, microphones, records, tapes and films to accompany American forces to Korea, Vietnam, and to Desert Storm. Today AFRTS provides immediate delivery of news and sports events via satellite from all major U.S. network sources and of entertainment and variety programs by expedited mail delivery to over 1.3 million servicemen and women and their families in more than 120 countries and aboard 500 Navy ships at sea.

Through AFRTS, no remote, lonely outpost where our military maintains a presence to defend democracy and freedom, is without a word from home. No military deployment of our active duty forces in the past 50 years has been without the welcome support of the Armed Forces Radio and Television Service. Navy Chief Journalist Rich Yanku opened his microphone the morning of October 9, 1990, and bellowed "Goooood Morning Saudi Arabia!" before playing the recording "Rock the Casbah" by the rock group the Clash.

The 50th anniversary of the Armed Forces Radio and Television Service marks a significant milestone in the life of an important Department of Defense service to those who are committed to defend this Nation when, where, and as needed. To the men and women of AFRTS wherever you are stationed around the world, I join with the members of the Armed Forces Broadcasters Association in paying tribute for a job done not only with dedication and ability, but also with spirit and creativity. Thank you and happy 50th.

The PRESIDING OFFICER (Mr. SANFORD). The Chair recognizes the Senator from Illinois for 5 minutes.

Mr. SIMON. Mr. President, first I want to join my colleague from North Carolina. I was stationed overseas in the Army and I remember in 1952 hearing Adlai Stevenson's acceptance speech on that in Germany. It was about 2 in the morning, as I recall. But the Armed Forces network really has done a great job for those of us who had the honor of serving in our Nation's uniform.

RETIREMENT OF REV. WILLIAM J. BYRON

Mr. SIMON. Mr. President, I rise today to pay tribute to Father William Byron.

Back some years ago when I was in the House, I had the chance to meet and have lunch with a man who had written articles in magazines and had shown unusual leadership on several issues, and that was Father Bill Byron. I never met him before, though I knew of him.

When he left the presidency of Catholic University he came to Catholic University of America—and the Presiding Officer now who was president of Duke University can appreciate this more than I can, I am sure. Father Byron came here as president of Catholic University and has done a remarkable job.

What I particularly appreciate is that in addition to his leadership at Catholic University he has shown the courage to lead on a number of issues. He, for many years, served as chairman of the board of Bread for the World, an ecumenical group working on food and population problems around the world. He has written for the Washington Post and for other organizations.

He has provided leadership, for example, in saying we are going to have to, as a Nation, invest more in education and do more specifically to see that people have an opportunity to continue their education beyond high school. His has really been a leadership role. And he has taken advantage of the pulpit of Washington, DC, to influence not just one university, a great university here, Catholic University, but to have his fingerprints on many things here in the Nation.

The Nation has been enriched by his presence here at Catholic University. He will be retiring shortly as president of that University. I know the people at Catholic University are grateful for his leadership there. But I think it is appropriate to say, as one Member of the United States Senate, we are grateful not only for his leadership there but for the leadership he has provided in so many other areas. I am sure in one way or another that leadership will continue, and the Nation needs it.

Mr. President, I yield the floor.

(Mr. SIMON assumed the chair.)

THE RETIREMENT OF THE REVEREND WILLIAM J. BYRON

Mr. SANFORD. Mr. President, the academic community is about to lose one of its finest. After serving 10 years as the president of the Catholic University of America, the Reverend William J. Byron is retiring.

Before being elected to the Senate, I had the opportunity to serve as a university president. It is a rewarding and fulfilling job. It is also a demanding and challenging job, and I know the strength of leadership and depth of character that marked the Reverend William J. Byron's contribution to Catholic University.

Under the leadership of Father Byron, the university enjoyed great prosperity and expansion. State-of-the-art facilities were built, new academic fields were brought to campus, and traditional fields were given new vigor as the school sought to live up to Father Byron's vision of "service to church and Nation." During this tenure, Father Byron helped to triple the university's endowment, enhancing the financial strength of the institution for years to come. He also founded the board of regents, which increased the participation of alumni and friends of the college in fundraising and public relations efforts. In addition, Father Byron also found time to author several significant books and articles.

Father Byron's work has not gone unnoticed. In 1986, he was chosen by his peers as one of the "most effective" college presidents in the United States. On two occasions Father Byron received the "President and the Public" award from the Council for Advancement and Support of Education, and in 1988 Washingtonian magazine named him Washingtonian of the Year. As a respected representative of the Catholic faith in America, Father Byron was chosen by Pope John Paul II as a consultant to the Vatican in discussions over Catholic higher education, and with the help of other university leaders, he helped to secure an official recognition of the unique role of American Catholic Colleges. In 1991, President Bush appointed Father Byron to the board of the Commission on National and Community Service.

Over the past 10 years, Father William J. Byron has had a vision for Cathclic University, and he has worked tirelessly to lead the school toward that goal. His influence, both on campus and off, will be greatly missed. The contributions he has made, however, will live on at Catholic University, and the students, faculty, and friends of the college will reap the benefits of his dedicated and enlightened leadership for many years to come.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. SANFORD). The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Jim Grover have permission to be on the Senate floor.

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

(The remarks of Mr. ROTH pertaining to the introduction of S. 2763 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE FEDERAL ROLE IN R&D

Mr. ROTH. Mr. President, throughout the cold war American taxpayers shouldered the burden for defense spending in order to defend the most critical of national interests, our existence as a nation and as a people. Meanwhile, foreign countries were building economic engines that have enabled them to catch-up and in some cases surpass our country in the global competition for economic well-being. Now that the cold war is over, we need to shift our focus from military power to economic power. As any unemployed autoworker will tell you, America's competitiveness in the global marketplace is as critical an issue' for our Nation's well-being in the 1990s as the strength of our military was in the 1980's.

Many liberals suggest that today's problem is a lack of Federal Government intervention in key industries. Others suggest that the problem is protectionist trade policies by other nations, and that we ought to engage in a trade war in order to win back our markets. Still others believe that the Government knows best what the market needs, and that America will not regain economic strength until we have a national industrial policy rivaling the 5-year plan that failed so miserably in the Soviet Union.

Over the past 3 months, a number of committees on which I sit have had extensive hearings on this issue, and a long list of distinguished witnesses has made recommendations on the Federal Government's role. I consistently asked the witnesses what the problem is. Is it a lack of funds? They answer: No. Is there something wrong with our research, do we lack an ability to come-up with new ideas? Again, they answer: No. They said that America does the best research in the world, but the problem is that our competitors beat us in getting those ideas to the marketplace. For example, Dr. Erich Bloch, the former Director of the National Science Foundation and currently a distinguished fellow at the Council on Competitiveness, testified last week:

> Competitor nations succeeded, not by besting us in basic research, but by focusing their attention on technology in areas of commercial relevance and getting to market sooner and with higher quality products.

Mr. President, if our country is going to win the global competition for economic well-being, we must regain our ability to commercialize technology—that is, our ability to bring high quality, affordable, leading-edge products to the marketplace faster than our competitors.

America spends more than any other nation on research and development, and when corporate and Federal expenditures are added together, our spending dwarfs all of our competitors'. However, our Federal expenditures make little direct contribution to our ability to commercialize technology. In fiscal year 1993, we may spend $76 billion of the taxpayer's hard-earned dollars on Federal research projects,

but very little of it will be spent on projects that help our economy.

Mr. President, merely throwing more taxpayer money at the problem will not help. I am concerned by recent legislative initiatives, including one being introduced today in the House of Representatives, that repeat Congress' past mistakes in dealing with competitiveness. History has shown that Government investments in areas where there is no corporate support will not help American businesses compete. Therefore, legislation that sets up and funds Federal activities which are disconnected from the marketplace is a waste of taxpayer dollars. Moreover, Federal money for such efforts typically has been spent on parochial, rather than national interests.

In order for the Federal Government to have a positive impact on the competitiveness of American business, a set of principles that must be applied. First, the results must be measured and weighed against the costs. Second, no additional funds are needed. Instead, we must make the $76 billion Federal R&D expenditure more relevant to the needs of our economy. Third, Federal investments must not substitute for commercial investments, they must encourage private sector investment. Fourth, industry, not Government must identify priorities for action, and spending of Federal money may not be the necessary action.

I am currently drafting legislation that applies these principles to reorient a portion of the Federal R&D budget and management structure.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota [Mr. DASCHLE] and the Senator from Michigan [Mr. LEVIN] are recognized to speak for 20 minutes.

The Senator from South Dakota is recognized.

Mr. DASCHLE. I thank the Chair.

(The remarks of Mr. DASCHLE and Mr. LEVIN pertaining to the introduction of S. 2764 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I realize that the special orders go to 10:30 and with a vote to occur at 10:30. I came to the Chamber a few minutes after nine and I have been waiting to speak for 10 minutes with regard to our fine friend from the north, Prime Minister Mulroney. I have not yet personally reached the majority leader and hesitate to propound a unanimous-consent request for an additional 10 minutes, but I have talked to some of the senior staff. I am going to do that, and I have not done that before.

I ask unanimous consent for an additional 10 minutes to speak about our neighbor. 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. SIMPSON. 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. SIMPSON. Mr. President, let me renew the unanimous-consent request.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

Mr. SIMPSON. I want to thank the majority leader and I will shorten my remarks. I appreciate that very much. It would not be done if it had not been a long session in here this morning where we were all courteous and extended everybody's else's time. I hate to do that. Let me get to the point.

UNITED STATES-CANADA RELATIONS

Mr. SIMPSON. I want to welcome our good friend, the Right Honorable Prime Minister of Canada, Brian Mulroney, today. He leaves today. It is a great pleasure to have him here in Washington and also Canada's First Lady, Mila, a very impressive and capable woman. I want to welcome and extend sincere thanks for his steady leadership over the past several years.

Those of us in this Chamber know of this remarkable man through his outstanding leadership of his country and strengthening the relationship of our two countries during that time. This Prime Minister has always stood fast against political posturing and stood firm for the principle of free trade and free markets—all to the benefit of his country.

I think it is a good time to reflect on the relations with this outstanding leader and the importance of a strong relationship with Canada, our neighbor to the north. In recent times there had been some focus on only the difficulties as we negotiated a fair trade agreement, and in my view, far too little recognition of the enduring positive aspects of this remarkable relationship.

There are some blessings which we as a nation have received that have been so constant, so reliable that we rarely think of our good fortune in having our friendship with Canada. "One measure of friendship consists not in the number of things friends can discuss, but in the number of things they need no longer mention." Canada is certainly one of those.

We are one of the few nations of the world whose citizens really do not know what it is to have a "border clash" or even a dispute. Our relationship with our trusted northern friend has historically been so solid and amiable that it has been treated virtually as a constant of nature. The beneficial effects of that situation have not been lost on historians.

In Winston Churchill's "History of the English Speaking Peoples" he offers this reflection on the significance of the War of 1812: "Henceforward the world was to see a 3,000-mile international frontier between Canada and the United States undefended by men or guns * * *."

It is understandable that Churchill might have been envious of the United States-Canada relationship, writing as he was as Europe was engulfed in the flames of yet another international conflict, the likes of which this continent has never seen.

Mr. President, our relationship with Canada has been far more cooperative than simply upholding a peace. We have a remarkable freedom of travel between our two countries, and an ease of exchange of currency and commerce with them that Europe is still now at great pains to achieve.

I also believe that all of us can here remember several spectacular examples of Canada's good will and friendship. There was a time here, little over a decade ago, when Canada's Maple Leaf Flag was flying all over this city and every other in the United States. For when Americans were taken hostage in Iran, a handful of Americans escaped, shielded from capture at great risk by the Ambassador and staff of the Canadian embassy there. Can we ever forget that feeling?

Prime Minister Mulroney gives Canadians a leader who understands that Canada's self-interest is not served by protectionist, scapegoating rhetoric, which is too often evidenced in our countries and our political parties.

In this day and age, we too often fail to take the long view, the way that this fine leader does. The Prime Minister said it best himself—"There is anti-Americanism"—and, I would add, scapegoating of all kinds—"But it is not enough to elect a dogcatcher." So we see that good policy is also good politics, and the career of this remarkable leader is compelling evidence of that.

I myself feel a special kinship with Canada, which started when a Canadian named Glen Nielson moved to Cody, WY, in 1937 to establish the Husky Oil Co. During World War II, refineries in Cody and Riverton produced combat fuel for the U.S. Navy.

After the war, Glen Nielson carefully investigated the availability of heavy oils in western Alberta and Saskatchewan. In the late 1940's, the Riverton, WY, refinery was closed and moved north. It was then that Husky Oil was established in Lloydminister, where the main street divides western Alberta and Saskatchewan.

Glen Nielson looked beyond the border which separates our countries and resolved himself to operate Husky Oil as one company, undivided by our countries' boundaries. Husky Oil carried out a relationship of true cooperation with the Canadians. Glen Nielson encouraged the Canadians, through im-

portant face-to-face dialog, to begin the trade of natural gas with the United States.

My father, Milward L. Simpson, was one of Glen's closest friends. Dad was a member of the founding board of directors of Husky Oil. I learned by repeated example from my father about the importance of strong trade relations with our North American friend.

In my lifetime, I have watched this relationship grow ever so strongly and become tightly interwoven. We have become each other's best customer—the largest bilateral trade relationship in the world. Since 1989, this relationship has been underpinned by the free trade agreement.

We entered into the bilateral agreement on the grounds of mutual advantage. In the words of Woodrow Wilson, "You cannot be friends upon any other terms than upon the terms of equality." Rules for dispute settlement were carefully crafted to ensure the integrity of the agreement during times of extraordinary challenge. This agreement's foundation has proven itself in the midst of recent disputes.

Our relationship and tolerance for each other's idiosyncrasies much resembles the ups and downs of a good marriage, and I've had one for 38 years. We cannot afford to neglect the significance of this union.

We must concentrate, however, on preserving the sanctity of the agreement by not continually searching for issues of recrimination. We must hold true to the mutual trust of our relationship.

Let's take a brief look at the significance of our two-way trade. In 1991, Canada-United States trade approached $200 billion. Canada has higher per capita purchases from the United States than both Japan and the European Community combined.

Our trade relationship creates jobs. Nearly 2 million jobs in each country, in manufacturing, agriculture, mining, and service sectors rely on the free trade agreement. In the United States, the export of motor vehicles and parts to Canada supports some 350,000 jobs, 100,000 in the automotive industry and 250,000 in related industries.

Canada buys more American-made electronic parts than any other country. Its purchase of computers and related equipment support 63,000 jobs in the U.S. electronics industry.

The U.S. agricultural industry is no exception. Thousands of jobs, from producer to retailer, rely on the Canadian market.

I am optimistic that all of us here today want to strive toward a global trade policy agenda which reflects the concept of fairness and a clear representation of the facts.

We have reached a significant turning point in how Americans view exports and imports of products. The new protectionist rhetoric calls for a level playing field and fairness. This illustrates a blatant misrepresentation of the concept of free trade.

The United States cannot continue to define its free trade agreements in terms of outcomes which politically satisfy specific industry organizations. President Bush and Prime Minister Mulroney know and openly admit that strong dispute settlement rules must be established and adhered to in order to fend off the alluring and seductive call of special interest groups.

I do not think that it makes any good political sense to separate the U.S. trade policy agenda into a domestic agenda and a separate international agenda.

We live in an increasingly interdependent economic world, one in which our ability to solve our own domestic problems relates directly to our ability to resolve global problems and deal with the policies of other countries.

At the same time, our ability to influence policies directed toward any new world order depend heavily on how we deal with our own domestic economic situation.

Our export business has grown dramatically in the last 5 years. In 1985, American firms exported $371 billion worth of goods and services. By the end of 1990, that level had grown to $673 billion. We export more than any other country on Earth, and we import more.

It is time that our countries put a halt to the degenerating aspects of our current trade relations and look toward mutual advancement.

We can agree that we need an economic strategy in the United States which will confront the challenges of international trade in the next few years.

We must strive together so that all Americans and Canadians, not only a select few, prosper from United States-Canadian trade relations.

In sum, Mr. President, "your friend is the man who knows all about you, and still likes you."

This is epitomized by this fine and courageous leader of our sister nation on this planet. Through thick and thin, good and bad, tough weather and calm, "Oh, Canada, you bet," and we are very proud to be your ally, your friend, tried and true, and God bless this fine man, this international leader.

I thank the majority leader.

Mr. MITCHELL. Mr. President, I thank my colleague, and I join him in welcoming Canadian Prime Minister Brian Mulroney to the Capitol. We will be later in the day having a meeting with the Prime Minister. We have had similar meetings before with a group of Senators and we look forward to welcoming him personally. I know that several Senators will attend that meeting and look forward meeting with the Prime Minister.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SANCTIONS AGAINST THE GOVERNMENT OF SERBIA

Mr. PRESSLER. Mr. President, the imposition of sanctions against the Government of Serbia is long overdue. We would not be here were it not for the leadership of Chairman PELL of the Foreign Relations Committee, the ranking Republican, Senator JESSE HELMS, Minority Leader BOB DOLE, and Senator ALFONSE. D'AMATO of New York.

Yesterday I spoke to the Senate about the markup of S. 1793 in the Foreign Relations Committee. The legislation includes sanctions against Serbian airlines. Overnight, literally, the State Department got religion and imposed air sanctions against the Serbian Government airline—JAT.

Mr. President, that is progress, but I regret that United States policy toward the former Yugoslavia has been too reactive and too slow. The bill before us this morning, S. 2743, is a modest but good bill. I am pleased to be an original cosponsor of the measure together with the Senators I just mentioned. However, the bill is not as tough as what was originally introduced as S. 1793 by Senator D'AMATO, and it is much more limited than the legislation I introduced in March—S. 2376, the Former Yugoslavia Act.

But something is better than nothing. It is time for United States diplomats to stop equivocating and use every diplomatic tool we have to stop Serbia's wanton aggression. Serbia crushed Croatia and paid absolutely no price for its aggression. The Serbian army and guerrilla units are in the process of destroying Bosnia, yet only the mildest sanctions have been imposed.

S. 2743 is substantially silent on the vital topic of Kosova, Mr. President. Kosova is occupied by Serbian Communist troops and is ripe for the picking if the Serbian Army continues its aggression in Bosnia and moves south.

I understand the legal issues involved in protecting Kosova against Serbian incursion and aggression. I appreciate that diplomats rarely use direct, blunt terms. But let me be very straightforward. Mr. President, unless Serbian Government forces are stopped, aggression against the people of Kosova could make what has happened in Croatia and Bosnia look like a Sunday school picnic.

Enough is enough. S. 2743 deserves to be enacted and signed. It is a good first step. The Foreign Relations Committee, and especially the European Affairs Subcommittee on which I serve, should hold hearings to find additional policy options. The State Department should consult closely with us to

strengthen effective actions against the Serbian Government.

But what America and the civilized world need more than anything else are mechanisms to deal with what might be called the "new world disorder," as aggressive—often Communist—forces try to suppress freedom and self-determination by cruel force. I am not suggesting that the United States send in the Marines. Other effective actions can be taken.

Today's legislation is a beginning. Mr. President, I look forward to continuing an active role to help democratic forces in Serbia against the Communist elite as well as imposing effective sanctions against the same Communist government.

YUGOSLAVIA SANCTIONS ACT

Mr. PELL. Mr. President, today we consider the Yugoslavia Sanctions Act of 1992. This legislation is based in part on legislation introduced last fall by Senator D'AMATO and cosponsored by 24 other Senators including Senators DOLE, GLENN, HELMS, GORE, NICKLES, PRESSLER, RIEGLE, and myself. The Foreign Relations Committee held hearings on that bill in October, but did not move on the legislation at that time because of the ongoing Vance mission and because of uncertainty about whether the legislation commanded a majority of the committee.

Circumstances since last fall have changed dramatically, adding a new urgency to take decisive action on Yugoslavia. The bill before us today, S. 2734, was reported favorably by the Foreign Relations Committee yesterday by a vote of 19–0. It does not include comprehensive trade sanctions only because if such sanctions originate in the Senate, it might raise procedural concerns in the House and thus impede passage of this bill. I hope, however, that the House will consider a version of this bill that does include trade sanctions.

In the past months, Slovenia, Croatia, and Bosnia-Hercegovina have been recognized by the United States and much of the international community. Serbia and Montenegro have constituted themselves as the new Yugoslavia, and the old Yugoslavia is dissolved. The Vance mission has produced a cease-fire in the war between Serbia and Croatia.

The bad news, however, is the situation in Bosnia-Hercegovina. Following the February 29 vote by the people of Bosnia-Hercegovina for independence, Serbia launched an unprovoked war of aggression. Serbia's goal is the annexation of some 70 percent of Bosnia's territory. The war is being carried out with savagery not seen in Europe since World War II. Frankly, I am sickened by the television images of the shelling of Sarajevo and the killing of thousands of innocent civilians.

I would like to point out, however, that our quarrel is not with the people of Serbia, but with its government, led by Slobodan Milosevic, and its cruel and aggressive military. Indeed, Mr. Milosevic's despotic policies, are undermining the well-being of the Serbian people as well as the citizens of the neighboring independent countries.

The leaders of Serbia and its Montenegran partner in the new Yugoslavia must be stopped. The new Yugoslavia must understand that it cannot have normal political or economic relations with the rest of the world if it wages war against its neighbors. It must understand that the world will never accept changes in borders brought about by force of arms.

I find it disturbing that the United States response and the international response to Yugoslavia's war against Bosnia, a sovereign state whose independence we recognize, has been so weak. While it is true that Bosnia, unlike Kuwait, has no oil, it is also true that Bosnia, unlike Kuwait, has a democratically elected government. If we are only prepared to defend victims of aggression when they are rich in natural resources, we are setting a poor example for a new world order.

Prompted by the committee's action yesterday, the administration announced that it was terminating the landing rights of JAT, the Yugoslav airline. This decision, far too long in the making, will finally send a signal to the new Yugoslav Government that its actions are unacceptable.

I believe the world community should impose Iraq-like sanctions against the new Yugoslavia. This bill would move the United States toward that goal.

THE YUGOSLAVIA SANCTIONS ACT OF 1992

A MESSAGE TO MILOSEVIC

Mr. D'AMATO. Mr. President, I rise today to congratulate the Senate for its action on S. 2743, the Yugoslavia Sanctions Act of 1992. The committee additions to the bill I offered in October 1991 have brought this bill to fruition. I am very pleased with it and I congratulate the committee for all of its work.

Today, Congress draws the line. We are saying to the Butcher of the Balkans, Milosevic, we have had enough, we will no longer allow you to kill and maim thousands of innocent people, all in the name of Serbian nationalist expansionism.

After more than 10,000 casualties, nearly 1,000,000 displaced persons, the former Yugoslavia has been laid barren. Cities have been leveled, historic buildings have been destroyed, and the landscape that was Yugoslavia is now filled with the stench of death—all this at the hands of Slobodan Milosevic.

Until the President certifies to Congress that Yugoslavia has ended its war of aggression by the Yugoslav Army and its proxies as well as its occupation of the sovereign territory of Croatia and Bosnia, this bill will send a clear message to Milosevic that we have had enough.

When implemented, the Yugoslavia Sanctions Act of 1992 will end all sales, credits, guarantees, and grants of insurance to Yugoslavia. It will end sales or donations under the Agricultural Trade and Development and Assistance Act of 1954. All Commodity Credit Corporation financing programs for export sales of nonfood commodities to Yugoslavia will also stop, as will financing from the Export-Import Bank. Executive directors at international financing organizations will be instructed by the Secretary of the Treasury to vote against any loans for Yugoslavia. Finally, all air travel between the United States and Yugoslavia will end.

Recommendations are also being made that the United States abstain from extending diplomatic recognition to the so-called new Yugoslavia; that the President pursue multilateral sanctions such as an oil embargo against Yugoslavia; and that the President should take steps to provide adequate humanitarian assistance to the needy people of Bosnia-Hercegovina.

Serbia's treatment of Kosova's 2 million Albanians is also addressed in this bill. Kosova's Albanians, still deprived of their independence, have been subjected to arbitrary shootings, summary arrests, and administrative detention without charge, forced job loss, and numerous other obscene violations of their human rights. The Albanians of Yugoslavia certainly deserve better.

The Croatians and Bosnians also deserve better. Long subjugated by the Serbian junta, these brave people have fought and won the right to live their lives free of Serbian control. They should now be allowed to build their own nations. Unfortunately, Serbia continues to refuse to recognize this fact.

The only solution for peace in the Balkans is for Serbia to pull back its forces and end its war of annihilation once and for all. Serbia must stop its aggression against Croatia, Bosnia, and Slovenia, and allow Kosova to go free. Only then will there be true peace in the Balkans.

I wish to offer my sincere thanks to my colleagues for their tireless work, Senators DOLE, GLENN, PELL, GORE, NICKLES, and PRESSLER, as well as the other cosponsors of this important bill, helped guide it through the Senate.

Passage of this bill sends a message of hope to the people of the Balkans, that we in the Senate will not sit by idly while Slobodan Milosevic pursues a path of annhiliation and death. These brave people must know that we are indeed with them. The war must end now.

Mr. President, I ask unanimous consent that the text of S. 1793 be printed

following my statement. Thank you, Mr. President.

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

S. 1793

SECTION 1. SHORT TITLE.

This act may be cited as "The Yugoslavia Sanctions Act of 1992".

SEC. 2. FINDINGS.

The Congress finds:

(1) Yugoslavia, a state in existence since December 1, 1918, is dissolved;

(2) Slovenia, Croatia, and Bosnia-Hercegovina have voted in democratic elections to be independent nations and have achieved international recognition;

(3) Macedonia has voted in democratic elections to be an independent nation, but has not achieved international recognition pending resolution of objections raised by Greece;

(4) Serbia and Montenegro have constituted themselves as the Federal Republic of Yugoslavia, a state which has not achieved international recognition, and which is not the successor state to the dissolved Socialist Federal Republic of Yugoslavia;

(5) The newly constituted state of Yugoslavia is engaged in a war of aggression against Bosnia-Hercegovina;

(6) Acting through government controlled militias, paramilitary groups, and the Yugoslav Federal Army, the newly constituted state of Yugoslavia is killing thousands of residents of Bosnia-Hercegovina, is driving hundreds of thousands of residents of Bosnia-Hercegovina from their homes, is destroying the cities and villages of Bosnia-Hercegovina, including such culturally and historically important places as Sarajevo and Mostar, and is interfering with humanitarian relief efforts in Bosnia-Hercegovina;

(7) Serbia and Montenegro, prior to forming the new state of Yugoslavia, had engaged in a war of aggression against Croatia; and the new state of Yugoslavia, acting through government controlled militias and paramilitary groups, continues to occupy illegally territory of the sovereign nation of Croatia;

(8) Two million Albanians in the province of Kosova have been denied many basic human rights, are subject to Serbian imposed martial law, have been denied illegally their right to self-government, and have been subject to violence and killings by the Serbian authorities; and

(9) The international boundaries between the independent countries of the former Yugoslavia are the same as the internal borders among the constituent republics of the former Yugoslavia as specified in the 1974 Yugoslav Federal Constitution (except with regard to the border between Serbia and Montenegro) and cannot be altered without the consent of all countries concerned.

SEC. 3. DEFINITIONS.

As used hereinafter in this act:

(a) "Yugoslavia" shall mean the Federation of Montenegro and Serbia constituted on April 27, 1992, a state that has not been granted international recognition and that is not the successor to the former Yugoslavia; and

(b) "Former Yugoslavia" shall mean the state established on December 1, 1918, and last formally known as the Socialist Federal Republic of Yugoslavia.

SEC. 4. RESTRICTION ON ASSISTANCE TO YUGOSLAVIA.

(a) RESTRICTION ON ASSISTANCE.—Unless the conditions of section 7(a) are certified by the President to have been met, no United States assistance (including funds appropriated before the date of enactment of this Act) may be furnished to Yugoslavia.

(b) DEFINITION.—For the purposes of this section, the term "United States assistance" means assistance of any kind that is provided by grant, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of such Act);

(2) sales, credits, and guaranties under the Arms Export Control Act;

(3) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

(4) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

(5) financing under the Export-Import Bank Act of 1945.

SEC. 5. SUSPENSION OF MULTINATIONAL ASSISTANCE.

Unless the conditions of Section 7(a) are certified by the President to have been met, the Secretary of the Treasury shall instruct the United States executive directors of the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development and the International Development Association to vote against any loan or other utilization of the funds of their respective institutions to Yugoslavia.

SEC. 6. SUSPENSION OF AIR TRAVEL.

(a) IN GENERAL.—Unless the conditions of section 7(a) are certified by the President to have been met—

(1) the President shall direct the Secretary of Transportation to revoke the right of any air carrier designated by the Government of the former Yugoslavia under the air transportation agreement between the United States and the former Yugoslavia to provide service to Yugoslavia.

(2) the Secretary of State shall terminate so much of that agreement as relates to Yugoslavia in accordance with the provisions of that agreement;

(3) upon termination of those provisions, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by Yugoslavia from engaging in air transportation with respect to the United States; and

(4) the Secretary of Transportation shall provide for such exceptions from the prohibition contained in paragraph (3) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

(b) DEFINITION.—For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

SEC. 7. CONDITIONS.

(a) The conditions referred to in sections 4, 5, and 6 of this act are:

(1) that Yugoslavia is not waging a war of military aggression against any other country;

(2) that Yugoslavia is not supporting directly or indirectly, any military unit, militia, or paramilitary organization in any other country;

(3) that Yugoslavia is not occupying any territory of another country and is not assisting forces occupying the territory of another country;

(4) that Yugoslavia recognizes as international borders the borders of Croatia, Bosnia-Hercegovina, and Macedonia as specified in the 1974 Yugoslav Federal Constitution and as existed on December 31, 1984;

(5) that Yugoslavia or forces loyal to or controlled by Yugoslavia are not interfering with United Nations peacekeeping operations or with international observer missions or with humanitarian relief efforts; and

(6) that Yugoslavia is not engaged in a pattern of systematic violations of human rights within its borders.

(b) Whenever the President determines that the conditions of subsection (a) have been met, he shall so certify in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate.

SEC. 8. POLICY ON SUCCESSION.

The independent countries of the former Yugoslavia shall be severally and collectively the heirs to the assets and liabilities of the former Yugoslavia. Treaties and other international agreements between the United States and the former Yugoslavia shall be deemed applicable to the independent countries of the former Yugoslavia, except where the President determines otherwise.

SEC. 9. POLICY ON RECOGNITION.

It is the sense of the Congress that the President should not recognize Yugoslavia until it has met the conditions in Section 6, and that the President should enter into negotiations with the independent countries of the former Yugoslavia to insure an equitable distribution of the diplomatic property in the United States among all the successor states.

SEC. 10. MULTILATERAL SANCTIONS.

The Congress urges the President to negotiate comprehensive multilateral sanctions pursuant to the provisions of Chapter 7 of the United Nations Charter, including an embargo on the shipment of oil, against Yugoslavia as long as Yugoslavia is supporting acts of military aggression against Bosnia-Hercegovina. The Congress further urges the President to oppose Yugoslavia's aggression in all appropriate international fora.

SEC. 11. SANCTIONS ON OTHER COUNTRIES OF THE FORMER YUGOSLAVIA.

The President shall apply the sanctions contained in Sections 4, 5, and 6 to any other independent country of the former Yugoslavia which he determines is engaged, directly or indirectly, in military aggression against a neighbor for the purpose of changing its boundaries.

SEC. 12. HUMANITARIAN ASSISTANCE.

It is the sense of the Congress that the President should take steps so that adequate humanitarian assistance reaches needy people in Bosnia-Hercegovina.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at $3,920,455,544,927.22, as of the close of business on Tuesday, May 19, 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 $15,263.06—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?

FATHER BYRON'S RETIREMENT

Mr. HARKIN. Mr. President, I rise today to recognize the retirement of Father William J. Byron, S.J., from his post as president of the Catholic University of America. Father Byron made many outstanding and memorable contributions to his church, his school and his country. As a graduate of Catholic University, I take special pride in paying tribute to the accomplishments of Father Byron.

Father Byron's passion for learning as a student paved the way for his enthusiasm as a teacher and an administrator. A native of Philadelphia, Father Byron attended St. Joseph's College before joining the Jesuit Order in 1950. He then earned degrees in philosophy and economics from St. Louis University, two theology degrees from Woodstock, a doctorate in economics from the University of Maryland, and a certificate from the Institute of Educational Management at Harvard. Father Byron has also written four books and several articles on education, social, ethics and economic issues.

As a renaissance man, Father Byron understands the need for education of many kinds. During his 10 years at Catholic University, Father Byron has raised the money for and overseen the construction and running of new facilities for diverse programs studying everything from law and music to science and architecture. In addition, Father Byron has helped students outside the classroom by building new athletic facilities and a new set of residence halls that will house 600 students.

Father Byron is legendary not only at Catholic but well beyond for his hard work and great concern for students and education. He has received dozens of awards and honors including being chosen as one of the "most effective" U.S. college presidents in a survey of peers. Father Byron is so respected by the Catholic Church that, in 1989, Pope John Paul II chose him as one of 17 United States delegates to consult with the Vatican on Catholic education. At the Vatican, Father Byron played a major role in revising the Ex Corde Ecclesiae, the document that guides all religious instruction in Catholic colleges.

Father Byron was a proud member of the Army's 508th Parachute Infantry for 2 years. We are all thankful for his military service; however, Father Byron's greatest service to the United States has been his continuous dedication to education. Father Byron knows that education is vital to our Nation's future and that our economic growth depends on investing in our human resources to make our people the healthiest, most productive, and smartest work force in the world. That requires making investments in education one of our top priorities, as Father Byron has.

Now that he is retiring, I hope Father Byron will take the rest he deserves. But knowing him, I am sure he will continue to be active in the education and church communities. Today, I urge you to join me in wishing the best on his retirement to a man who has meant so much to so many and will be sorely missed.

FATHER WILLIAM BYRON, THE OUTSTANDING PRESIDENT OF CATHOLIC UNIVERSITY

Mr. KENNEDY. Mr. President, I want to take this opportunity to recognize an outstanding leader in higher education, a person who has worked tirelessly over the past decade to improve the education of America's youth. After 10 years of distinguished service and leadership, Father William Byron will be retiring from the presidency of Catholic University. As Father Byron leaves his office, he begins a new phase of his life, one that will surely be dedicated to the issues he has addressed so effectively in recent years—community service, social ethics, drug abuse and education.

Father Byron was born and raised in Pittsburgh. He served in the Army's 508th Parachute Infantry during World War II. After the war, he attended St. Joseph's College for 3 years before joining the Jesuit Order in 1950. He holds degrees in philosophy, economics, and theology, as well as a doctorate in economics. A preeminent teacher, he has also served as a dean at Loyola University of New Orleans and president of the University of Scranton.

Father Byron became president of Catholic University in 1982 and presided over a period of extraordinary growth and achievement. During his tenure, Catholic University completed $51 million in construction projects. These projects have included a $8.5 million 40-acre athletic complex, a $14 million science center, a $14.5 million student housing complex, and a $3 million library renovation. As Father Byron leaves this spring, Catholic University will be breaking ground on a new $30 million law center, a crowning achievement to his spectacular career as president.

The presidency of Father Byron is not just a chronology of impressive achievements. It is also a record of commitment to the ideals of American higher education. As one of the most respected members of the Nation's academic community, he has been a voice of conscience, urging America to act on a wide range of social issues such as community service, access to student aid through direct loan programs, and recruiting businesses in the fight against drug abuse.

In 1924, G.K. Chesterton wrote "education is simply the soul of a society as it passes from one generation to another." I commend Father Byron for the extraordinary distinction with which he has preserved and enhanced the soul of Catholic University. He passes it onto a new generation renewed and reinvigorated.

A TRIBUTE TO MARY PERRY

Mr. ROCKEFELLER. Mr. President, it is with great respect and honor that I rise today to pay tribute to a fine West Virginian and a great friend of mine, Mary Constance Marra Perry. Mary, a native of Harrison County, WV, passed away on March 31, 1992, at the age of 77.

Mary served the State of West Virginia in a variety of capacities and was especially active in the political sector. Her career in Democratic politics began before she was of voting age, at the election polls, where she served many times. Mary worked tirelessly on campaigns and I am a witness to her determined efforts in Monongalia County. Other jobs she held in the State were as city clerk, treasurer for the town of Star City, member of the Star City Fire Department Auxiliary, member of the U.S. Postal Clerk's Auxiliary and manager of the Star City Liquor Store.

Mary was also actively involved in senior citizen activities to which she devoted much of her later life. She served on the Commission on Aging in Fairmont, WV, for a number of years. In addition, she was on the Monongalia County Senior Center board of directors, the Monongalia County executive and chief planning committees, and a member of the nutrition committee at the Monongalia County Senior Center. For 4 years, she was a member of the West Virginia silver haired legislature.

Mary was a loving mother and a dedicated wife. She truly inspired all who knew her. Her contributions to her community and her State will be evident for years to come.

Mr. President, Mary Perry will indeed be missed for her uncountable

services to the State of West Virginia. Please join me in paying final respects to Mary Constance Marra Perry, an admirable American.

TRIBUTE TO FATHER WILLIAM J. BYRON

Ms. MIKULSKI. Mr. President, I am honored to pay tribute today to Father William J. Byron, president of the Catholic University of America. After a decade of exemplary service as president of the university, Father Byron is retiring on July 31, 1992. The university will certainly miss this paragon of excellence in higher education.

It is said that one's peers are the best judges of one's accomplishments. In 1986, Father Byron's peers recognized him as one of the most effective U.S. college presidents. And this for good reason. Under Father Byron's presidency, Catholic University has completed millions of dollars worth of new and renovational projects, has received over $6 million for academic programs from American Cardinals Dinners, and has seen a threefold increase in endowments. The projects and academic programs made possible by these funds have helped advance the reputation of Catholic University to new heights of respect and achievement in the academic community.

Father Byron has also been honored for his excellence in education by the Council for Advancement and Support of Education, awarding him the President and the Public Award both in 1988 and 1990. Washingtonian magazine named him "Washingtonian of the Year" in 1988.

Continuously demonstrating his commitment to advocacy and to improving higher education throughout our Nation, Father Byron is no stranger to the legislative process. He has appeared before congressional leaders in behalf of numerous educational organizations, working to protect the safety of university students, find innovative and successful means of helping students finance their education, increase national and community service, and to ensure that educational resources receive adequate funding. In this capacity, he has served as an active and effective member of the National Association of Independent Colleges and Universities, an association known for its direct involvement in the policymaking process.

Father Byron was also chosen by the President to serve on the Commission on National and Community Service, which was established by my National Service Act. Through the Commission, my bill starts to bring back the belief that helping others is part of being an American citizen. It uses extremely dedicated and talented people, like Father Byron, and modest Federal resources to identify qualified proposals from our States, cities, and towns. And it uses those human and financial resources to help those who practice self-help. It is based on values of believing in excellence, hard work and tough love to get the most out of Americans, regardless of their backgrounds. Father Byron shares those basic values, and knows how to bring out the best in people who often get overlooked. I am very proud to have him on the Commission, and to know that his hard work will continue to improve the lives of students and thousands of other Americans.

In addition to his service on the Commission, to his community and at the university, Father Byron has authored several books outlining those views and strategies presented in his congressional testimony. It is through these works that he may further deliver his message of the need to continually reform and improve the educational process and encourage community service for the good of our Nation.

Clearly, Father Byron has left his mark on the future course of higher education. He has done this with unprecedented leadership and commitment, and he should serve as a model to all.

A TRIBUTE TO THE REVEREND WILLIAM J. BYRON, S.J.

Mr. DECONCINI. Mr. President, Father William J. Byron will retire later this year as president of the Catholic University of America [CUA]. He is a dear friend, and I deeply appreciate the invaluable guidance and counsel he has given me over the years.

When Father Byron leaves CUA after a decade of exceptional service as its president, he will leave behind a record of accomplishment which will be very difficult to equal. Six years ago Father Byron was chosen one of the most effective college presidents in the country in a survey of his peers. It is an honor richly deserved.

Under Father Byron's tenure, endowments to Catholic University have more than tripled. Under his leadership, the University has acquired a high-tech science center, a state-of-the-art athletic facility, a complex of eight new residential halls, and a center for architectural studies. As one of his last major acts as president, Father Byron will preside over the groundbreaking of a new school of law on the CUA campus. Whenever he is asked about his accomplishments, Father Byron graciously distributes the credit to others. New construction, additions to the endowment, he says, "are always the work of no one person."

Father Byron has had a tremendous impact on shaping public policy for two constituencies for whom he has worked tirelessly—students and the hungry poor of the world. As board chairman of Bread for the World, he has delivered eloquent testimony before both Houses of Congress on behalf of the Child Survival Fund. That testimony helped win initial approval of the fund, which today fights hunger in our Third World countries.

His contributions to education are enormous. As chair of the Government Relations Commission of the American Council on Education, Father Byron has fought to increase student aid. As board member of the National Association of Independent Colleges and Universities, he testified before Congress to win support for independent colleges and universities. For 6 years he served on the President's Commission of the National Collegiate Athletic Association and, in so doing, helped to reform intercollegiate athletics. In 1989, he was chosen by Pope John Paul II as one of only 17 United States delegates to consult with the Vatican on Catholic higher education. Two years ago his book "Quadrangle Considerations" was named by the Catholic Press Association as the best book in the education field.

Over the years Father Byron has been both friend and counselor to countless numbers of students. His caring and concern for young people are legendary, so it's not surprising that students he taught 25 years ago still keep in touch with the CUA president. As a college professor, as dean of Loyola University of New Orleans, as president of both the University of Scranton and CUA, Father Byron has worked on a daily basis with students from all parts of this country to help them become involved in the world around them and to develop self-confidence and self-respect. In acknowledgment of all Father Byron has done for America's youth, students a few years ago referred to him in their yearbook as their "national calling card."

On a personal note, Father Byron personifies for me what a priest or minister should be. He lives his faith in a challenging and changing world, holds dear his friends and inspires our youth. After he leaves CUA, Father Byron will return to his roots to once again resume the duties of a parish priest. My wife Susan and I treasure his friendship and wish him well in his new life.

HONORING LAWRENCE WELK: A DISTINGUISHED NORTH DAKOTAN

Mr. CONRAD. Mr. President, I would like to take this opportunity to honor Lawrence Welk, one of North Dakota's favorite sons. He was America's king of champagne music, and 89 when he passed away Sunday.

Lawrence Welk grew up in Strasburg, ND. Strasburg is a farm town, located about 60 miles south of our State capital, Bismarck. Welk grew up on a farm. He paid $15 for his first accordion, money he had raised selling gopher tails. At the age of 17 he borrowed

$400 from his dad to buy a fancier accordion. He had promised to stay on the farm till he was 21 to get the loan, and he kept his end of the deal.

After leaving the farm, Lawrence Welk began his music career in Yankton, SD, where his orchestra was the studio band for WNAX radio. He went on to play the dance hall circuit in the Dakotas and Minnesota, got his first big break in the William Penn Hotel in Pittsburgh, and went on from there to longer engagements in the hotels and theaters in our Nation's larger cities. He made his first television appearance on KTLA in Los Angeles, and made his network debut only 2 years later on ABC.

The maestro with the bubble machine spent 16 "wonnerful" years with ABC. The people who watched Lawrence Welk week in and week out were cut from the same cloth as the good people Welk grew up surrounded by in Strasburg, ND. They were good people, hard-working people, people with the strong sense of values one finds in our Nation's heartland. He once said that the secret to his success was simple, saying, "I play dance music and I am nice to people."

Lawrence Welk never forgot about his North Dakota roots and North Dakota never forgot Lawrence Welk. He received an honorary degree of music from North Dakota State University, was hailed as North Dakota's "Ambassador at large," and has a portrait in the State capitol's Roughrider Hall of Fame. He was even made an honorary member of the Standing Rock Sioux Tribe, hailed as "Chief Good Voice."

Lawrence Welk is survived by his wonderful wife Fern, 3 children, 10 grandchildren, and 1 great-granddaughter. All of North Dakota extends great sympathy to the Welk Family on their loss.

Lawrence Welk was a good man, a boy from a farm who took his dream all the way into the homes of millions of Americans. He will be missed dearly by many.

YUGOSLAVIA SANCTIONS BILL

Mr. DOLE. Mr. President, yesterday the Foreign Minister of Bosnia-Hercegovina contacted my office to inform me of the latest tragic developments in that besieged country: over 5,000 women and children in a refugee convoy destined for Croatia are being held hostage by Serb forces who only yesterday promised them safe passage, this has also been reported by CNN; deaths from starvation in one of the Sarajevo suburbs, which has been cut off from food supplies and which no longer has running water or electricity; the bombing of the town of Tuzla, with a population of 80,000; it is the site of a major chemical plant that produces plastics, a plant which if bombed by the former Yugoslav Army could create a major ecological disaster.

All this occurred in only 24 hours. Despite our recent experience with the Kurdish situation, it is almost impossible to comprehend human suffering on such a scale, taking place in the center of Europe.

As a result of the war waged by the hardline Serbian Government in Belgrade, there are 1.5 million refugees in the center of Europe; there are tens of thousands of starving people in the center of Europe; there are thousands of civilians wounded and killed in the center of Europe; there are Red Cross convoys being targeted and attacked in the center of Europe.

But, Mr. President, from the dismal response of the world community you would think that this tragedy was unfolding on another planet.

Yesterday's New York Times reported on a news conference held by the Foreign Minister of Bosnia-Hercegovina to appeal for help, in particular he requested escorted humanitarian aid. He also said that the world's inaction was a "disgrace for humanity."

Mr. President, the Foreign Minister is right. This is a disgrace for humanity. The world came to the aid of the Kurds only months ago, yet it is standing idly by as people are dying from hunger in Bosnia-Hercegovina.

Indeed it is difficult to understand why the United States is also on the sidelines. Certainly the cases that have been made for caution have some merit and should be taken into account. However, in my view, these considerations are outweighed by the fact that the people of Bosnia-Hercegovina are being slaughtered before our very ones. Moreover, does not the United States have a vital interest in stability and peace in Central Europe? And isn't the stability of the entire region, not just Bosnia and Croatia, threatened by the reckless aggression of this Serbian regime?

In my view the answer to these questions is "yes." And, I am convinced that the majority of my colleagues in the Senate hold the same view. For some time now, the Senate has been at the forefront, calling for the end of martial law in Kosova; for an end to the war against Croatia, and now, for an end to the merciless slaughter of the innocent people of Bosnia-Hercegovina.

The Senate has not stopped at statements; it has led policy in the direction of concrete actions to deal with the bloodthirsty madman who brought us these tragedies in Bosnia, Croatia, and Kosova, Serbian President Milosevic.

Yesterday, the Senate Foreign Relations Committee unanimously passed a sanctions bill against Serbia and Montenegro, who have proclaimed themselves to be a new Yugoslavia. These sanctions would only be lifted if Serbia ceases its aggression against Bosnia-Hercegovina and Croatia; ceases its occupation of Bosnia and Croatia; recognizes as international borders the borders of Croatia, Bosnia, and Macedonia, and ceases its abuse of human rights.

Among other things, the bill bans U.S. assistance to Serbia, whether grants, loans, credits, guarantees, or insurance; it suspends all air travel; and it requires the President to order U.S. representatives at multilateral financial institutions, such as the World Bank and International Monetary Fund, to vote against any loan or funds to Serbia and Montenegro.

Mr. President, it is high time that the Senate pass such a bill. The distinguished Senator from New York, Senator D'AMATO, introduced S. 1793, a sanctions bill against Serbia which I cosponsored, last fall, the bill which is the basis for the Foreign Relations Committee bill before us now.

The situation is so much worse now then it was in the fall. So, in view of the urgency of the situation in Bosnia-Hercegovina, I would urge my colleagues to support this bill.

NEW NATIONAL CHALLENGES

Mr. DOMENICI. Mr. President, let me refer to a visit to the State of New Mexico recently by Governor Clinton, currently the front-runner for the Democratic nomination for President.

In my home State he said the following: "We are reducing defense without any thought to what happens to the factory workers, the scientists, the engineers, and the people who won the cold war."

This, I assume, was a direct criticism of President Bush, and it was delivered by Governor Clinton during his speech seeking support from New Mexicans, many of whom work for the National Laboratories, Los Alamos, Sandia, and an Air Force laboratory called Phillips Laboratory. It really is too bad that Governor Clinton did not have time to visit New Mexico's Department of Energy laboratories or even the Department of Defense laboratory called the Phillips Laboratory in New Mexico. If he had, he might have understood better that the laboratories in New Mexico are quickly shifting to address new national challenges. And we are doing that in the Department of Energy with the full concurrence of the Department of Defense in doing that.

Instead, the very typical rhetoric calling for a defense conversion plan was iterated. We hear this all the time from those on the other side of the aisle. Predictably and predominantly at every turn there are proposals by the Democratic leadership to cut more out of defense than proposed by the President. The proposals are for immediate, larger defense cuts than the President of the United States asks for, cuts that I might say would not only

quickly displace tens, if not hundreds, of thousands of defense workers, scientists, engineers, and servicemen, but at the same time would put us at risk when there is no need to take the risk.

So it seems to me that the first thing we should say to our visitor from Arkansas, who visited New Mexico recently, is the best lesson is that there can be no conversion if our defense assets have been eliminated. So you cannot convert a national laboratory and its great scientists if you put that laboratory on a draconian reduction path because you propose to cut defense much more, much more rapidly, less orderly than the President of the United States.

It seems to me that the President has put forth a responsible plan for an orderly, managed build down of our defense establishment and thus gives us time in our national laboratories to continue a conversion to peaceful purposes which, incidentally, is already taking place.

In short, the draconian defense-cutting measures proposed by most Democratic leaders would make these problems worse and would make conversion impossible. While this rhetoric is taking place, the criticism of the President with respect to conversion is rampant. The truth of the matter is that we are already moving to take advantage and capitalize on the opportunities provided by a changing world for these very flexible scientific-laden laboratories in New Mexico and across the country.

A prime example is the President's national technology initiative. This is providing U.S. industry direct access to the previously guarded research conducted at our defense laboratories. Our laboratories, such as Sandia and Los Alamos, provided hundreds of millions of dollars worth of nondefense research every year in very diverse fields, and the private sector is finding the laboratories more user friendly in areas of advanced manufacturing technologies, environmentally conscious manufacturing, energy supply and efficiency, transportation, environmental restoration, waste minimization, health care, and a myriad of other areas of scientific and technology expertise.

These laboratories are already aiding the United States economic competitiveness by supporting and expanding our national scientific and technical base. In fact, we are well along in the process of developing new missions and new roles more consistent with the realities of today's world.

A recent good example, little known here and perhaps unknown to our visitor from Arkansas, was a $250 million advanced battery consortium that has teamed Sandia Laboratories with Ford, Chrysler, and General Motors to pursue the next generation of batteries for electric cars. This venture between the industries and the laboratories is just an example of the kind of partnership already developing, well on its way, as we move along in making the laboratories more user friendly.

These kinds of partnerships maximize the Federal investment and its impact made through the national laboratories on our technical competencies as a nation.

In summary, I believe the best way to provide for conversion of our scientific laboratories is an orderly build down of our defense, not one that says let us cut it dramatically and let us commit to converting those scientists to doing something else, for once you cut drastically, you eliminate, and conversion is impossible.

Now having said this, let me suggest there are a couple of other areas that in due course I will share with New Mexicans that our visiting Governor talked about with reference to economics. Suffice it to say that it is very easy to debunk the myth that the 1990's did not leave us any better off than the previous decade. Not true.

In due course, we will go through a list of these facts for New Mexicans so that they will know the reality of the decade of the eighties in terms of prosperity, jobs, growth in opportunity, and yes, growth in the American economy. Suffice it to say that the decade of the eighties saw growth in the American economy which added 19 million jobs and a gross national product addition exceeding $1 trillion.

For those who wonder whether that is an important addition to the lifestyle and marketplace of opportunity and jobs, let me just suggest that it equals the economy of West Germany at that point in time in GNP size and almost equals the total number of jobs therein. Not bad as an add-on to America's gross national product.

I yield the floor.

CRIME IN THE NATION'S CAPITAL

Mr. PRESSLER. Mr. President, violent crime in the District of Columbia is out of control. For years, my friends, staff people, and constituents have had to endure the occasional mugging or burglary that too often accompanies life in the big city. But recent developments and trends are far more ominous.

When a colleague's staff person is murdered on a city street on his way to a neighborhood store, when a colleague's wife is dragged from the steps of her home during a life threatening assault, and when a colleague is caught in drug dealers' crossfire, the need for action is clear. The thugs of this city are no longer preying upon each other. They are taking the lives of those who care about life and are making the capital of the free world a place our fellow citizens often choose to avoid visiting.

I support Federal action to aid District residents in battling crime. In the past few days, I have written letters to several of my colleagues requesting a modest appropriation of $25,000 for the Metro Orange Coalition. Now, $25,000 may sound like a paltry amount for cleaning up crime in the District, but in the right hands, that modest assistance could work miracles. The biblical example of feeding the multitudes with five loaves and fishes comes to mind here.

The Metro Orange Coalition is an umbrella organization for citizen volunteers working in their neighborhoods to eradicate crime and make their streets safe. The coalition organizes neighborhood residents into orange hat patrols, so-called because of the clothing they wear to make sure they are noticed while doing their work. The presence of these citizens out on the streets, observing who is there, jotting down license plate numbers, and video taping suspicious activity, effectively deters participants in the criminal drug trade from operating in their neighborhoods.

According to information supplied by Mr. James Foreman, the coordinator of the Metro Orange Coalition, approximately 100 patrols are operating in the Washington Metropolitan Area. To date, they have not sought funding from any level of government. Instead, they have relied on the contributions of their own members and the good will of a few small businesses. The organizers felt that it was important for the neighborhood residents to provide the necessary investment to establish the patrols. It was felt, and rightly so I believe, that if the neighborhood residents gave of their own resources, they would feel they had a larger stake in the organization and a greater commitment to making sure it worked.

Now that the orange hat patrols are established as extensively as they are, a need has developed for modest assistance. Funding is needed to supply the trademark orange clothing—caps, jackets, T-shirts—walkie talkies, binoculars, video cameras, and office equipment required to carry out the coalition's mission.

A modest Federal appropriation of $25,000 to this program would be a prudent investment in making the nation's capital a safer place to live in and visit. On the Federal scale of appropriations, this certainly is not a lot of money. However, it probably would accomplish more than programs on which we currently spend millions.

Mr. President, I ask unanimous consent that articles on the Orange Hat Patrols appearing in the Christian Science Monitor, the Washington Times, and the Washington Post be printed in the RECORD following my remarks.

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

[From the Washington Post, May 14, 1992]

ANTI-CRIME GROUP PUSHED

A Republican senator from South Dakota has asked the Senate Appropriations Committee to provide $25,000 for the District's "Orange Hat" patrol, an informal network of residents who monitor their neighborhoods for crime.

Sen. Larry Pressler, a 21-year resident of Capitol Hill, said in a news release, "These volunteer patrols helped to reduce crime in area neighborhoods that are hit particularly hard by illegal drug activity and street crime. . . . I am as concerned as any other District resident that government take the steps necessary to make the nation's capital a safer place to live, work and visit."

Pressler noted that the sum of money was small by federal standards but that it would help pay for simple equipment.

"Orange Hat patrols work," he said. "They deserve federal support."

Pressler said in an interview that he had not experienced any problems in his neighborhood, but was aware of the violent crime that has occurred in the historic neighborhood bordering the Capitol.

He said there is no similar anti-crime group in his home state.

"People still leave keys in their cars," he said. "They may leave their houses unlocked."

[From the Washington Times, Apr. 13, 1992]

DONNING MORE HATS

(By Brian Reilly)

They started out only a few years ago, patrolling the streets to rid their neighborhoods of violent crime and open-air drug markets.

Buoyed by their many successes, the Orange Hat citizens' patrols now have their sights set on loftier goals.

"What is happening in the movement right now is the patrol," said James Foreman, coordinator of the Metro Orange Coalition. "But it can expand to a beautification project and tutorial programs in which individual groups can adopt schools. . . . The idea is to get people totally involved."

Many civilian patrols already have begun doing just that, adopting schools, pushing for after-school care and nighttime sporting events, serving as mentors to troubled youths and prodding city regulatory agencies into closing rowdy bars and liquor stores that are lax in enforcing loitering and drinking laws.

The Orange Hats embody what one expert calls the modern-day "communitarian."

"The trick is not to stop crime but to build up the community. The more isolated we become the more crime takes over our neighborhood," said Jack Calhoun, executive director of the National Crime Prevention Council.

"We've got to galvanize the institutions that make communities function," he added, "making them double their impact; opening schools late, cleaning up parks, closing troublesome bars, developing recreation and community centers."

Mr. Foreman's coalition unites more than 200 patrols and nearly 14,000 members in the D.C. area. He said there is no shortage of residents eager to volunteer their time.

"Now they can do whatever they want—they know they have great strength and power," he said. "One of the biggest problems now is keeping up with them.

When we clean a neighborhood up, we need the city to come in and create a climate for the kids to come out, . . . but right now the kids have nowhere to go but stand on the street corners."

Law enforcement authorities laud those efforts and the benefits of the civilian support.

The coalitions now work closely with several government agencies:

The Department of Public Works is boarding up vacant buildings reported by the group, as well as repairing and adding street lights.

The Department of Public and Assisted Housing evicts people who use their residences for drug activity.

The Department of Consumer and Regulatory Affairs revokes the licenses of businesses using their premises for drug transactions.

"The neighborhood structures that fell apart after the 1960s riots are returning," said Deputy Chief Joyce Leland, head of the police community relations division.

The assertion of community control has not come without help from police, who have provided assistance and protection since Anacostia's Fairlawn Coalition was formed in early 1989—the city's first Orange Hat, anti-crime patrol.

Officials say the patrols also have helped police and made communities safer—without a cent of government assistance.

"I don't give a damn if crime statistics are improved or not, it is the unmeasured qualities such as pulling neighbors together and bringing back civic pride that make these patrols invaluable," said Capt. Claude J. Beheler, once an officer in the 7th District who was instrumental in forming the first patrols.

"This is something that costs nothing. It was just people getting together and participating with police," said Capt. Beheler, now the commander of the department's Traffic Enforcement Branch. "It's amazing how something so penniless, costwise, can grow to be something so big."

But most experts and residents agree that to take the next step the patrols must develop more cooperation with the government. Though the number of citywide patrols has more than tripled every year since the Fairlawn group was formed, they believe the next step is more costly.

If the city kept recreation centers and schools open, the residents said they'll pack them with volunteers willing to start athletic or tutoring programs.

But while they wait for that support, they continue to effectively do what they set out to do: keep the streets clean and clear.

"We don't see too much of anything now and that's good," said James Alexander, 80, standing at 17th and R streets SE. "This is one neighborhood they're not coming back into."

[From the Christian Science Monitor, Jan. 25, 1991]

CITIZEN PATROLS CLEAN UP D.C. NEIGHBORHOODS

(By Clara Germani)

WASHINGTON.—What would you do if drug dealers started hanging out in your driveway, or next-door? If their phalanx of errand boys, hard-core addicts, and drive-by business brought a racket and an uncertainty to your evening hours, what would you do?

There's one hitch: Calling the police is no use because the little street-corner dealer is an all-to-common problem that police admit they cannot keep up with.

Two years ago, faced with those questions, Ed Johnson and a group of 35 neighbors from the black, middle-class Fairlawn area took matters into their own hands. Their neighborhood watch program was just that: watching the problem, says Mr. Johnson.

So Johnson and his neighbors, wearing hard-to-miss orange hats, filed out to a street corner knotted with drug activity.

Armed with a video camera that Johnson aimed at the group and clipboards for writing down license numbers of drive-by clients, the neighbors mingled for two nights among the dealers.

"What in the world are all you old church people doing here?" he remembers someone asking.

On the third night, the puzzled dealers had moved a block away. So the Fairlawn Coalition split up, some occupying the original corner, others moving to the new site.

Within weeks, the group had so interrupted business for the dealers that they left the area altogether. Another 12 drug-dealing locations were rooted out the same way during the following year, and now the 18-square-block area is "crystal clear," says Johnson.

Thus was born a concept that to date has swept hundreds of angry citizens into neighborhood patrols under the umbrella title of the Metro Orange Coalition. It is considered by police and anti-drug officials to be one of the city's most successful ways of dealing with its drug crisis.

Not a single act of violence has been reported against a patroller in two years, Johnson says.

"We're not on the street to confront or do battle. We don't go out to pick a fight, but to disrupt. Our main goal is [to scare away] the customer" by being a lawful presence, explains James F. Foreman, coordinator of the Metro Orange Coalition, the umbrella group that has grown to more than 100 separate neighborhood coalitions.

Mr. Foreman, who has trained dozens of new patrols, says that the program not only chases crime away but builds old-fashioned neighborhood values. Often because neighbors scurried inside to keep out of the drug environment, they never met and talked. Now they spend several hours in the evening together on the street.

Many "orange hats" interviewed on bitter-cold evening patrols report seeing visible changes within days of their activities. One woman, who called herself "Queen Fireball," the CB radio handle she uses over patrol radios, says that when she sees cars pull up to drug-dealing locations and do immediate U-turns, she feels her presence is having an impact.

A universal sentiment among patrollers is that the police can't keep up with the drug problem.

"Evidently, the police are not going to be the answer or [this city's thick activity of drug dealing] would not have gotten to be like that," observes Johnson. But he is quick to add that while "before, you saw police ride up and down all day and never look your way unless there was some incident," the patrol groups have commanded the attention of police, who now help organize and train new patrols.

The Metropolitan Police Department acknowledges not being able to keep up with the drug problem. It has responded with plans to operate under the new concept of Community Empowerment Policing (CEP). The concept arose in tandem with the success of the "orange hats." It is aimed at returning officers to foot patrols where they get to know citizens, to increase police accountability to each neighborhood, and to begin to sort through neighborhood problems by referring them to the correct city agency.

Police Capt. Gayle Stewart, who spoke recently to Johnson's patrol group, says "re-

gardless of what the crime statistics say, law enforcement has failed to stop crime since its inception." But, she adds, citizens can be the "eyes and ears" of the police department "because the community can put 50 people out on the street and the police can't."

While police officials began the pilot CEP program last July, it has not been implemented across the board yet and does not enjoy widespread support among oldline policemen who see it as a "touchy-feely" approach. They favor a tough, law-and-order approach, says a source close to police department leadership.

While the police department may take time to embrace its side of the new citizen-policing philosophy, so too will it take time to catch on in the roughest, most poverty-striken areas, where drugs proliferate. There are special problems that have made the orange hat concept difficult to sell there.

Fear of retaliation from entrenched drug dealers is one, says a police lieutenant who deals with housing projects in the Southeast section of town. For example, he recalls a witness to a drug-related murder who was so upset that neighbors saw police at her appartment that she refused to cooperate with them unless they took her away publicly in handcuffs. She wanted no one to think she was going against her drug-dealing neighbors.

At Barnaby Manor, a federally subsidized housing complex, an orange hat patrol faltered at first for several reasons. Members felt one participant's family was so involved in drugs that she continually foiled the group's activities, says a resident who asked not to be identified.

Another problem for that group, which consisted solely of single mothers, was the issue of child care, explains Catherine Williams, a Barnaby Manor resident. "If you worked eight hours a day and you get home and have to walk from 7 to 9 [on patrol]" and still take care of the children, interest in patrols wanes, she says.

Crime and violence was so bad at Barnaby Manor that employees would refuse to go back there, explains Marcy Marine, owner and president of Promaco, which manages the building. She says she recognized that "there's not enough money in the world to make this just a police issue."

So in an effort to salvage the complex, Ms. Marine has attempted to reorganize the patrol group by getting rid of the tenant with drug connections, offering the money necessary to buy hats and CB radios, and helping to organize a parent-support group.

In some places like the Montana Terrace public housing complex, notorious because it is where former University of Maryland basketball player Len Bias bought the cocaine that killed him, there is scant hope that patrols could ever find support.

Elizabeth Richmond, who has lived there 23 years, says there is too much fear in the complex to get a group started. But, as the sort of grande dame of the complex, she has shown that the spirit of the orange hats can work.

She is well known there for turning in drug users and dealers to the police.

"They used to threaten me and I'd say, 'Go ahead and do it quick. I'm not worried about it because I'm going home to God.'" Now she says she has gained their respect because when she walks the plazas of the complex she can hear the whispered warning, "Here comes Mrs. Richmond."

HEALTH CARE REFORM

Mr. GRAMM. Mr. President, I want to share with my colleagues three outstanding articles written by Jerald R. Schenken, M.D., of Omaha, NE. As a member of the Board of Trustees of the American Medical Association, Dr. Schenken has a great deal of practical experience in medicine and understands how our health care delivery system works. He is a physician who also understands economics, and I am sure that my colleagues will agree that these articles make plain, good sense.

Dr. Schenken long has been active in the AMA as well as the College of American Pathologists. In 1980, he served as vice chairman of the Committee on Health Care and Service of the White House Conference on Aging and also has served on the Office of Technology Assessment Advisory Committee on Physician Reimbursement. Dr. Schenken is currently clinical professor of pathology at the University of Nebraska College of Medicine and Creighton University School of Medicine. Dr. Schenken has contributed to several respected journals, including the Nebraska Medical Journal, Cancer, the Journal of the American Medical Association, Human Pathology, Archives of Surgery, and the Internist.

I commend Jerry Schenken's clear thinking to my colleagues as the health care debate continues on this floor and throughout the country.

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

HEALTH CARE REFORM: BUILD ON OUR STRENGTHS

(By Jerry Schenken, M.D.)

Optimists look at a glass 4/5ths full while pessimists look at it 1/5th empty. This standard seems to dominate current discussions of health care reform. In our rush to deal with problems of access and cost, we sometimes tend to overlook those parts of our system which have contributed to what is clearly the best quality health care in the world. When we discuss change for the future (and change we must), we need to listen carefully to the creed given to all young physicians, i.e. no primum nocere: first do no harm. It therefore follows that we need to know those aspects of our current system which are valuable and of high quality so we can assure that any proposal for reform tends to build on our strengths and fill in the gaps rather than convulsing our system and gambling that the new system which evolves will be better.

Medical Education—America has the finest medical schools in the world. Nowhere do all physicians, students, and those in practice, receive a lifetime access to the best, most up-to-date medical information available as they do here. Worldwide, potential students look to America as the premiere source of medical education just as the world looked to Austria and Germany in the early 1900's.

Facilities and Personnel—Americans have access to the most extensive supply of hospitals, diagnostic facilities, new technology, and well trained medical personnel. Although some argue that there may be an oversupply, the fact is that patients are seldom denied care because services and facilities are not available.

Technology—Research and development lead to medical advancement from which we all benefit. When I first started practice in 1958, a diagnostic x-ray of the brain carried a 1-2 percent mortality. Patients actually died from diagnostic tests. Now, painless but expensive CAT scanners can give an almost science fiction-like picture of parts of the body which make treatments possible today which weren't dreamed of just several decades ago.

Insurance—Health insurance, both public and private, is currently available to about 87 percent of all Americans. The distinction between protection from an unanticipated illness (insurance) and pre-payment for services which will then be most certainly used has been blurred. Although the costs of insurance is rising rapidly, the vast majority of Americans have access to top quality care when they need it. Unfortunately, requiring coverage for additional services has contributed to lack of insurance for some low income Americans.

Choice—Most Americans choose the physician they use, the hospital they need, and ultimately make the medical care decisions that impact on them and their families. Patients can, and do, voluntarily limit these choices by signing up for a managed care plan but presumably have done so by making an informed trade-off for something they value more, perhaps cheaper premiums or perhaps access to a multi-specialty group practice.

Public focus on Health—Throughout our society, efforts to decrease smoking, increase exercise, participate in screening programs, oppose abuse of drugs and alcohol and support treatment and rehabilitation, etc., are wide spread. The public is enthralled with almost all aspects of health. Unfortunately, the individual follow-through has been less than complete; the potential for improvement, however, is great.

Nation's Health—In spite of the diversity of our population with all of its demographic, socioeconomic, and cultural problems, many measures of our nation's health are the best in the world. An American at age 70 has a better chance of living longer than a seventy-year-old anywhere else in the world. This is true of many of our age groups in spite of the fact that poverty, illegitimacy, drugs, etc.—social and economic problems—contribute to our record on infant mortality, and to the violence and drug problems that cause much of the mortality found in young Americans, especially among minorities.

There are clearly many aspects of the American health care system which are outstanding. Every effort should be made to preserve these features while we deal with those troubling parts such as rapidly increasing costs, millions of patients who are uninsured, cost shifting to employers and private payors, exclusion of patients because of pre-existing illnesses, and our wasteful medical liability system.

HEALTH CARE REFORM: DIAGNOSIS OF THE PROBLEM

(By Jerry Schenken, M.D.)

I knew the instant I saw the CAT scan that Dad's coma was caused by a lethal brain tumor. I was resolved to let him die in peace. Unfortunately, the Radiologist's report, while agreeing that his problem was brain cancer, commented that there was a very remote chance that the problem was an infection. Diagnostic surgery was recommended. I was no longer able to act as a physician and I knew it. I was a son, a relative, the one who had to make the difficult decision for my Dad who was unable to decide for himself. At

that time, I didn't feel I had a choice—would you? After his surgery, two months of hospitalization, expensive and sometimes painful treatments and ultimate death from an inoperable brain tumor, I wasn't sure. Hindsight is often 20:20—foresight is not so clear.

I am not alone. Many of you have had similar difficult experiences. I present my story to bring focus on the many areas of concern and conflicts in public opinion which thus far have made consensus impossible and solution difficult.

Much of the debate over health care reform has been driven by anxiety and fear: fear of loosing job related health insurance, fear that health insurance costs will destroy corporate profits, fear that expensive premiums will drive small business out-of-business, fear of a catastrophic illness and anxiety over illness of any kind by those who have no insurance.

This is how I see it.

Costs.—This nation spends about 12 percent of the GDP on Health Care. Most Americans feel they have access to quality care. Unfortunately, costs are going up at 15 percent/year or greater, a rate which is not sustainable over a long term. Most people believe some change is required.

3rd Party Payors.—Most medical care is insured, either in the private sector or by a government program. While this has been essential to make care available and affordable, it has removed both patient and physician from direct contact with cost sensitivity at the time services are provided.

Uninsured.—Two thirds of those uninsured are employed, full-time or part-time. They generally get acute care, paid for by cost-shifting to employers and/or private payors. Some tend to put off routine physician visits. In addition, there may well be a group of Americans who are functionally uninsurable because of drug dependency, psychiatric conditions, alien status, felons, etc. However we look at it, we have a significant problem.

Insurance.—Health insurance protects the public from the costs of unforeseen illnesses. Unfortunately, many patients use insurance policies as pre-payment, causing services some of which are not necessarily a great value to be increased. In addition, setting premiums based on the experience contributes to the problem of people with identified illness being excluded from coverage at their time of need. Add to this mandates by states for specific coverage which raise premiums and we find that many small business and self employed individuals can't pay for coverage even though they could afford current "group" rates.

Life Styles.—Fully one third of health care costs are closely related to unhealthy life styles, choices made by people which increase their health care costs. Much of the cost is paid for by the rest of us. Alcoholism, smoking, drug abuse, lack of exercise, obesity, violence, crime, lack of safety belts, etc., are all problems which can be addressed by individuals and free up billions of dollars for needed care.

Technology.—The explosion of medical miracles, such as CAT scans, transplantation, artificial body parts, etc., are a direct response to advances in medical technology. Unfortunately, the capacity to provide costly care, even when the chance of cure is slight, has far out-stripped society's and the individual's ability to deal with the choices and challenges they face—Who wants to deny a friend or relative a 10 to 1 chance? 100 to 1? 10,000 to 1?? These are the moral and ethical challenges that we all must face before our ability to provide care to the few which are hopeless prevents us from providing basic care and thus hope to the many.

Aging.—The American public is aging, in part because of the success of our health care system. While such measures of health as infant mortality show us in a poor light, everyone agrees that most of its causes are socioeconomic—proverty, teenage pregnancy, drug abuse, etc.—and not lack of health care. At the other end of the spectrum, we find that the cost of care goes up directly with the patient's age. In fact, it costs over four times as much to care for a person over 65 as it does for one below that age. The success of our medical system in curing disease and prolonging life has the unintended consequence of leading to serious cost and access problems.

Expectations.—Public and professional expectations are sky-rocketing, in part because of our medical success and in part because of public exposure to medical miracles through personal experiences and through television and the print media. We all tend to expect cure, even when the odds are very long.

Taxes.—Taxes are known to influence behavior. Employer provided health insurance is a non-taxable benefit to the employee, a strong incentive to increase coverage, to insure more non-medical benefits, and to promote utilization, whether necessary or not. Failure to allow similar tax treatment for out-of-pocket expenses and premiums paid by individuals (within certain limits) has impaired innovative benefit design which would reward individuals for prudent choices and has made the net cost of those premiums prohibitively expensive.

Federal Deficits and Debt.—The Federal government has been financing current services to Americans in a way prohibited in most states, by assuming debt to be paid inperpetuity by taxes on future generations. The average medicare recipient currently receives a $44,000 lifetime subsidy (in excess of premiums and taxes) only part of which is paid by federal income tax. The result is that the interest on the federal debt is now > $300 billion/year and rising, using up tax revenues which would formerly have been spent on such important functions as medical research and education, immunizations, public health, indigent care, medicaid, etc. This cannot continue.

Public Ambivalence.—Polls of public opinion show clearly that Americans like their health care, that they want it available to everyone, that they'll approve others paying more for expanded care but that they themselves wouldn't pay much more themselves by taxes or otherwise to expand services to others. Public polls revealed approval for a NHI plan paid for by a 5 percent increase in payroll tax, but only when told that the employer would "pay" 80 percent (4 percent). This response occurred in spite of the fact that employer-paid payroll taxes eventually come from employee wages foregone and, if the cost of an employee gets to be too great, employment is foregone as well.

To solve our health care "cost-quality-cost" dilemmas, we have to agree that we are dealing with everyone's problem and that everyone must participate in the solution. Issues must be discussed, in public, based on facts, without demagoguery and finger pointing, and with problems and challenges clearly understood by all concerned. There can be no villains. We can't develop a system which separates us into winners and losers. Everyone must benefit in some meaningful way.

HEALTH CARE REFORM: ROADMAP FOR CHANGE

(By Jerry Schenken, M.D.)

The goal of effective health care reform should be to build on the strengths of our current system while we fill in the gaps, recognizing the fiscal constraints of families, businesses, and tax payers. To be effective, changes must be viewed as meaningful, fair, and sensitive to the many competing agendas and conflicting interests of the parties involved. Congress and the nation learned a difficult lesson when the repeal of the recently-passed Medicare Catastrophic Health Bill was mandated by seniors who discovered that their taxes were to be raised in order to pay for the increased benefits.

This proposal outlines areas and makes suggestions for change which would appear to most Americans to be desirable, achievable, affordable, and acceptable. It represents a first step toward building consensus and dealing with one of the most important and vexing problems of the day.

Tax Treatment.—The federal tax system distorts the net effective cost of medical care. This has a profound effect on access and utilization.

Employer provided premiums are a tax free benefit to the employee; Premiums paid out-of-pocket have only partial tax deductability; Out-of-pocket expenses must be paid with after tax dollars up to 7.5% of an individual's AGI.

This disparity makes out-of-pocket payments have almost twice the effective cost of those covered by insurance, producing a substantial incentive to force many routine services into insurance packages and run up costs. Why shouldn't employees resist more out-of-pocket payments when this change doubles their cost? Equalizing the tax treatment will permit changes in benefit packages so that the deductibles and out-of-pocket payments can be eliminated or made to have the same marginal cost. Coupled with rollover provisions, insurance market reforms, and benefit design changes, uniform tax treatment holds the hope for responsible cost containment and meaningful reform.

Use or Lose it.—IRS regulations currently requires that all tax sheltered employer provided benefits be used in that year or they are lost to the employee. Shouldn't the benefits be the property of the employee? If they could be "rolled over", medical benefit plans could be designed with a high deductible, all of which was covered by a section "125-type" self-funded plan. Any left unused would revert to the employee and then could be used for the next year's premiums, for other coverage such as disability, for an IRA, etc., all at no additional cost to the employer.

Small Insurance Market.—Allowing small businesses and individuals to form groups for the purpose of obtaining health insurance at group rates is an actuarily sound method to make affordable policies to many who currently can't afford the high premiums of individual policies. Reforms of insurance regulations are needed to accomplish these goals.

Benefit Design.—Health lifestyles and early disease detection has been shown to save lives, reduce days lost from work, and save money. With proper insurance market reform, employees who meet specified health objectives, participate in medical screening, stop smoking, etc., can be rewarded with lower premiums, incentive payments, etc. Experience of many business plans strongly suggest that employees respond to reasonable preventive medicine requirements.

Mandated Benefit.—Most states dictate the types of coverage which must be covered by insurers when they sell policies in the state. This has increased the cost of insurance and, in part, stimulated the increase in ERISA-qualified employer-based self insurance coverage which are exempt from those man-

dates. Repeal of state mandates will level the playing field and make a basic insurance package available to most patients at an affordable cost.

Community Rating.—Experience rating, that is relating the cost of premiums to the medical cost experience of individuals and groups has created, in part, our problems with exclusions based on pre-existing illnesses, high premium costs for small business, and/or lack of portability when employees change jobs. Within certain limits, a move back toward a system where premiums in a community have limited variation among insureds can eliminate most if not all of these problems.

Uninsured.—By developing basic benefit insurance package and providing a refundable tax credit to lower income individuals and families for its purchase, we can economically enable those uninsured who are employed (about ⅔ of the total) to have access to affordable health insurance. The voucher system proposed by President Bush is a similar approach. However, there will still remain a group of people who will be difficult to insure under any circumstances. Some type of safety net proposal is needed while these situations are handled. Support of our metropolitan county hospitals is a good start. In addition, Medicaid reform with a "by-in feature" for some low income patients should also be considered.

Liability.—The current medical liability system provides little recovery for meritorious claimants and increases health care costs by forcing extensive practice of defensive medicine. Many of the numerous proposals which encourage early settlement, clarify options, limit non-economic damages, and correct other abuses deserve consideration. Vice President Quayle's Competitiveness Council has made many good recommendations. Congress should act on them.

Medicare.—Medicare should be restructured so that it is actuarily sound, follows insurance principles, introduces a reasonable stop-loss, maintains intergenerational equity, and introduces reasonable cost containment features. The country can not live with the possibility that the Medicare trust funds will be bankrupt in the early part of the 21st century.

Health Promotion.—Employers, insurers, governmental bodies, and individuals need to be encouraged to exercise, watch their weight, avoid drug abuse, participate in preventive health and screening programs, wear seat belts, avoid smoking, etc. These are all areas where everyone involved will benefit from individual participation. People have to take on-going responsibility for their good health—one day, those who don't will not be able to make the rest of us pay.

Cost Containment.—Tort reform to reduce the costs of defensive medicine, benefit design to make patients and providers more cost conscious, medical practice parameters which help physicians provide only necessary care, managed care programs, and living wills are examples of workable methods of making costs reasonable while limiting outside interference in the practice of medicine. Price fixing and political budget fixes are not the answer. Just look at the other places government has tried them.

These proposals are consistent with our goal of building on strengths and filling in the gaps. They expand opportunities and responsibilities of the private sector and do not move control of health care to a bureaucratically controlled taxpayer-financed program. We all need to exercise great care that in our drive to provide a workable system, we remember always: no primum nocere (first do no harm!)

TRIBUTE TO ROBERT SKIFF—PRESIDENT OF CHAMPLAIN COLLEGE, BURLINGTON, VT

Mr. JEFFORDS. Mr. President, it is hard to believe, at times, that Vermont is as small a state as it is. Especially in the area of higher education, Vermont's impact on the Nation has long exceeded its modest acreage.

Virtually every geographic area of the State has a first-rate institution of higher education, from the vales of Bennington, to the mountains of Marlboro, to the fields of Middlebury, to the wilds of the Kingdom to the great hillside that overlooks fair Lake Champlain at Burlington.

Champlain College once was a little brother to the more considerable institutions of the greater Burlington area. No longer. Under the leadership of Robert A. Skiff, Champlain College has grown into a nationally-recognized institution of higher education.

And as it has grown in size, excellence and importance, so too has the loveliness of its campus increased. That is no small wonder and is but one measure of the tremendous accomplishments of President Skiff's 15 years of leadership.

"If you stand still, you step backwards," is the way one long-time supporter of Champlain College recently summarized Robert Skiff's leadership. Those words were spoken by a person most familiar to the U.S. Senate, the widow of Vermont's long-time Senator George D. Aiken. Lola Aiken, a member of Champlain's board, said recently that during his presidency, Champlain College "has gone right straight up."

Dr. Skiff, a native Vermonter, has been involved in education for more than three decades, as a student, high school teacher, college instructor, dean of students, college vice president, college trustee, college president and influential official of many educational organizations.

During his presidency, Champlain has grown from 860 to 1,400 day students, from 21 to 28 academic majors, from 16 to 28 college-owned buildings.

His imaginative new programs, from computer camps to an insurance institute, have provided young people of the Nation with new learning opportunities and Vermonters with new job opportunities.

And all the while, the college has been placed on a more firm financial footing.

As Champlain has grown, it has gracefully expanded into some of the older and more lovely great homes on the Burlington hillside. And when it opted for the new, the buildings have blended gracefully into the tree-shaded streets that command that wonderous view of the great lake that gave the school its name.

So the college's thriving and successful campus lives in deep harmony with its surroundings, one of Vermont's lovely places. It is the Vermont way and it has well been exemplified by Dr. Robert Skiff in his remarkable career of leadership of his college, Champlain College.

SANCTIONS ON THE SERBIAN GOVERNMENT

Mr. MOYNIHAN. Mr. President, today the Senate voted to impose sanctions on the Government of Serbia in the hopes that these sanctions might help end the bloodshed in Bosnia-Hercegovina. Mr. President, we must act to help end this fighting. The beautiful and peaceful cities of Sarajevo, Mostar, and others, are being reduced to rubble. Many noncombatants—including women and children—are being killed. Negotiations and peacekeeping efforts to date have failed.

The Senate is aware, of course, that this conflict is complex. No ethnic group in the former State of Yugoslavia has escaped unscathed. And the people of Serbia, too, have suffered.

I know that many Serbs are deeply disturbed by the continuing violence and oppose it wholeheartedly. This legislation is not aimed at the Serbian people. Indeed. It is a sad legacy of totalitarian control in the former Yugoslavia that the people of Serbia have all too little control over the actions of their government and armed forces. Unfortunately, these sanctions cannot be fashioned with such precision that they strike at the government of Serbia and the instruments of state power. And while there have been abuses and suffering on all sides, it is the judgment of impartial observers that it is the Government of Serbia which is—directly or indirectly—primarily responsible for continuing the violence now raging in Bosnia. We look forward to the day that Serbia is a democratic state with a Government committed to living in peace with its neighbors. But we cannot allow the bloodshed to continue while we wait for that day to arrive.

YUGOSLAVIA SANCTIONS ACT OF 1992

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2743, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2743) 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.

The PRESIDING OFFICER. Under the previous order, the bill is deemed read three times and the question is on

passage of the bill. The yeas and nays have been ordered. The clerk will call the roll.

The 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:

[Rollcall Vote No. 104 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 bill (S. 2743) was passed, as follows:

S. 2743

SECTION 1. SHORT TITLE.

This act may be cited as "The Yugoslavia Sanctions Act of 1992".

SEC. 2. FINDINGS.

The Congress finds:

(1) Yugoslavia, a state in existence since December 1, 1918, is dissolved;

(2) Croatia and Bosnia-Hercegovina have voted in democratic elections to be independent nations and have achieved international recognition;

(3) Serbia and Montenegro have constituted themselves as the Federal Republic of Yugoslavia, a state which has not achieved international recognition, and which is not the successor state to the dissolved Socialist Federal Republic of Yugoslavia;

(4) The newly constituted state of Yugoslavia is engaged in a war of aggression against Bosnia-Hercegovina;

(5) Acting through government controlled militias, paramilitary groups, and the Yugoslav Federal Army, the newly constituted state of Yugoslavia is killing thousands of residents of Bosnia-Hercegovina, is driving hundreds of thousands of residents of Bosnia-Hercegovina from their homes, is destroying the cities and villages of Bosnia-Hercegovina, including such culturally and historically important places as Sarajevo and Mostar, and is interfering with humanitarian relief efforts in Bosnia-Hercegovina;

(6) Serbia and Montenegro, prior to forming the new state of Yugoslavia, had engaged in a war of aggression against Croatia; and the new state of Yugoslavia, acting through government controlled militias and paramilitary groups, continues to occupy illegally territory of the sovereign nation of Croatia;

(7) Two million Albanians in the province of Kosova have been denied many basic human rights, are subject to Serbian imposed martial law, have been denied illegally their right to self-government, and have been subject to violence and killings by the Serbian authorities; and

(8) The international boundaries between the independent countries of the former Yugoslavia are the same as the internal borders among the constituent republics of the former Yugoslavia as specified in the 1974 Yugoslav Federal Constitution (except with regard to the border between Serbia and Montenegro) and cannot be altered without the consent of all countries concerned.

SEC. 3. DEFINITIONS.

As used hereinafter in this act:

(a) "Yugoslavia" shall mean the Federation of Montenegro and Serbia constituted on April 27, 1992, a state that has not been granted international recognition and that is not the successor to the former Yugoslavia; and

(b) "Former Yugoslavia" shall mean the state established on December 1, 1918 and last formally known as the Socialist Federal Republic of Yugoslavia.

SEC. 4. RESTRICTION ON ASSISTANCE TO YUGOSLAVIA.

(a) RESTRICTION ON ASSISTANCE.—Unless the conditions of section 7(a) are certified by the President to have been met, no United States assistance (including funds appropriated before the date of enactment of this Act) may be furnished to Yugoslavia.

(b) DEFINITION.—For the purposes of this section, the term "United States assistance" means assistance of any kind that is provided by grant, loan, lease, credit, guaranty, or insurance, or by any other means, by any agency or instrumentality of the United States Government to any foreign country, including—

(1) assistance under the Foreign Assistance Act of 1961 (including programs under title IV of chapter 2 of part I of such Act);

(2) sales, credits, and guaranties under the Arms Export Control Act;

(3) sales under title I or III and donations under title II of the Agricultural Trade Development and Assistance Act of 1954 of nonfood commodities;

(4) other financing programs of the Commodity Credit Corporation for export sales of nonfood commodities; and

(5) financing under the Export-Import Bank Act of 1945.

SEC. 5. SUSPENSION OF MULTINATIONAL ASSISTANCE.

Unless the conditions of Section 7(a) are certified by the President to have been met, the Secretary of the Treasury shall instruct the United States executive directors of the International Monetary Fund, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development and the International Development Association to vote against any loan or other utilization of the funds of their respective institutions to Yugoslavia.

SEC. 6. SUSPENSION OF AIR TRAVEL.

(a) IN GENERAL.—Unless the conditions of Section 7(a) are certified by the President to have been met—

(1) the President shall direct the Secretary of Transportation to revoke the right of any air carrier designated by the Government of the former Yugoslavia under the air transportation agreement between the United States and the former Yugoslavia to provide service to Yugoslavia.

(2) the Secretary of State shall terminate so much of that agreement as relates to Yugoslavia in accordance with the provisions of that agreement;

(3) upon termination of those provisions, the Secretary of Transportation shall prohibit any aircraft of a foreign air carrier owned, directly or indirectly, by Yugoslavia from engaging in air transportation with respect to the United States; and

(4) the Secretary of Transportation shall provide for such exceptions from the prohibition contained in paragraph (3) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers is threatened.

(b) DEFINITION.—For purposes of this section, the terms "aircraft", "air transportation", and "foreign air carrier" have meanings given those terms in Section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

SEC. 7. CONDITIONS.

(a) The conditions referred to in Sections 4, 5, and 6 of this act are:

(1) that Yugoslavia is not waging a war of military aggression against any other country;

(2) that Yugoslavia is not supporting directly or indirectly, any military unit, militia, or paramilitary organization in any other country;

(3) that Yugoslavia is not occupying any territory of another country and is not assisting forces occupying the territory of another country;

(4) that Yugoslavia recognizes as international borders the borders of Croatia, Bosnia-Hercegovina, and Macedonia as specified in the 1974 Yugoslav Federal Constitution and as existed on December 31, 1984;

(5) that Yugoslavia or forces loyal to or controlled by Yugoslavia are not interfering with United Nations peacekeeping operations or with international observer missions or with humanitarian relief efforts; and

(6) that Yugoslavia is not engaged in a pattern of systematic violations of human rights within its borders.

(b) Whenever the President determines that the conditions of subsection (a) have been met, he shall so certify in writing to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate.

SEC. 8. POLICY ON SUCCESSION.

The independent countries of the former Yugoslavia shall be severally and collectively the heirs to the assets and liabilities of the former Yugoslavia. Treaties and other international agreements between the United States and the former Yugoslavia shall be deemed applicable to the independent countries of the former Yugoslavia, except where the President determines otherwise.

SEC. 9. POLICY ON RECOGNITION.

It is the sense of the Congress that the President should not recognize Yugoslavia until it has met the conditions in Section 6, and that the President should enter into negotiations with the independent countries of the former Yugoslavia to insure an equitable distribution of the diplomatic property in the United States among all the successor states.

SEC. 10. MULTILATERAL SANCTIONS.

The Congress urges the President to negotiate comprehensive multilateral sanctions

pursuant to the provisions of Chapter 7 of the United Nations Charter, including an embargo on the shipment of oil, against Yugoslavia as long as Yugoslavia is supporting acts of military agrression against Bosnia-Hercegovina. The Congress further urges the President to oppose Yugoslavia's aggression in all appropriate international fora.

SEC. 11. SANCTIONS ON OTHER COUNTRIES OF THE FORMER YUGOSLAVIA.

The President shall apply the sanctions contained in Sections 4, 5 and 6 to any other independent country of the former Yugoslavia which he determines is engaged, directly or indirectly, in military aggression against a neighbor for the prupose of changing its boundaries.

SEC. 12. HUMANITARIAN ASSISTANCE.

It is the sense of the Congress that the President should take steps so that adequate humanitarian assistance reaches needy people in Bosnia-Hercegovina.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The PRESIDING OFFICER. The Senate will now resume consideration of the supplemental appropriations bill, which the clerk will report.

The assistant 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 resumed consideration of the bill.

Pending:

Hatfield (for Nickles) Amendment No. 1851, 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. BAUCUS. Mr. President, I ask unanimous consent that I may speak as in morning business.

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

DROUGHT

Mr. BAUCUS. Mr. President, I have come to the floor of the Senate today to urge the Congress, President Bush, and the USDA to act quickly to provide disaster relief to farmers and ranchers who suffer natural disaster this year.

Unfortunately, severe drought is already plaguing many Midwestern and Western States this spring. Consequently, we must prepare now to respond to a disaster which appears to be inevitable.

Congress must begin to hold hearings and put together legislation to authorize disaster relief for 1992.

I urge President Bush to use the authority which Congress provided for in the dire emergency supplemental appropriations bill late last November, to make available $755 million to cover agriculture losses which occur in 1992. All the President must do is officially request this money and it will be made available.

And I urge the USDA to work to make its disaster programs available to farmers and ranchers as quickly as possible after they are requested, and to be sure that they contain few restrictions.

Unfortunately, it appears that it may be necessary to take these actions very soon to cover agriculture losses due to natural disasters.

Unless Montana and surrounding States get some rain in the next several weeks, all indications show that we are well on our way to experiencing one of the worst droughts in history.

Montana had very little snow accumulation last winter, and so far has had very little rain this spring. Without rain, Montana farmers and ranchers are largely dependent on runoff from snowpack for their water supply throughout the summer months. In fact, about 70 percent of Montana's yearly water supply is from snowmelt.

Unfortunately, because there was so little snow accumulation, there is not much snowmelt. And the little that exists is melting 4 to 6 weeks ahead of normal. Early snowmelt has caused a number of rivers to peak with early runoff. These rivers are now dropping off and are expected to be unable to supply sufficient water later this summer. For example, in early May, data from the U.S. Geological Survey showed that the Missouri River's average flow was over 7,000 cubic feet per second near Helena. Just last week, the flow had dropped to just under 3,800 cubic feet per second.

The Survey considers the low flow level to be an indicator of how low the Missouri's headwater rivers are running and how much of the mountain snowpack already has melted. Runoff into the Tiber Reservoir was about 56 percent of normal during April. It is running at about 29 percent of normal, the second lowest on record, during May. Precipitation in the Columbia River Basin is down 65 to 70 percent. Snow water in the Missouri River Basin is down an average of 58 percent from last year. The Yellowstone River Basin is running at about 65 percent of normal. The Hungry Horse Reservoir is predicted to fall 20 to 40 feet short of filling this summer. This reservoir has failed to reach full capacity only five times in its history. This summer may be the sixth.

This situation, coupled with forecasts of above average heat and below average rain over the summer months spells disaster for Montana's farmers and ranchers. The Governor of Montana recently identified 34 of Montana's 56 counties which are at high risk for drought. Those counties include: Beaverhead, Big Horn, Blaine, Broadwater, Carbon, Cascade, Chouteau, Deer Lodge, Fergus, Flathead, Gallatin, Glacier, Granite, Hill, Jefferson, Judith Basin, Lewis and Clark, Lake, Liberty, Lincoln, Madison, Meagher, Missoula, Phillips, Pondera, Powell, Ravalli, Rosebud, Silver Bow, Teton, Toole, Treasure Valley, and Yellowstone.

Consequently, Congress, President Bush and the USDA must take appropriate steps now to be sure that disaster assistance is expedited as soon as it is needed. That is why I am here on the floor of the Senate today. I am here to put Congress, President Bush, and the USDA on notice that a natural disaster is brewing that will need to be addressed. With a cooperative effort, we can make this disaster a little more bearable for our farmers and ranchers.

I will work hard to ensure that Congress does its part. Today, I am sending a letter to the distinguished chairman of the Senate Agriculture Committee requesting that he hold hearings on the drought situation as soon as they can be scheduled. I am also organizing a drought forum in Montana which will be held in Great Falls near the end of June. The purpose of the forum will be to discuss the extent and effect of the drought, and the various forms of assistance which are available. Participants will include farmers and ranchers; and Federal, State, and local officials.

I will invite Federal officials who live and work here in the Washington area out to Montana to participate in the forum, and to tour some of the drought stricken areas so they can see first hand the kind of devastation drought can bring to agriculture producers. It is important to get these people out beyond the beltwaly and into the real world so that they can make decisions which will make sense for agriculture.

After the hearings and forum have been conducted, I will work with the chairman and my other colleagues on the Agriculture Committee to draft disaster relief legislation.

But in addition to congressional action, farmers and ranchers are also relying on President Bush and the USDA to do their parts.

They are authorized to take a number of important actions to address the situation prior to congressional action.

I have sent a letter to President Bush urging him to act quickly and free up the $755 million which Congress appropriated last year for disaster relief. This money will be critical to helping Montana's farmers and ranchers survive the drought until Congress is able to appropriate additional funds. I must also emphasize how critical it is that all USDA disaster programs be made available to farmers as quickly as possible after they are requested, and contain as few restrictions as possible.

These programs include the Emergency Feed Program, the Farmer's

Home Administration Emergency Loan Program, and emergency haying and grazing programs.

We must avoid a recurrence of what happened in 1990 when the USDA made some of these programs available to some Montana counties and other programs available to other counties. Often, when programs were made available, they were approved so long after they were requested and were burdened with so many restrictions that they were of limited use to anyone. For example, in 1990, Roosevelt County applied for the emergency haying and grazing program 6 weeks before it was finally approved by the USDA.

My staff was forced to resort to phoning the Department of Agriculture several times a day to get them to move on Roosevelt County's application.

Mr. President, Montana ranchers can't wait for 6 weeks to feed their cattle. To make matters worse, when the Department finally approved the application, the restrictions placed on land that could be hayed and grazed were so severe that the program was virtually useless. The USDA told Montana ranchers that they may hay and graze their CRP land only if they own cattle, but they may not hay or graze it if they do not own cattle.

This restriction made little sense. Many ranchers who own cattle do not have land in CRP. In such a case, a rancher should be able to graze his cattle on his neighbor's CRP land and pay him for it. In an effort to prevent this type of action from recurring, I have requested a meeting with USDA officials in my office to discuss implementation of the relevant emergency programs this year.

Finally, Mr. President, it seems to me that if we Americans can spend billions of dollars bailing out our savings and loan institutions, and hundreds of millions of dollars to repair damage caused by the disturbances in Los Angeles, we can also make sure that farmers who suffer natural disasters get the full benefit of current emergency programs and additional disaster payments to cover their losses.

Our farmers and ranchers provide all Americans with the highest quality food and fiber in the world. There is nothing they can do about the whims of Mother Nature. When Mother Nature decides to cause natural disasters, we must be sure that farmers and ranchers are adequately protected.

I urge my colleagues to join with me to ensure that such protection is readily available.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 1851

Mr NICKLES. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The pending question is the Nickles amendment No. 1851.

Who yields time?

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

Mr. President, this amendment is very simple. It says:

> Notwithstanding any other provision of law * * * the Davis-Bacon Act * * * and the Service Contract Act * * * shall not apply to any construction or repair project which receives financial assistance under this act.

Whether this act is going to be $500 million, $600 million or $2 billion, I personally do not think that the Davis-Bacon law of 1935, should apply to funds in the act for two reasons:

First, the wage rates mandated by Davis-Bacon are exorbitant, expensive, and waste a lot of money. With the evergrowing budget deficit, I do not think we should be wasting money.

Second, and more importantly, I think that this law hurts those that this act is seeking to help. This act discriminates against the many people in Los Angeles who are unemployed.

The unemployment rate in Los Angeles County in 1991 was 27.6 percent amongst blacks, 22.1 percent amongst the Hispanic, and 21 percent amongst whites. The unemployment rate is almost one out of five persons are out of work, and yet, because of Davis-Bacon, a law that says the Federal Government will set the wage rates for any construction project above $2,000. These wage rates are set so high that the unskilled and unemployed will never get a job. I think we need to change that.

So, if we are going to have an urgent supplemental, if we are going to pass a bill that is going to help the people of the riot torn areas of Los Angeles and maybe Chicago, we should exempt them from this law that keeps them from working. If we do not pass this amendment, we are telling the unemployed and unskilled of Los Angeles County, "You are not going to be able to get a job to rebuild those stores, to rebuild the buildings, to fix the buildings, to repair the buildings in your community." The fact is without this amendment they will not get a job. A contractor will not hire them because of the Davis-Bacon Act.

Mr. President, you might say, why. The reason is because right now in Los Angeles County, if you are going to do unskilled or entry level work such as cleaning, general construction labor, general cleanup, landscaping, traffic control, or window washing; the price is too high. The workers who perform any of the jobs I just listed make $19.86 an hour plus $9.63 an hour fringe benefits, for a total wage compensation package of $29.49 under the wage scale set by Davis-Bacon.

Another example, a brush painter in Los Angeles County gets $20.70 plus $5.94 in fringe benefits. We are talking about compensation in excess of $26 an hour. A drywall finisher receives a little over $27 an hour. And I could go on and on, but the majority of these wage rates for unskilled labor are in the range of $25 to $30 an hour.

According to the unemployments I mentioned earlier, one-fourth of the population in Los Angeles County, over one-fourth that is black does not have a job. We are telling them "you cannot have a job unless it pays $25 an hour to fix these buildings that have been destroyed or damaged or burned." I think that is a crime and it needs to be changed.

The Davis-Bacon Act, which was passed in 1935, discriminates. Mr. President, I will enter into the RECORD an article from the Wall Street Journal dated June 25, 1990. The title of the article is "Davis-Bacon: Racist Then, Racist Now." I will read a couple of highlights.

It says:

> Thus, any laborer who does not have the skills to command union scale is frozen out of these jobs. Typically, those frozen out are black or Hispanic.

It goes on to say:

> Despite all the civil rights laws on the books today, little has changed. According to Ralph C. Thomas III, executive director of the National Association of Minority Contractors, "The law in its current form is poison to minority contractors [and to] minority employment in general . . . . The law stifles the minority contractors' efforts to not only hire as many minority workers as possible, but it also hinders minority contractor efforts to introduce new workers to the construction field."
>
> Mary Nelson, director of Bethel New Life Inc., a church-affiliated social service organization in Chicago, has found that Davis-Bacon adds as much as 25% to her total budget and often prevents her from using the local unskilled poor to help refurbish the projects they themselves live in.

The purpose of this act is to try to refurbish, restore, and rebuild sections in Los Angeles and Chicago. And, if this is our goal, certainly we ought to employ as many people as possible in the area who are seeking employment.

This bill we are considering provides $700 million for employment training. How in the world can we say we are going to appropriate $700 million in employment training assistance but not allow those we are training to work in a job to help restore and rebuild their community? That is ludicrous. For those people who stand up on the floor of the Senate and decry the decline of our urban areas, the decline of our cities, the need to improve job programs, should support this amendment, so we can say, "You can work in these projects to rebuild your community." Maybe that job will only pay $8 an hour; maybe it is $12 an hour. But getting that job is ultimately vitally important, and by our leaving the

Davis-Bacon threshold, they will not get the job at all.

The 25 percent unemployed get frustrated. They often end up losing self-esteem, probably dependent on government welfare, and then many times, as we have seen in L.A., we see a lot of violence, we see a lot of crime committed on other people, innocent people who are trying to make a living and who pay taxes.

Mr. President, I think this is the vitally important issue. I wish there were not a law on the book that says, right now, if you are going to work on Federal construction projects, you have to pay wage rates far in excess of what the prevailing wage rate in the private sector. The Davis-Bacon Act wastes millions of dollars a year. The Federal Government could probably save well over $1 billion to $1.5 billion if we repeal Davis-Bacon. I do not have the votes to repeal it, or I would do it. But we ought to at least, not have it apply to this act. Unless we adopt this amendment, many unemployed individuals will not be able to get a job, they will not qualify by Davis-Bacon hiring requirements that mandate that they be paid $25 or $30 an hour to do manual labor in many of these cases. Congress can fix that by adopting this amendment. I hope that my colleagues will.

Mr. President, I ask unanimous consent to have printed in the RECORD the Wall Street Journal article to which I referred.

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

[From the Wall Street Journal, June 25, 1990]

DAVIS-BACON: RACIST THEN, RACIST NOW

(By Scott Alan Hodge)

Two years before the 1964 Civil Rights Act was passed, local construction unions in Washngton, D.C., prevented black electricians from working on one of the capital's premiere building projects: the Rayburn House Office Building. This week in that very same building the House Subcommittee on Labor Standards will be working on legislation that will perpetuate discrimination in the construction industry. Instead, that legislation should be repealed, once and for all.

At issue is the 1931 Davis-Bacon Act. Davis-Bacon requires contractors to pay all workers on federally funded construction projects valued at more than $2,000 the "prevailing wage" for that type of work, as determined by the U.S. Department of Labor. In practice, the Labor Department uses local union wage scales as a proxy for the "prevailing wage." Thus, any laborer who does not have the skills to command union scale is frozen out of these jobs. Typically, those frozen out are black or Hispanic.

The original supporters of the law could not have hoped for more-because, as the historical record shows, Davis-Bacon was written to prevent black workers, mostly from the South, from competing with the Northern construction trades.

So far, debate on Davis-Bacon has focused primarily on its costs, the estimated $1.5 billion it costs U.S. taxpayers to pay union scale when qualified workers are available at lower rates. But that complaint avoids the real evil of Davis-Bacon: discrimination against black Americans.

The original Davis-Bacon Act was drafted in 1927 by New York Rep. Robert Bacon after an Alabama contractor won the bid to build a federal hospital in Bacon's district. As Bacon reported at the first hearing on his bill, "The bid . . . was let to a firm from Alabama who brought some thousand non-union laborers from Alabama into Long Island, N.Y., into my congressional district." What he meant, of course is that many of the workers were black—and willing to work for less than local building tradesmen.

Bacon's complaints brought a knowing smile from Georgia Rep. William Upshaw, who commented: "You will not think that a Southern man is more than human if he smiles over the fact of your reaction to that real problem you are confronted with in any community with a superabundance or large aggregation of Negro labor."

Four years later during the floor debate on the bill, Alabama Rep. Miles Allgood echoed Upshaw's sentiments: "That contractor has cheap colored labor . . . and it is labor of that sort that is in competition with white labor. . . . This bill has merit . . . it is very important that we enact this measure."

There was little difference between the language of Reps. Upshaw and Allgood and the language of an 1857 petition from white tradesmen to the Atlanta city council, "We, the undersigned, would respectfully represent . . . that there exists in the city of Atlanta a number of men who . . . are of no benefit to the city. We refer to Negro mechanics [who] . . . can afford to underbid the regular resident mechanics . . . to their great injury. . . . We most respectfully request [the council] afford such protection to the resident mechanics."

Blacks dominated the skilled trades in the South after emancipation: In some trades there were five times as many black workers as whites, according to one estimate. In response, white workers used every political tool available to restrain black competition. In some cases, officially sanctioned licensing boards were established to "ensure the quality of local tradesmen." In other cases, whites sought to outlaw blacks from practicing specific trades, and even passed laws to prevent the recruitment of black laborers by Northern employers.

But, until the passage of Davis-Bacon, the federal government's policy of accepting the lowest bid on construction projects allowed black laborers to compete freely for federal work. Many blacks traveled great distances and endured harsh conditions for the chance to work, as Rep. Bacon discovered. The Davis-Bacon Act put a sudden end to this. Following enactment of Davis-Bacon, black tradesmen were shut out of many federal construction projects. Of the 4,100 workers on the Boulder Dam project in 1932, only 30 were black.

Blacks were also shut out of the massive public housing projects sponsored by President Roosevelt's Public Works Administration. Roosevelt sent representatives to Chicago to institute a quota system which required that a minimum percentage of a project's payroll be directed toward black tradesmen. The result: The blacks got all the low-pay, unskilled positions.

Despite all the civil rights laws on the books today, little has changed. According to Ralph C. Thomas III, executive director of the National Association of Minority Contractors, "The law in its current form is poison to minority contractors [and to] minority employment in general. . . . The law stifles the minority contractors' efforts to not only hire as many minority workers as possible, but it also hinders minority contractor efforts to introduce new workers to the construction field."

Mary Nelson, director of Bethel New Life Inc., a church-affiliated social service organization in Chicago, has found that Davis-Bacon adds as much as 25% to her total budget and often prevents her from using the local unskilled poor to help refurbish the projects they themselves live in. Robert Woodson, president of the National Center for Neighborhood Enterprise, reports that public housing residents who want to help refurbish their own apartments often are forced to "volunteer" half a day's work in order to avoid Davis-Bacon requirements.

Davis-Bacon was intended to discriminate against blacks, and that is precisely what it has done. It's time for Washington to bid good-bye to Jim Crow.

(Mr. Hodge is an analyst at the Heritage Foundation in Washington.)

Mr. NICKLES. Mr. President, I reserve the remainder of my time.

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

Mr. KENNEDY. Mr. President, as I understand it the time is evenly divided, am I correct, on the amendment?

The PRESIDING OFFICER. The Senator from West Virginia controls time in opposition.

Mr. BYRD. I yield as much time as he may desire to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I yield myself 6 minutes.

Mr. President, when the dire supplemental was developed, it was developed in a bipartisan way and it was developed both in terms of meeting the immediate needs of Los Angeles as well as Chicago. Then the add-ons that the Appropriations Committee took on reflected recommendations made by Senator HATCH and myself that were time-sensitive issues that were related to Head Start programs, the extension of education programs for needy children, an additional summer program in terms of the JPTA that would bring us back and cover the same numbers of young people across this country from the cities that were covered 10 years ago, and that number had to be reduced by half, and then support what is basically an innovative program by the Justice Department, the Weed and Seed Program.

Since that time, there have been some modest additions to this legislation. But it was developed, hopefully, devoid of mean spiritedness, placing groups against groups. It was basically structured in a way to deal with education, time-sensitive programs.

This dire supplemental is not construction legislation. It does have certain provisions that will affect in a limited way certain construction in this country. But this is not a construction program. It is a people program primarily focused on the edu-

cation and the needs of the very young in the major cities of this country.

And so now we have the amendment of the Senator from Oklahoma, an amendment which has been offered a number of different times, which we have had the opportunity to debate. I had thought that perhaps we could at least resist that until we came to programs—the Armed Services Committee authorization or some other matters—that we would have to deal with something perhaps of even greater magnitude. But oh, no, this amendment is targeted on the neediest people in our society in the final hours—hopefully, the final hours—of the debate on the dire supplemental.

The Senator repeats these kinds of questions about how much workers are getting and the particular skill. The average construction worker makes about $22,000 a year, $22,000. Now that is a lot of money. But if you are talking about someone that is swinging around in terms of high-construction work or using heavy equipment that can be dangerous not only to themselves but to other workers that are on the job or skilled tradesmen, that is what they get. That is what skilled workers get in this country; about $20,000.

Now if the Senator wants to say, well, we are not going to really affect all those young people out there in the inner cities who need jobs, I would say, amen. I would say where is the Senator's amendment to offer training programs for those young people? Where is that amendment saying, all right, if you really want to try and get those unemployed youth out there, the way to do it is to give them some skills. But no, no. Oh, no, just on this amendment we are saying construction workers, 17 or 22 percent out of work, the construction industry flat on its back, and we are saying to people that average $22,000 a year, somehow that is too much, and we are going to effectively undermine what is a very simple concept.

I know it is troublesome to the Senator from Oklahoma, that you are going to provide a prevailing wage, whatever the average wage is in that area, so it is $20, $24 an hour. That is a lot of money, but that is what skilled workers get when they are walking up on those bars 15, 20 stories above the street, and when they are working that heavy equipment. And what you get is skilled work.

I am not going to take the time, because we have limited time, to introduce into the RECORD John Dunlop, Republican Secretary of Labor, that put into the record time in and time out and show that actually there are virtually no savings by trying to abolish the Davis Bacon Act because you are losing the skills, you are losing the competency, and you are losing quality.

So it may be all right for the Senator from Oklahoma to just throw that money out, get some of those unemployed kids that do not have any skills, send them right into some of that machinery. I wish some of our friends on the other side of the aisle were as concerned about OSHA standards and the work of OMB in gutting OSHA standards for safety and security for American workers. That is not in the RECORD. You hear the crocodile tears of how we are going to look out after working men and women.

What is it that so troubles the Senator from Oklahoma to have this kind of an assault and attack on working men and women in the middle class and backbone of this country? He is troubled by that. I know there is a philosophy to try and just drive the wages down more. We are in enough difficulty in this country in trying to maintain middle-income families in this Nation to provide for their families. But others would want to make an assault on them.

Mr. President, this is legislation on an appropriation bill, for those that are looking for technical kinds of reasons to vote against it. This is not a construction legislation. All we are asking is the prevailing wage in an industry that is, as I mentioned before, flat on its back. Twenty-two thousand dollars is a lot of money, but it certainly does not even reach the average income of families in many, many parts of this country. We know that it is temporary by nature, seasonal by nature, and we know that one of the best apprenticeship programs that exists is in the construction area.

I would join with my friend from Oklahoma if he wants to do something about giving skills in the inner city, put me down as a cosponsor. But to try and suggest that somehow this legislation is misdirected in this area, I do not think is valid.

Mr. President, I withhold the remainder of my time.

[Disturbance in the galleries.]

Mr. BYRD. Mr. President, may we have order in the galleries?

The PRESIDING OFFICER. There will be order in the galleries.

Mr. NICKLES. Mr. President, how much time do I have remaining.

The PRESIDING OFFICER. Five minutes, seventeen seconds.

Mr. NICKLES. Mr. President, I look forward to the day that I can have Senator KENNEDY be a cosponsor of my amendment. I am not sure we have quite arrived at that day just yet. I appreciate my colleague's statement and the intensity with which he gives it. However, I just totally disagree with his conclusion.

Senator KENNEDY and others are proposing in this legislation, $700 million in employment training. Mr. President, there are going to be hundreds of millions of dollars spent to rebuild Los Angeles. I want the unemployed, unskilled person to have a chance to get a job. And I will tell you if this amendment does not pass, they will not have a chance to get a job on any Government-assisted construction or repair project. They will not have a chance. That is just a fact.

Do you want to help the unemployed? Do you want to help that person in the riot-torn area of Los Angeles. Do you want to help the person who had his neighborhood burned? Because if we do not pass this amendment, they are not going to get a job. Now it is that simple.

I will tell you, just looking at the labor rates for a window cleaner, a laborer, general cleanup, their wage compensation, labor, including fringes is $29.49. Now how many unskilled people are going to get a job at $29.49? Incidentally, if that job lasts a normal 40-hour week, and they work 50 weeks, that is 2,000 hours. That is equivalent of $60,000. How many employers are going to pay an unskilled individual $60,000 for what I am going to call unskilled labor?

I could go on and on. The examples are many.

A roofer, someone who prepares a roof by removing the old roof, the wage rate is about $27.58. I do not want to make too big of an issue except just to state to my colleagues, if we are going to make it possible for the blacks, for the Hispanics, for the poor whites that are living in the neighborhoods affected by the riots and if we want them to participate in rebuilding their neighborhoods, we are going to have to pass this Davis-Bacon waiver.

My colleague mentioned that maybe I will try to repeal Davis-Bacon on a Department of Defense bill. I will tell my friend from Massachusetts, I am going to do it on the HUD bill because I think if we are going to be spending money for housing we ought to let the people who live in public housing units work on them. The same concept that I have been trying to do for some time also applies to this Act. If we are going to spend money to rebuild the city, we ought to let the people who live in the city at least have a chance to do the work.

And, unless we agree to this amendment, those people will not have a chance to work. And that is what I am trying to do.

This is not class warfare. This is trying to open up opportunities for people who have been on the lower end of the economic ladder at least to get on the ladder and start climbing. Right now the ladder is so high they cannot even get on it and so they stay on welfare, they stay unemployed, they stay, unfortunately, in a life of crime. We need to make it possible for them to be able to work. We will not do that unless we agree to this amendment.

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

The PRESIDING OFFICER. Who yields time?

Mr. BYRD. Mr. President, I yield the remaining time to Mr. KENNEDY.

Mr. KENNEDY. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 6 minutes 15 seconds.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes. Mr. President, I have pondered the amendment of the Senator from Oklahoma. If he is able to show me where in the amendment it says that if this amendment passes it is going to employ unemployed inner-city youths—it is not there; it is not there—at least he would have color of an argument. I do not know how those contractors go on out and say, all right, all you young people start working this equipment over here—with all of the implications that has, in terms of danger to those individuals and others who are working on the job. The idea that you are going to take summer job training and think at the end of the summer job training you are going to be competent to handle that kind of heavy equipment and to go on up in a skyscraper just blows my mind.

You know, if anyone evaluates apprenticeship programs of these high skills—if anyone asks—it takes months and years, in the very high-skilled areas. The idea that you are going to get some training over the course of the summer and then be eligible—he does not even provide and say OK, we are going to take those kids in the inner city, we are going to train them. Here is my amendment: We are going to find training programs for those inner-city kids, and then after we get them as part of that apprenticeship program we are going to be sure there are resources there to help build on that—then you have something. But not, Mr. President, just on a broad gauge, shotgun approach that is basically an assault on families that are making about $22,000.

Sure, they work part-time and they get $25 an hour. But that is what is happening. They are the people who have built this country. If they make $22,000 that may seem excessive to some individuals, but it is the backbone of this country—working, middle-class families. We hear a lot about families in these recent days. I must say we want at least to ensure they are going to be out working and be able to have a sufficient income to put the bread on the table and pay a mortgage and educate their children. This is just an attempt to undermine that, Mr. President. I hope the amendment will be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute 32 seconds. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, let me just conclude by saying that the best job training is on-the-job training. I tell you I have worked construction and received on-the-job training. We need to allow these people to have real jobs. We should not prohibit them from having a job, and that is exactly what we are going to do if we do not agree to this amendment. We are going to tell these people that they cannot have a job if they want to work on a Federal construction project or federally assisted construction in the L.A. area, you cannot even have a job unless you have the skills to merit the prevailing wage rates of, $25 or $30 an hour even if the jobs does not require great skill.

Many of the jobs I am speaking about are entry level jobs. So I think it is cruel for us to tell those people who are unemployed or unskilled they cannot have a job unless they meet the Davis-Bacon requirements. I think it is cruel. I think it is unfair. I think it needs to be changed.

It is even racist. It is even racist, as described by the Wall street Journal and also by several black economists who said this law is prohibiting minority workers from achieving success and climbing the economic ladder. We need to change it and we need to change it, one, to save taxpayers' money so this money will go further; and two and most importantly we need to change it so it will open greater opportunities for people who are disadvantaged, for people who are on the lower side of the economic scale.

I yield the remainder of my time.

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. KENNEDY. Mr. President, if I may just have another minute or 2 minutes?

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I suggest my friend from Oklahoma have a nice day or afternoon with the Secretary of Labor, Secretary Martin, and find out what this administration's own evaluation is of the best, in terms of training programs. There is some on-the-job and some classroom. Even basic and fundamental programs that this administration has pointed out to be the best and most effective programs providing skills in the construction industry are not related at all to the kind of description the Senator from Oklahoma has given.

Mr. President, I hope we can get on with the rest of this legislation. I look forward to further debates. As I mentioned, there is nothing in this amendment that targets and says if this amendment is accepted it will mean more employment for those who are in the inner city—absolutely nothing. Absolutely not. I do not believe, for that reason, and the fact it is legislation on an appropriations bill, that we ought to consider that at this time. I hope the amendment is defeated. I am prepared to yield back the remainder of the time.

The PRESIDING OFFICER. The Senator from West Virginia has 2 minutes and 23 seconds.

Mr. BYRD. Mr. President, I am prepared to yield that time back if the Senator from Massachusetts does not desire it.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment (No. 1851).

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 who desire to vote?

The result was announced, yeas 36, nays 63, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—36

Bond	Garn	McConnell
Boren	Gramm	Nickles
Brown	Grassley	Pressler
Burns	Hatch	Roth
Chafee	Helms	Rudman
Coats	Jeffords	Seymour
Cochran	Kassebaum	Simpson
Cohen	Kasten	Smith
Craig	Lott	Symms
Danforth	Lugar	Thurmond
Dole	Mack	Wallop
Domenici	McCain	Warner

NAYS—63

Adams	Fowler	Mitchell
Akaka	Glenn	Moynihan
Baucus	Gore	Murkowski
Biden	Gorton	Nunn
Bingaman	Graham	Packwood
Bradley	Harkin	Pell
Breaux	Hatfield	Pryor
Bryan	Heflin	Reid
Bumpers	Hollings	Riegle
Burdick	Inouye	Robb
Byrd	Johnston	Rockefeller
Conrad	Kennedy	Sanford
Cranston	Kerrey	Sarbanes
D'Amato	Kerry	Sasser
Daschle	Kohl	Shelby
DeConcini	Lautenberg	Simon
Dixon	Leahy	Specter
Dodd	Levin	Stevens
Durenberger	Lieberman	Wellstone
Exon	Metzenbaum	Wirth
Ford	Mikulski	Wofford

NOT VOTING—1

Bentsen

So the amendment (No. 1851) was rejected.

The PRESIDING OFFICER. Are there further amendments to the bill?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1852

Mr. LOTT. Mr. President, I believe, under the unanimous-consent request that was agreed to last night as propounded by the distinguished Senator from West Virginia, that I have an amendment which would be in order with a 30-minute time limit, I presume 15 minutes on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. LOTT. Therefore, I have an amendment at the desk, Mr. President.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for himself and Mr. DOLE, proposes an amendment numbered 1852:

Beginning on page 4, line 2, strike all through page 13, line 6.

Mr. LOTT. Mr. President, I think that the amendment is brief and speaks for itself. It would simply strike the $1.45 billion that was added onto this dire emergency supplemental bill in the Senate Appropriations Committee. I know it was well-intentioned. I do not presume to pass harsh judgment on many of the programs that are included in this add-on, but, as I said yesterday, this was supposed to be an emergency disaster assistance appropriations bill for the damage done in Los Angeles, and subsequently, of course, it was amended in the House to include Chicago. That is well and good.

I am for disaster assistance by the Federal Emergency Management Administration to the men and women who lost their homes and their businesses. That is fine and good. I appreciate that the American people want that. We may soon want to have some additional programs funded to try to help in those cities and other cities across America.

But should we not do it in a thoughtful, prepared way where we really know what we are doing and where we really know that the money we are appropriating and spending will get to the people that need the help? This $1.45 billion is not just for Los Angeles and Chicago; it is for programs all across America that will supposedly be available this summer.

The truth is we do not even know if some of these programs and the funds included will get to the people that would need the benefit this summer. There is serious doubt about it. I know in their hearts many Senators, including the leadership, have concerns about what we have done here. Also, I think we should take a look how it was done. The additional $1.45 billion was not in the House of Representatives' emergency supplemental appropriations bill. The House did their job. They kept the bill narrow, clean, focused, and targeted on the emergency disaster.

I do not think these funds were originally in the bill referred to the Appropriations Committee, which was started and worked on by our distinguished colleagues, Senators KENNEDY and HATCH. They went to the committee and asked for these additional funds for a number of programs. Again, I am sure they were well-meaning and well-deserved in some instances. But we are asking for an add-on, with some modification, of $1.45 billion to the deficit. Mind you, it is not going to be paid for by cutting other programs or from other revenue. The Appropriations Committee would merely add this $1.45 billion to the deficit.

I am not sure how much consultation was involved with the leadership on either side or between the House and the Senate or with the administration. The administration has indicated that they cannot support some of these programs. I have information that they are not sure who will benefit. Mind you, this: If we appropriate these funds and the President, for good, justified reasons, does not spend all of the funds, he is going to be blamed for not spending every dime. If we say, "Here, Mr. President, here is all of this money. You do not have to spend it. If you do not spend it, do not worry," one thing will happen. There will be hearings on this.

Is this the bipartisan cooperation that we heard talked about between the White House and the Congress? I do not think so. I think this is a shot that came out of the dark.

So I urge my colleagues, let us think about how we can get quick, responsible action on this bill. Congress needs to act, but not by adding onto the deficit. Congress and the White House need to get together. We know how to do that. We need to pass a clean, targeted disaster appropriations bill, not including this $1.45 billion worth of additional funds and other amendments. We always pile onto supplementals. This is a dire emergency supplemental appropriations bill. Why are we piling on? We ought to take the add-on's out. We need quick, targeted action. This bill is supposed to provide disaster assistance for Los Angeles and Chicago. We should vote for that, but we should strike these additional funds out.

Mr. President, I hear even in the Washington, DC, news media that, as they are describing this, it is beginning to sink from the sheer weight of what we are piling on. It has been called a political Titanic. We have had amendments added on which are harmful. They are killer amendments. Why do we do it time after time?

Let me read to you from the Osgood File, from this morning. This is Charles Osgood, of CBS:

I'm Charles Osgood. Here we are coming up on Memorial Day and the U.S. Senate is busy decorating a Christmas tree. A so called Christmas tree bill is one on which a legislator hangs his own favorite spending measure whether it has anything to do with the subject at hand or not. Right now the emergency bill to help Los Angeles rebuild after the riots has turned into a package tied up with a red ribbon with something in it for everybody. Stand by.

Just listen—you can almost hear Jingle Bells in the background. Our senators are brimming with the spirit of giving. They are expected to vote, later today, on a measure to rebuild Los Angeles in the wake of the riots.

Remember all that bi-partisan comaraderie following the riots as everyone in Washington focused their attention and expressed their concerns. Emergency aid would come quickly everyone promised. The House of Representatives, with President Bush's approval, passed a bill to help Los Angeles rebuild—and with money in there to help flood-damaged Chicago.

But once the bill reached the Senate it began to grow and grow. A little something here, a little something there. Old Everet Dirksen used to say, "a billion here and billion there and next thing you know you're talking about a lot of money." And indeed a billion and another billion and now, the 822 Million Dollar House bill has become a two billion dollar Senate bill. And the President now says that's not acceptable.

Appropriations Chairman Robert Byrd says expanding the bill is simply presenting President Bush the option of spending money in other cities as well by declaring a budget emergency. "It would be the President's choice."

Some of the presents under the Christmas tree actually do address to the problems of cities including but not restricted to Los Angeles. 700 million for summer jobs from Fresno to Philadelphia; 250 million for Head Start over the summer from Portland to Pensacola.

Like one amendment hung on the Christmas tree by Senator Steve Symms, a Republican of Idaho. That would permit states to use federal transportation money to remove billboards that don't meet standards.

It's almost Memorial day, folks. Merry Christmas. The Osgood File. I'm Charles Osgood, on the CBS Radio Network.

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We should not do this. We should strike out the extra spending until we have had time to think through what we need to do this summer for youth, job training programs, many of which I would be prepared to support. But for now, for the sake of the people in Los Angeles and the sake of the people in Chicago who, through no fault of their own, had their businesses and homes destroyed, we should get them the emergency aid. Then, let us talk about a package to do more.

I urge my colleagues to vote to strike this additional, unprepared, unthought-out appropriations.

Mr. President, what time do I have remaining?

The PRESIDING OFFICER. Six minutes, fifty-five seconds.

Mr. LOTT. I reserve my time at this point, if that will be appropriate, Mr. President.

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

How much time does the Senator from Massachusetts desire so that I will be sure that I limit my remarks?

Mr. KENNEDY. Four minutes.

Mr. BYRD. Very well.

Mr. President, I hope the Chair will call to my attention the passage of the first 10 minutes, if I use 10 minutes.

Mr. President, to those Senators who feel that this $1.45 billion should not be designated emergency spending, let me point out to my dear friends, Mr. LOTT and the other cosponsors of the amendment, that we have declared emergencies for a large number of foreign aid programs, such as $650 million to Israel and $200 million to Turkey to offset their costs associated with the Persian Gulf war; $59 million for increased security costs for embassies and other facilities during the Persian Gulf war; $235 million for humanitarian assistance to Iraqi refugees and others at the end of the war.

In addition to this emergency spending in fiscal year 1991, the administration used its authority to forgive debts to foreign countries totaling $11.551 billion. This total included $6.7 billion for Egypt. I did not vote for it. I voted against that. But the administration used its authority.

This total includes $6.7 billion for Egypt; $2.4 billion for Poland; and 32 countries receiving $2.55 billion in debt forgiveness under various authorities.

Over the years, Mr. President, we have found plenty of money, and it all added into the deficit. We have found plenty of money for programs like the Department of Agriculture's Commodity Credit Corporation, which allowed a country like Iraq to borrow billions of dollars from United States banks that they will never repay. Never. Not only will they never repay this money, a May 18, U.S. News & World Report article details how much of the money was used to purchase weapons on the international arms market instead of U.S. agricultural products.

The bottom line, Mr. President, is that the United States taxpayers are stuck picking up the tab for defaulted Iraqi loans to the tune of $2 billion. The article also points out that then Vice President Bush made a special effort in 1984 to win an approval of a $484 million Eximbank loan for Iraq, and goes on to say that in 1987 Vice President Bush again interceded on Iraq's behalf to secure a $200 million Eximbank loan.

I cannot understand why we cannot show the same sort of concern for the crises in our cities all over this country. I am not talking about a crisis that erupted in the wake of the jury verdict in Los Angeles. I am talking about a crisis that existed before that, a crisis to which I called attention at the summit in 1990, and repeatedly have called attention to on the floor of this Senate—a crisis in the need of infrastructure, sewer and water projects, bridges, highways, which would put people to work; education that would train our youth; job training that would put them to work. This is a crisis that has existed all too long.

There is an economic crisis in this land. Forty-five percent of the Nation's 36 million poor people live in concentrated urban areas. The National League of Cities and the U.S. Conference of Mayors have stated the need for jobs and other programs to provide constructive alternatives for our young people during the summer months.

Why can we not find emergency funds for our own people? Why can we find—always find—emergency funds for every other country—Bangladesh, you name it—but our own? How can we say to the American people that we can fund foreign emergencies, but we cannot find money for our own?

We must respond. We cannot continue to neglect or ignore the myriad economic and social problems in America's cities, not just Los Angeles, but cities all over this country, north, east, south and west. Funding in this bill is a small first step to begin to address some of those problems by providing funds to run summer programs that are focused on young people, the youth that represent the future of this country.

If we do not respond now, then when? Let us not talk about not being able to afford the money for Head Start, summer jobs, and chapter 1 for our young people.

My friend from Mississippi made the statement that we are considering a bill that will sink like the *Titanic*. Mr. President, where were Senators when we voted to cut funds from the *Titanic* in the sky, the space ship? That is the *Titanic*. And I understand that it will cost at least $100 billion. So this administration wants to put $100 billion into a space station, into a space *Titanic*, into pork in the sky. Somebody had better wake up. Our problems are right here, here on Earth, right here at home.

So I suggest that we focus this debate where it belongs. We cannot afford not to invest in our young people, in our Nation's cities, in our towns, large and small; not just the large urban centers, but our small rural towns, as well. Our failure to make this investment in our young people and in our cities, large and small, rural and urban, will truly bankrupt this Nation.

When are we going to learn that charity begins not in foreign countries—not in Israel, not in Egypt, not in Iraq, not in Bangladesh, not in South America, not in Central America—but here at home? When are we going to start caring for the citizens of this country first? I urge my colleagues to oppose this amendment.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. SARBANES. Will the Senator yield for a comment?

Mr. BYRD. Yes.

Mr. SARBANES. Mr. President, I simply want to observe that if one accepts the arguments of the proponents of this amendment, you would have to have a conflagration first, and then find an emergency and provide the funds to clean up the conflagration, which is what is happening, unfortunately, in Los Angeles. These other programs that money is being provided for are clearly needed in the urban areas of the country.

These jobs programs are very important. I think restraint actually has been shown by the committee in the extent of the package that has been assembled. I think it is focused on addressing, as the distinguished chairman of the committee has pointed out, a problem that he has pointed to previously, ahead of the outbreak in Los Angeles. But we do not want to have to have a Los Angeles type of outbreak in order to recognize that there is a problem. We are trying to be prudent and anticipate a situation and address a situation that existed, and that we know exists. I commend the chairman for taking this action, and I strongly support the committee in opposing the amendment.

Mr. BYRD. Mr. President, I promised the Senator from Massachusetts I would yield to him first, if I may say to Mr. BUMPERS.

How much time do I have remaining?

The PRESIDING OFFICER. Four minutes and 28 seconds are remaining.

Mr. BYRD. Mr. President, I yield to the Senator from Massachusetts the remaining time. He may yield if he wishes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I will yield myself 2½ minutes.

Mr. President, the Senator from West Virginia I think has outlined in a very clear way the message of prioritizing the values of our country and our society, and no one can listen to his argument and not believe that he has underlined the point that the greatest needs that we have in the United States are dealing with our problems here at home.

The message from Los Angeles is a message that is echoing all across this country over the period of the last 3 weeks in every major city and smaller cities across the Nation. It is a clear message of frustration, a sense of hopelessness, a sense of despair of people who live in our major cities, all part of this great magnificent country called America. It is a message of anxiety. It is basically the result of decades of neglect.

We are not interested on the floor of U.S. Senate this afternoon in pointing fingers at those for blame. But we ought to be about rolling up our sleeves and dealing with this challenge.

Everyone in this body knows the handful of different steps that can make an immediate difference this summer, and they are included in legis-

lation. There ought to be more and will be more later on, but these time-sensitive programs are essential.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. KENNEDY. In just a minute I will yield.

We are not giving reward to the rioters, Mr. President. We are basically rescuing our cities. And all across this Nation people are wondering can the Senate of the United States act, can it act in time? Do we recognize our responsibility to our fellow citizens that live in those cities?

It is particularly the children who have been left out and left behind.

We have a responsibility to act, Mr. President, and I hope that this amendment will be defeated.

I yield whatever remains of the 2½ minutes to the Senator from Utah and the remaining minutes to the Senator from Arkansas.

Mr. HATCH. Could I ask how much time I have?

The PRESIDING OFFICER. There are 1 minute and 57 seconds remaining.

Mr. BYRD Mr. President, I ask unanimous consent that there be 5 minutes allotted to each side, and that the 5 minutes on this side of the question be allotted equally between Mr. HATCH and Mr. BUMPERS.

Mr. HATCH. That is perfectly fine.

Mr. BYRD. And 5 minutes to Mr. LOTT.

Mr. LOTT. Five minutes additional on each side.

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

Mr. LOTT. Mr. President, if I could have the floor, could I at this point ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I thank the distinguished chairman of the Appropriations Committee for his kindness. I thank my colleague from Massachusetts.

Mr. President, I am known as a conservative around here. I can appreciate the views of my friend from Mississippi.

It is not very often that I stand up and argue that we should spend more money. But, Mr. President, I will be honest. If I had my way I would spend more money than the $1.45 billion on these four programs. That is what we felt was the best we could do under the circumstances. We have tried to do something here that would be reasonable and worthwhile under the circumstances. I would like to put more money into the Job Corps which is one of the programs that helps hard-core unemployed young kids in our society today.

But we have limited this amendment to 4 areas—not one of which this administration would question, not one of which any Republican ought to question. Anyone who has watched it through the years has seen Head Start become one of the most basic, vital programs in America. It works. It is efficient. It helps the most vulnerable at a time when they are the most vulnerable.

The youth education programs and summer work programs I do not see how anybody could argue against those. The President's initiative for Weed and Seed is innovative and, I believe, will be very effective.

I can see why people will argue against more spending, but in this particular case, the President would have to make that determination. I believe it ought to be done, and we ought to appropriate the money.

I say to my liberal colleagues that we ought to be looking at all these other social programs to see if we can make some priority choices among them of programs that are not as good as these four and pay for this the way it should be paid for. I am willing to do whatever has to be done because I believe these programs are needed right now in our cities to help the most vulnerable of our kids to have a chance in our society today.

Look. I do not blame everything on the sixties or on the Great Society programs. There are some of them that are great programs. I do blame a lot of us for developing a welfare mentality. Sometimes people get locked into welfare and cannot get out and think that only the Federal Government can save them. These programs are not that. These programs are helping kids to become responsible members of society. These programs will help children and youth to become productive adults, citizens, and leaders.

Mr. President, I ask that everybody support these particular provisions. It is about time we do.

The PRESIDING OFFICER. Who yields time?

Mr. LOTT. Mr. President, I yield 3 minutes to the distinguished Senator from California whose State obviously is most directly and immediately affected by this bill.

The PRESIDING OFFICER. The Senator from California [Mr. SEYMOUR] is recognized for 3 minutes.

Mr. SEYMOUR. Mr. President, I thank the Chair, and I thank the distinguished Senator from Mississippi and commend him and Senator DOLE for taking the lead in trying to separate the immediate needs for cities like Los Angeles, a city in my State, and cities like Chicago, the immediate need from the longer term problem. The immediate need is for emergency disaster assistance, that in essence was passed by the House.

What has happened here in this bill is a Christmas tree in fact is built, a Christmas tree that I have suggested is so heavy in its weight that it could sink the entire measure, and in fact in sinking the entire measure I have suggested that that can only lead to a very, very long hot summer in the city of Los Angeles.

What do I mean by this? What I mean is I have believed, as President Bush has suggested, that we need to deal with the emergency first. And this amendment that Senator LOTT is offering will in fact permit that to happen. Over a half billion dollars' worth of emergency services, rent supplements, unemployment benefits, restoration of personal property losses, mortgage payments being made, Small Business Administration loans up to a half-million dollars for those who either through looting or arsonist work lost their businesses, Small Business Administration loans with rates as low as 4 percent up to a half-million dollars would be available.

Now it is not a question as Senator HATCH has suggested as the validity and need for these programs such as Head Start, the youth summer job programs, or the Chapter I Program in education. Those are good programs. I will vote for those and support them in a minute. The question is how are we going to pay for them? How are we going to pay for them?

My colleagues on the opposite side of the aisle say just add it to the deficit and we will let the President pull the trigger, by the way, in adding it to a deficit that is already reaching beyond $400 billion this particular year.

So let us just add it to the deficit. Let us go with these programs, but let us make the tough decisions. Let us make the tough decisions in setting priorities and then deliver the programs.

I yield the floor, Mr. President.

Mr. LOTT. Mr. President, I yield 3 minutes to the distinguished Republican leader, Senator DOLE.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I thank the Senator from Mississippi.

Mr. President, this bill began with the best intentions—to provide immediate help for the victims of the California riots. It was an effort strongly supported by the President and the majority of Republicans and Democrats in both Houses.

Unfortunately, that good will effort has, in some respect, been derailed by the committee's decision to include $1.45 billion to expand Head Start, compensatory education, summer youth employment, and the Weed and Seed Program.

As just indicated by the Senator from California, all of these are worthwhile efforts. To their credit the Appropriations Committee has worked hard to figure out some way to satisfy Senator KENNEDY and Senator HATCH.

The problem with this provision is there is nothing in this bill to pay for any of the additional spending, except for the language that is included to allow President Bush to release the funds if he declares an emergency.

The emergency requirement puts all the pressure on President Bush and none on the Congress. It is clearly a no-win situation for President Bush.

In the view of this Senator, this is a cop out. What appears to be strong action to deal with the urban crisis facing our country will be seen as election year politics to many voters.

So again Congress is going to play Santa Claus. We are going to put all this additional money in here. But, it is only going to be spent if President Bush, that Scrooge at the White House, loosens up and lets it go. It is up to the President to tell the mayors and everybody else that, "we understand there is an emergency, but how do you pay for it?" How do you tell the next generation why we increased the deficit by billions and billions of dollars in 1992? Oh, yes, we did it all to help somebody. But what about the next generation? Who is going to be around when they are going to be in need?

So I think that is one reason some of the voters in America and my State of Kansas, are cynical about Congress. Voters talk about the deficit being the No. 1 problem in America, but when Congress is faced with paying for new spending, we demand an exemption.

That does not mean you do not have to pay for the spending, it just means you add it to the deficit.

We have made so many exceptions and passed so many bills that the deficit is now over $4 trillion.

So I guess we have to ask ourselves about responsibility. Certainly, everybody wants to help the children of Los Angeles, but I am not certain you are going to help the children of Los Angeles by sticking them with more debt.

I would also point out this is not the only vehicle that is going to be dealing with urban aid. The House and Senate have been meeting in bipartisan groups. There will be more meetings, some maybe this afternoon. The President has met with us on two occasions to take a look at what we can agree on right now, in addition to what may be in the supplemental. What we can do on a bipartisan basis—Democrats, Republicans, the White House? What do the Democrats have? What do we have? What can we pick out of both packages within the next 30 days or before the July recess? There is that willingness to work together. And maybe some of the things suggested in this $1½ billion amendment may be agreed upon by our bipartisan group.

Mr. President, I certainly urge my colleagues to support the amendment by the distinguished Senator from Mississippi [Mr. LOTT]. We need to either find a way to pay for the amendment or strike it out. Then maybe we can go back and deal with urban assistance in bipartisan setting. We are having bipartisan forums. We have had discussions. Maybe some of these ideas, certainly Senator KENNEDY and Senator HATCH have a lot of good ideas, maybe we can find a way to pay for them so we do not punish one generation, and that is the next generation.

Mr. President, I thank the Senator from Mississippi for yielding.

Mr. LOTT. Mr. President, I yield 3 minutes to the Senator from Rhode Island [Mr. CHAFEE].

Mr. CHAFEE. Mr. President, when the distinguished Senator from Massachusetts introduced this legislation the other day, he used words that I found very inspiring. He said—and I will paraphrase it a bit—if we have the will, we have the wallet.

But what it ends up, Mr. President, is if we have the will, we have our children's wallet. And that is the hitch with this program that he has presented. I think these are excellent programs that have been outlined. I have supported them over the years—Head Start and others.

But there is talk of responsibility here. What kind of responsibility does it take to enact new programs blithely without having the provisions to pay for them?

Mr. President, I believe that these are good programs but there are ways to pay for them and let us find those ways to pay for them.

Mr. KENNEDY. Will the Senator yield?

Mr. CHAFEE. Yes.

Mr. KENNEDY. Does the Senator understand we are sending the President a rescission for $8.1 billion of rescission, $800 million of that is domestic discretionary, $200 million international, and $7.1 billion in defense. We are talking about one-fifth of that amount.

Mr. CHAFEE. On whose time is the Senator speaking?

Mr. KENNEDY. I am just asking a question. The Senator is talking about how we are going to pay for it. I am just asking if the Senator would not agree.

Mr. CHAFEE. I believe the Senator from Massachusetts will agree that there is no provision for paying for it; is that correct? Yes or no.

Mr. KENNEDY. The answer is that is correct.

Mr. CHAFEE. There is no way to pay for it.

And this is on my time. If the Senator wants his time, he can go to it.

But, Mr. President, here is the situation. There is a lovely program set forth with vigorous words like responsibility, and if we have the will, we have the wallet. But it turns out, Mr. President, it is our children's wallet.

Mr. President, I just think we have gone on too long in this Congress. Everybody is in a stampede now to line up behind the balanced budget amendment. But meanwhile everybody proceeds blithely to go ahead and spend without providing the means to pay for these programs.

I think that is extremely unfortunate, Mr. President. They are good programs. They are good programs. Let us pay for them.

I thank the Senator from Mississippi.

Mr. LOTT. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes seven seconds.

Mr. LOTT. Mr. President, I wonder if the distinguished Senator from West Virginia has any more time he needs to yield.

Mr. BUMPERS. Will the Senator yield?

Mr. BYRD. Mr. President, I had asked for time for Mr. Bumpers.

Mr. BUMPERS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 2½ minutes.

Mr. BUMPERS. Mr. President, I will use it right now.

First of all, I want to tell the Members of this body that from the southern tip of Illinois to New Orleans on both sides of the Mississippi River, in what we call the Delta, there are 257 counties, 11 million people. That is 2 to 3 more million people than live in Los Angeles. Forty percent of those 11 million people live below the poverty line.

When I introduced a bill here 4 years ago to establish a commission to come up with a crash plan to try to help that area, I could not get a cosponsor other than the States affected.

One Monday morning, the distinguished Senator from New Jersey [Mr. BRADLEY] walked across the floor and said "Put me on your Delta bill."

I said, "What happened to you? I wouldn't have thought you would join on."

He said, "I have been campaigning down in Mississippi for MIKE ESPY, and in Tunica County, there is a 50-percent poverty rate."

Mr. President, the Senator from California has no objection to putting $500 million in FEMA and $300 million into SBA for Los Angeles and Chicago, and I applaud that; I will vote for it. But I can tell you, that this disgrace of America, where people are struggling to keep body and soul together and where the leaders in that area are making valiant efforts with a considerable degree of success to alleviate the problems of that area, it is another one of those things that is little known because they have not had riots. You do not have a riot in a town of 2,000 people. But you have unmitigated, unbelievable poverty.

This provision that Senator HATCH and Senator KENNEDY have come up with, the formula which provides 50 percent of the jobs for 14- to 19-year-

olds based on the relative poverty rate, 25 percent based on the unemployment rate, I promise you, in the Delta that is going to be manna from heaven.

Mr. President, we cannot keep spending $200 billion for the space station, I say to the Senator, and $12 billion headed for the super collider that started out at $4 billion, and keep faith with the American people. You have a chance here today to help all Americans, not just Los Angeles and Chicago.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. LOTT. Mr. President, I believe I have 2½ minutes remaining. Since that is all the time that is remaining, I would like to take this time to make some closing comments.

I agree with the distinguished Senator from Arkansas. We need to address these problems all across America, including the Mississippi Delta. But I would like to target the funds and make sure they are going to get to the places and the people that need it.

This is another case where we are just spreading some money, perhaps an adequate amount of money, just spreading it out there and hoping it is going to fall in the right places. We are doing it on a bill that is supposed to be a dire emergency supplemental appropriations.

Let us do these things in order and let us find a way to pay for it.

The distinguished Senator from West Virginia said let us not spend it, let us cut back on some of these foreign aid programs the administration has asked for emergency clearance to spend. I agree with him. When he offers an amendment to stop that and cut it back, I will be voting with him. I think it is ridiculous. It has gotten out of hand. I think we do need to tend to America's problems.

Mr. BYRD. Will the Senator yield?

Mr. LOTT. Certainly, I will yield to the Senator.

Mr. BYRD. I offered an amendment, I think last year it was, and this year—on the foreign aid matter, and I did not get a single vote from anybody in this Senate on that side of the aisle or on this side of the aisle. I got one, cast by the offeror of the amendment.

Mr. LOTT. I think the record will show I have a long history of voting against a lot of those spending bills. I cannot believe the Senator would get only one vote. I thought he would get at least 58.

Furthermore, I want to point out that nothing in this $1.45 billion add-on is designated for infrastructure. It has been suggested that we need to spend more for infrastructure. I agree. But no funding for infrastructure is included in this bill. This appropriation goes for human development services, compensatory education for the disadvantaged, training performance services, emergency Weed and Seed program funds, and we are not even sure how it is going to be distributed this summer so it will have the benefit we would like for it to have.

Let me also say that a lot of these programs have already had significant increases in spending this year over last year; significant. For instance, Head Start—we all know of programs where Head Start has done a good job. That is why it has been increasing every year for the last 10 years and had a big jump in appropriations this year over last year.

To conclude, passage of this bill without my amendment will lead to a $1.94 billion addition to the deficit. We should target the aid on the disaster. That is where the funds should go. Let us do it quickly, let the conference be done quickly, and let us not allow this additional funding to sink the Titanic.

I urge adoption of this amendment to strike the $1.45 billion.

The PRESIDING OFFICER. The Senator from West Virginia has 1 minute and 6 seconds.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. BYRD. Yes, I yield for a question.

Mr. KENNEDY. Is it the intention of the chairman of the Appropriations Committee we are going to act on the conference report on the rescission, and that would go to the President before the end of this week?

Mr. BYRD. That is the intention, to act on that this afternoon.

Mr. KENNEDY. What is the amount of that rescission that will go?

Mr. BYRD. It would be $8.1 billion or $8.2 billion—over $8 billion.

Mr. KENNEDY. So that would be something the Congress has determined would be $8 billion that would not be otherwise spent, and that is going to the President; is that right?

Mr. BYRD. That is exactly right. And the House approved the conference report by the vote of 404 to 11, I believe it was, earlier today, which sounds like a pretty good veto-proof vote. The Senate will vote this afternoon. It is a highly privileged matter. It will be only 2 hours allotted to the conference report. The motion to proceed to it is not debatable. So that will be done before the end of the day and that will be placed on the President's desk very soon, cutting out $8.2 billion.

Mr. GRASSLEY. Mr. President, I rise in support of the amendment offered by the Senator from Mississippi [Mr. LOTT].

Until the Senate Appropriations Committee took up this measure, it looked as though Congress and the White House were about to put partisanship on the shelf long enough to actually do some good for America.

Unfortunately, that cooperative spirit did not hold up long enough.

What we have before us today, therefore, is an appropriations Christmas tree. It started out simple enough—plain enough—direct enough—but like so many appropriations bills which have come before this one, we have decorated this bill with so much excess, that it is hard to see any longer what we had before us in the beginning.

To refresh the collective memory of the Senate, we are dealing with a Dire Emergency Supplemental Appropriations Act to assist riot-torn Los Angeles and flood-ravaged Chicago. We do have a worthy measure before us—one which I would like very much to support.

Somewhere along the way, however, this half-billion dollar dire emergency proposal got sidetracked in the Appropriations Committee, and it emerged as a $2 billion catch-all for a variety of domestic programs.

Now, let us be straight from the outset—the additional programs which were funded by the Appropriations Committee certainly have merit. In fact, I have been a supporter of these very same programs. My objection arises out of their inclusion in this proposal.

The inclusion of these nonemergency measures violates the spirit as well as the letter of the Budget Enforcement Act.

It also cleverly places the President in a politically unwinable predicament. He can either declare the requisite emergency and be held solely responsible for the deficit spending which results, or he can withhold the declaration and shoulder the blame for killing this package.

I find it disheartening that an honest-to-goodness relief measure for two crippled communities would be held hostage to such maneuvering.

I also take exception to the inclusion of $1.45 billion in new deficit spending without any suggestion as to the need for offsetting budget cuts.

Last night the Senate had an opportunity to make the spending of these additional funds contingent upon the adoption of a rescission bill containing equal or greater offsets. That good-faith effort to pay for this bill was defeated.

Do we really have any intention of being responsible, or do we fully intend to just dump more debt on our children and our grandchildren—the very people we claim to be helping through this additional spending.

Are we again suggesting that the proper course of action is to throw more money at a problem and then walk away while the blind knife of a sequester cuts the good programs along with the bad to make room in the budget for our latest binge? That is precisely what we are doing.

We have an appropriations process, and I believe we need to let that process do its work.

The simple truth is that the Federal Government does not have the finan-

cial resources to meet every funding request. Given that realization, we carefully study the many funding proposals which come before us in an effort to determine those which can be funded and to what extent they can be funded. We discuss, we debate, we compromise, and in the end we finalize our spending priorities for another year.

It is in that spirit—the spirit of fair and free discussion, debate and compromise—that this supporter of Head Start, chapter 1, the Summer Youth Jobs Program and a host of other domestic programs suggests that we deal with these issues in the proper forum—the regular appropriations process.

Mr. President, the Federal cash register is open, the safe has been left unguarded, and there are some attractive items sitting in the showroom window. Despite these enticements, the Senate cannot give in to the temptation to loot the Federal Treasury.

Already, interest on the national debt comprises the single largest component of the Federal budget, outpacing even defense spending and Social Security. Because of budgetary indiscretions of the past, we find ourselves spending the first $300 billion of our budget to service that debt—$300 billion which would help us address as a myriad of domestic needs.

The true question before us, therefore, is "Are we willing to further restrict the ability of the next generations to meet the domestic needs of tomorrow by running up more debt today?"

I have five children and seven grandchildren, and I just do not believe it is fair for their generations to spend a lifetime paying for the excesses of my generation.

Mr. President, Los Angeles and Chicago have already endured great hardship, and addressing their problems is a bona fide emergency.

I believe it is wrong to jeopardize this assistance package by imposing the additional hardship caused by $1.45 billion of increased deficit spending for nonemergency programs.

I support adoption of the Lott amendment.

The PRESIDING OFFICER. All time has expired.

The yeas and nays have been ordered. The clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that this amendment be temporarily laid aside to accommodate some Senators. I understand some Senators on the other side wish to be accommodated.

I ask that this amendment be temporarily laid aside and that it be in order to proceed to one of the other amendments that are on the list agreed to last evening.

Mr. LOTT. Will the Senator yield for a question?

Mr. BYRD. Yes.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Reserving right to object, and I will not object, the intent would be to have this vote, maybe—perhaps if the leader so decides, to have it stacked with another vote in another hour or so?

Mr. BYRD. I do not know how long it will be. I am relaying to the Senator the request of the Republican leadership. The vote will occur at a reasonable time, and probably with another vote.

Mr. LOTT. Certainly I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it will delayed.

Mr. BYRD. Mr. President, what other amendments remain on the list of yesterday?

The PRESIDING OFFICER. The remaining amendments are a Thurmond amendment, Seymour amendment, Dole amendment, a Graham amendment, a Specter amendment.

Mr. BYRD. I hope Senators who have those amendments—a Senator will call up an amendment soon. Because time is running and it is hoped we can complete action on this bill reasonably early so the Senate can proceed to consideration of the conference report on the rescissions.

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.

Mr. BYRD. Mr. President, I believe that Mr. DOLE has on the list that was agreed to last night an amendment providing up to $5 million for foreign operations, export financing, and related programs to be made available for humanitarian assistance to Bosnia.

That amendment is cleared on both sides and I am authorized to call it up.

AMENDMENT NO. 1853

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Mr. DOLE, Mr. LIEBERMAN, Mr. D'AMATO, Mr. PELL, Mr. NICKLES, Mr. PRESSLER, and Mr. DECONCINI, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. DOLE (for himself, Mr. LIEBERMAN, Mr. D'AMATO, Mr. PELL, Mr. NICKLES, Mr. PRESSLER, and Mr. DECONCINI,), proposes an amendment numbered 1853.

At the appropriate place, insert:

"Notwithstanding any other provision of law, up to $5,000,000 of the funds made available for foreign operations, export financing, and related programs in Public Law 102-145, as amended by Public Laws 102-163 and 102-266, and previous Acts making appropriations for foreign operations, export financing, and related programs, shall be made available for humanitarian assistance to Bosnia-Hercegovina; Provided, that such assistance may only be made available through private voluntary organizations; Provided Further, that funds made available under this paragraph shall be made available only through the regular notification procedures of the Committees on Appropriations.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, on this side I am prepared to accept the amendment. I understand it is clear on the other side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1853) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, first I thank the distinguished chairman of the Appropriations Committee, Senator BYRD, and my colleague Senator HATFIELD, the ranking Republican member on the Appropriations Committee, for accepting the amendment that I offered along with the Presiding Officer, Senator LIEBERMAN, Senator D'AMATO, Senator PELL, Senator NICKLES, Senator PRESSLER, and Senator DECONCINI.

Mr. President, this amendment is very simple: it allocates $5 million for humanitarian assistance for the new nation of Bosnia-Hercegovina, through reprogramming of already appropriated funds.

I am pleased that the distinguished Senator from Connecticut [Mr. LIEBERMAN], and the distinguished Senator from New York [Mr. D'AMATO] have joined me in cosponsoring this measure.

A year and a half ago, Saddam Hussein invaded and brutalized Kuwait. On that occasion, the nations of the world united to repulse that invasion, and restore the sovereignty of Kuwait.

Now, even as we debate here on the floor of the Senate, another tyrant—Slobodan Milosevic—is trying to destroy the newborn tiny nation of Bosnia-Hercegovina.

Nearly every day for the past 5 weeks, we have been horrified by scenes of death and destruction in Bosnia. The capital of Sarajevo is in flames. Two-thirds of Bosnia's territory is occupied by Serb forces. More than 700,000 people have been driven from their homes. It is estimated that around 20,000 people in Bosnia are forced to leave their homes daily.

At this very moment 5,000 women and children—promised safe passage by Serb forces—have instead been taken hostage, and made human bargaining chips in Milosevic's plan to create his greater Serbia.

I and other Senators have met with the foreign minister of Bosnia, who has

come here to plead for urgently needed humanitarian assistance for his people.

While repeated scenes of carnage wrought by artillery, mines, and bombs can almost numb the senses, it is still shocking to face the very real prospect of the imminent starvation of tens of thousands of people: men, women, children; Moslems, Croats, and, yes, Serbs—Bosnian Serbs whose homes and livelihoods have also been destroyed by Belgrade's war machine.

In addition to waging an extensive bombing campaign, Serb forces have blocked all major roads in Bosnia, and cut water lines and electricity, in a calculated attempt to strangle and starve the population. Convoys of food and medicine have been either stolen or destroyed. A Red Cross convoy with several tons of medicine was the latest casualty.

Mr. President, the sad fact is that the world—tragically including our own Nation—has done far too little to respond to Serbia's vicious aggression. Tepid statements, uninspired diplomacy, and weak sanctions have not stopped Milosevic or his Army.

At this point, nothing we can do can wipe away the strain of that inaction. But at the very least we should do all we can to help the innocent victims of the onslaught.

We simply cannot stand by and watch as thousands and thousands of men, women, and children starve.

If we do nothing, our inaction will truly be, in the words of the Bosnian foreign minister, a "disgrace for humanity."

That is why the amendment was offered.

We owe it to our own ideals and our own national conscience to help the people of Bosnia. And, I might say, it is paid for by reprogramming.

We may be too late to save their Nation, but at the least we must try to save some human lives.

I thank my colleagues for joining me in this amendment. I thank all of my colleagues for the unanimous support the amendment received.

I yield the floor.

Mr. LIEBERMAN. Mr. President, I strongly support the Senate's actions today regarding the Yugoslav tragedy. These actions parallel the letter that Senators DOLE, PELL, BOREN, HATCH, and I sent to Secretary Baker earlier this month.

What is particularly tragic about the situation in Bosnia-Herzegovina is that the diverse peoples of this republic had been living together in harmony, despite the bloodshed in Croatia. Bosnia-Herzegovina had been an island of calm; its peoples' self-control and tolerance were an example to the world.

The current bloodshed only started when outsiders from the Republic of Serbia filtered into Bosnia-Herzegovina to wreak havoc with small arms and ethnic cleansing operations. They were followed by the artillery of the regular Yugoslav army units. The result has been the destruction of cities and the deaths of thousands. Europe has not seen such brutal fighting since the last days of World War II. As the Bosnian Foreign Minister said yesterday in Washington, the entire situation represents a "disgrace for humanity."

Just today, the New York Times reports that Serbian guerrillas have taken 5,000 women, children, and elderly people hostage. This disgraceful action occurred despite the fact that officials of the Children's Embassy, a local relief group that had organized the refugee convoy, had obtained guarantees for safe passage. This demonstrates a particularly reprehensible combination of guile and cruelty.

Some have argued that we can turn away from these so-called small bushfire wars, now that the cold war is over. But I do not believe that most Americans want to conduct a foreign policy that is based solely on tangible threats to our immediate political and economic interests. We should stand for something beyond this. When thousands of lives are at stake, as they are in Bosnia, we should do our utmost to shape an acceptable outcome.

In fact, our national interest is involved in Yugoslavia in-so-far as President Milosevic's actions set a dangerous precedent for the entire former Soviet bloc. This area is bristling with ethnic antagonisms which many thought were relics of the pre-World War era. If Serbia succeeds in changing its borders and forcing large population transfers through the use of force, it could encourage other ethnic groups to follow suit. If, on the other hand, the international community reacts firmly to the actions of President Milosevic, it will help to deter potential aggressors.

The Senate's actions today, including providing humanitarian aid and ending air service to Belgrade, send an important signal. Trade sanctions, including an oil embargo and the freezing of Serbian Government assets, in conjunction with our European allies, should definitely be carried out unless President Milosevic changes his policies.

The seige of Sarajevo and the other Bosnia-Herzegovina towns must end now. We must show the Milosevic government that such actions invite a reaction. We have to show that the international economic and political noose around this aggressor Serbian Government will be stronger than the one that it is tightening around the men, women, and children of these vulnerable Bosnian towns.

Mr. President, I ask unanimous consent that material from today's New York Times be printed in the RECORD.

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

SERBS HOLD 5,000 HOSTAGES FLEEING THE WAR IN SARAJEVO

(By Chuck Sudetic)

BELGRADE, Yugoslavia, May 20.—Serbian leaders in Bosnia and Herzegovina said today that their guerrillas would not release about 5,000 women, children and elderly people being held in a Sarajevo suburb until the Government of Bosnia and Herzegovina lifted blockages of Yugoslav Army barracks and met other conditions.

On Tuesday night, Serbian gunmen halted a column of about 1,000 cars, 20 buses and 10 vans in the suburb of Ilidza as the refugees attempted to leave Sarajevo, the Bosnian capital. Serbian forces have besieged and bombarded Bosnia and its capital for more than a month in an effort to partition the republic.

Officials of the Children's Embassy, a local relief group that organized the convoy, said they had obtained written guarantees of safe passage from officials of the self-styled Serb Republic of Bosnia and Herzegovina. Serbian guerrilla forces, together with the virtually all-Serb Yugoslav Army, have overrun more than 60 percent of Bosnia, driving non-Serbs from their homes.

The mothers and children in the convoy, which was headed for the Croatian port of Split, are ethnically mixed, officials said.

2,200 DEAD, 7,600 WOUNDED

The people of Bosnia and Herzegovina are a mix of 1.9 million Muslim Slavs and 750,000 Roman Catholic Croats, who mostly support independence, and 1.4 million Eastern Orthodox Serbs, who mostly oppose it, especially those in rural areas.

About 2,225 people have died and 7,600 have been wounded in the republic since the Serbs began their campaign to dismember the republic, health authorities in Sarajevo said today. Another 2,555 were listed as missing. Relief organizations estimate that there are 700,000 refugees.

Late this afternoon, two armored vehicles belonging to the United Nations peacekeeping force in Sarajevo were turned back by Serbian gunmen at a roadblock when the peacekeepers tried to enter Ilidza. They came under artillery fire on their return to their headquarters a few miles away, Sarajevo radio and United Nations officials said.

THREAT OF RETALIATION

Young men and parents of the children being held threatened to retaliate against Serbs in Sarajevo if the hostages were not released quickly, Government officials said. Many Serbs in Sarajevo support and take part in the defense of the Government of Bosnia and Herzegovina, which was recognized in early April by the United States and members of the European Community.

Serbian leaders are demanding the return of the bodies of Serbs killed in fighting around Sarajevo during the last week, as well as the lifting of a blockade around Yugoslav Army barracks in the city and an officers' training school nearby.

BLEAKNESS IN SARAJEVO

Three Yugoslav Army barracks in Sarajevo remained surrounded today by ethnically mixed forces loyal to Bosnia, despite an agreement to allow the garrisons to depart on Tuesday, Sarajevo radio said. Repeated attacks on Yugoslav Army convoys have also held up their withdrawal.

Water and electricity supplies are still disrupted in Sarajevo, which also faces serious food and medical shortages because normal deliveries and aid convoys are not being allowed through by the Serbian gunmen.

The United Nations High Commission for Refugees has canceled plans to send two large convoys with food and medicine to Sarajevo because of a Serbian attack this week on a Red Cross convoy that left one aid official dead.

In Geneva today, the International Red Cross said it would temporarily remove its eight-person team from Sarajevo, a city of about 560,000 people.

U.S. REVOKES AIR RIGHTS

WASHINGTON, MAY 20 (AP)—The United States suspended the landing rights of Yugoslavia's national airline today after the Serbian authorities ignored appeals to permit humanitarian goods to reach victims of the fighting in Bosnia and Herzegovina.

SHAME IN OUR TIME, IN BOSNIA

A "disgrace for humanity." The words uttered in Washington Tuesday by Haris Silajdzic, Foreign Minister of beleaguered Bosnia, should chill the hearts of all who despise naked aggression.

The Serbian strongman Slobodan Milosevic steps up his brutal bombardment of Bosnia's capital Sarajevo, and his "ethnic cleansing" of Serb-occupied territory. Hundreds die; ancient towns are turned to rubble. And what is the response of the U.S., the European Community and the U.N.? Sighs, shrugs and evasions.

The bully who violates Bosnia's internationally recognized borders must be confronted by an international coalition prepared to do what is necessary to put him in his place. Otherwise the brutality in Bosnia will, far beyond the Balkans, dash hopes for a new world order.

This little country has been given a ruinous runaround. Washington initially called on the European Community to cope with the threat to peace, even as it disparaged E.C. efforts. When its mediation efforts collapsed, Europe called for U.N. peacekeepers. The U.N. was prepared to send them in February, but then Washington protested that $634 million was too expensive. Another mission to Yugoslavia managed to cut that by $28 million—cheese-paring that cost weeks, and lives.

In March, the blue helmets finally began arriving in force in Croatia. The U.N. established its headquarters in Sarajevo as a way of creating a presence, as well, in Bosnia. But within weeks U.N. officials were whining that peacekeepers "are routinely harassed, the Organization's property stolen and its emblems and uniforms misappropriated." The U.N. pulled out of Bosnia and now ponders withdrawing from the rest of Yugoslavia.

What touching concern for misappropriated emblems—even as whole neighborhoods of Bosnians were being forced to flee for their lives. It is true that the U.N. peacekeepers are too lightly armed to defend against rampaging Serbs. But why is that the only alternative? The larger truth is that the U.N. peacekeepers have become a cover for Western inaction.

Now there's not even the pretense of a U.N. presence in Bosnia. And the world's collective irresponsibility stands exposed as nakedly as the Milosevic aggression. President Bush, proud leader of the free world, had no trouble deciding that Iraq's aggression against Kuwait should not stand. He assembled a global coalition to force withdrawal. Why not a new one now?

Such a coalition need not undertake armed intervention, at least not yet. The economic noose can be tightened and those who help Serbia circumvent it can be pressured. And if cooperative security is to have meaning, the coalition can declare its willingness to use greater force, as a last resort.

Aggression ought to be every bit as despicable in the Balkans as in the Persian Gulf. For the U.S. and its allies to stand by while Milosevic marauders defile Bosnia invites bullies elsewhere to take heart. Peace in our time, spineless leaders said in the 1930's. In our time the word is shame.

Mr. BYRD. Mr. President, other Senators should have amendments. The time is ripe at this point for the offering of other amendments.

May I say that the amendment by Mr. THURMOND will have to be delayed for a little while because the parties are not prepared, at least on this side of the aisle, yet to go to that amendment.

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.

Mr. BYRD. Mr. President, the following amendments remain from the list to be acted on: An amendment by Mr. THURMOND providing stricter penalties for riots, with a 40-minute time limitation. As I have already indicated, that will not be ready to be called up probably for another 30, 40 minutes. An amendment by Messrs. SEYMOUR and DOLE providing flexibility on summer jobs, 20 minutes; an amendment by Mr. GRAHAM on summer jobs, 30 minutes; an amendment by Mr. SPECTER, summer jobs, 30 minutes. That is all.

I wonder if any of those Senators who have amendments and who cannot come to the floor now and call them up would allow me or another Senator to call the amendment up for them so that the Senate can be utilizing its time.

Meanwhile, I ask unanimous consent that the vote on the amendment by Mr. LOTT and Mr. DOLE, which has already been debated, occur at the hour of 1:10 p.m. today.

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

Mr. BYRD. If the respective cloakrooms will attempt to have Senators whose names I called and who have amendments on the list agreed to last night come to the floor quickly, or inquire as to whether or not it would be agreeable for another Senator to call up the amendment, that would be much appreciated by the two managers of the pending measure.

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. GRAHAM. 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. GRAHAM. Mr. President, I also ask unanimous consent that the pending amendment by the Senator from Mississippi be laid aside for the purposes of considering the amendment that I will be presenting.

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

AMENDMENT NO. 1854

(Purpose: To improve the effectiveness of summer jobs programs)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 1854.

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:

On page 5, line 25, delete "and".

On page 6, line 11, after the word "basis", delete the period and insert the following:

"; and

"(3) requiring each Service Delivery Area to certify to the Governor of the State in which the Service Delivery Area is located that

"(A) priority for service has been placed on eligible youth who are basic skills deficient, juvenile delinquents, at-risk of school failure, pregnant or parenting or homeless or runaway youth; and

"(B) the summer program:

"(1) enhances basic educational skills of youth, and

"(2) encourages school completion, or enrollment in supplementary or alternative school programs.".

Mr. GRAHAM. Mr. President, a portion of this bill will call for an additional $700 million this summer for summer jobs programs. This will more than double the current funding of $650 million for such programs.

The amendment that I offer suggests that these programs should be looked at in two perspectives, one that a priority should be given to those youths such as those that are high risk of school dropouts, who are the most vulnerable and most in need, both in terms of economics, and the structure that such a program could provide; and that seconded the program itself should be thought of as not an independent few weeks of employment in the summer, but rather as part of a more comprehensive effort to either provide educational skills, employment skills, or to reduce the potential of a school dropout. That is to say that summer jobs are an important component of a comprehensive effort to enhance people's ability to be independent and self-sufficient, and achieving, stay in school, and it should be structured in that manner.

Mr. President, it is my understanding that this amendment has been cleared

on both sides. Therefore, I will not prolong the discussion. But I would like to bring to the attention of the Senate that there are across America now a number of exciting initiatives that attempt to do what this amendment would call for; that is, to use summer employment as an important component of every comprehensive program.

Just to cite two examples, one is the Wakeman stores in Rochester, NY, a very large retail chain which has developed an extremely comprehensive program that involves tutorial, mentoring, identifying of high-risk children, provision of employment opportunities, scholarships for those children who stay in school and succeed to continue their education.

In my State, the Burger King academies have similar programs and have had a similar positive impact on the children and youth of my State. I believe that those are just two of many examples.

I would hope that this more than doubling of summer jobs program would have a stimulus to encourage other private firms, local governments, educational agencies, in partnership with the Federal Government to see this as an opportunity to give more young people the encouragement to stay in school, do well, succeed and get the benefits and reap rewards of that through their capacity to live a respectful, independent, self-sufficient, prosperous life.

Mr. President, if there is no further debate, I suggest the absence of a quorum. I would ask for the vote on this amendment.

Mr. BYRD. Mr. President, will the Senator withhold? May I say to the distinguished Senator from Florida, I think that this amendment is acceptable on both sides. It is on my side. But I am seeking to be assured of that with respect to the other side, if the Senator will withhold momentarily.

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

Mr. BYRD. Mr. President, I ask that the time for the quorum call come out of both sides on this amendment.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD. In view of the fact that several Senators have been notified that there will be a rollcall vote at 1:10 p.m. and they will be coming to the floor shortly therefore, expecting such, because of the reasons that make it necessary to delay that vote, I ask unanimous consent having been cleared on both sides that the vote on the Lott-Dole amendment occur at 2:20 p.m. today rather than 1:10 as previously agreed to.

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

Mr. SIMON. Mr. President, I simply want to rise and say that the spirit of this amendment offered by Senator GRAHAM is precisely what we have to do. The Senate has passed a new JTPA bill, the House has, and we are going to try to get it worked out between the House and the Senate. That bill which I am pleased to say we have worked out with the Secretary of Labor, and with the administration, will be signed, moves in this precise direction. But that is not the law now. So I think it is good for the Senate to go on record.

I commend Senator GRAHAM for showing leadership on this as he has on so many things. I think this is a good time to say the Senate has been enriched by Senator BOB GRAHAM leaving the Governor's chair in Florida and coming to be a Member of the U.S. Senate. He has been a genuine leader here.

This resolution is precisely the direction that we ought to be going. I commend him. I hope it is adopted unanimously.

Mr. President, I question the presence of a quorum.

The PRESIDING OFFICER (Mr. LIEBERMAN). 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.

Mr. BYRD. Mr. President, both sides I am now informed are prepared to accept the amendment offered by Mr. GRAHAM. I yield back the time on this side.

The PRESIDING OFFICER. Is time yielded back on the other side?

Mr. GRAHAM. Mr. President, time is yielded back on this side, and I request a vote on the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 1854) was agreed to.

Mr. GRAHAM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, we are making good progress.

We have three amendments: An amendment by Mr. THURMOND, I am advised that the Senate may begin debating that amendment soon, certainly within the next 10, or 15, or 20 minutes; an amendment by Mr. SPECTER, dealing with summer jobs; an amendment by Senators SEYMOUR and DOLE dealing with summer jobs. Those are the remaining amendments.

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. 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.

Mr. BYRD. Mr. President, no Senator is on the floor presently seeking to call up his or her amendment. In the interest of saving time and accommodating the distinguished Senator from Kansas [Mrs. KASSEBAUM]. I ask unanimous consent that she be permitted to speak out of order for whatever time she requires, not to exceed 15 minutes.

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

Mrs. KASSEBAUM. Mr. President, I very much appreciate the chairman of the Appropriations Committee, Senator BYRD, giving me some time. I ask unanimous consent to speak as in morning business.

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

SOMALIA AND INTERNATIONAL RED CROSS

Mrs. KASSEBAUM. Mr. President, I rise today to commend the International Committee of the Red Cross for their courageous efforts to deliver emergency humanitarian relief in Somalia.

We have all been deeply saddened by the tragic situation in Somalia. Since the fall of Siad Barre, thousands of innocent civilians have died in the chaotic fighting between rival clans and subclans. Because of the insecurity, very little food has been delivered to Somalia, resulting in desperate, famine conditions.

As in most civil conflicts, the vulnerable, particularly the children and the elderly, suffer the most. The United Nations reports that over a hundred children are dying from starvation every day.

Following the fall of Siad Barre and particularly after the escalation of fighting in Mogadishu, most foreign governments, relief agencies, and even the United Nations totally withdrew from Somalia. Yet, through it all, the International Committee of the Red Cross has remained—even after thugs murdered two of their aid workers.

Traditionally, the Red Cross works exclusively with the most vulnerable. In this case, it has gone far beyond this traditional mandate to undertake a massive food distribution program in central and southern Somalia. While the Port of Mogadishu has been closed, ICRC has been delivering food in small boats into rudimentary harbors north

and south of the city. ICRC is also conducting cross-border feeding operations from Kenya into southern Somalia.

The ICRC flights from Nairobi to Mogadishu continue to be the only reliable link between Somalia and the outside world, delivering relief workers, medical supplies, and equipment.

I should also mention the other smaller, but no less courageous, relief agencies which have worked in Somalia, including International Medical Corps, Doctors Without Borders, CARE, Save the Children-UK, World Concern, and numerous other indigenous Somali relief groups.

Mr. President, in this very tragic and sad situation, the International Committee of the Red Cross and these other relief groups have provided food and comfort for millions. They were there when the rest of the world abandoned Somalia. Their efforts have been nothing less than heroic. I commend them.

Mr. SIMON. Will the Senator yield?

Mrs. KASSENBAUM. I am happy to yield to the chairman of the African Subcommittee.

Mr. SIMON. I thank the Senator.

Mr. President, I simply want to commend the Senator from Kansas for her interest in not only Somalia, but Africa generally. There are not any, or very many, Somalians in Kansas, or that many with African heritage in Kansas. She has been superb in this area. My hope is that we can get a breakthrough.

There are two U.N. ships now that apparently are getting through. But even now, it is going to the capital city, and that is about where the food is getting. The rest of the country is just in desperate straits. It is a far, far cry from the world that we see around us. We have to respond to domestic needs—and they are real—but the desperate straits of these people is something we really ought to respond to.

I commend my colleague from Kansas. She has been great.

Mrs. KASSENBAUM. Mr. President, I thank Senator SIMON, and I yield the floor.

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

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

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be set aside so that Mr. THURMOND may proceed.

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

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. THURMOND].

AMENDMENT NO. 1855

(Purpose: To strengthen the present federal antiriot statute)

Mr. THURMOND. 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 South Carolina [Mr. THURMOND], for himself, Mr. HATCH, Mr. DOLE, Mr. GRAMM, Mr. CRAIG, Mr. SIMPSON, Mr. MACK, Mr. WALLOP, Mr. LOTT, Mr. SYMMS, Mr. SEYMOUR, and Mr. GRASSLEY, proposes an amendment numbered 1855.

Mr. THURMOND. 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 in the bill add the following:

SEC. . VIOLENCE IN THE COURSE OF RIOT OFFENSES.

Section 2101 of title 18, United States Code, is amended—

(1) in subsection (a) by inserting the following new paragraph at the end thereof:

"(2) Whoever knowingly engages in a riot (as defined in section 2102) affecting interstate or foreign commerce and in the course thereof kills or attempts to kill another individual or commits assault resulting in serious bodily injury shall be punished as provided in sections 1111, 1112, 1113, and 113 of this title."; and

(2) by repealing subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

Mr. THURMOND. Mr. President, this amendment is cosponsored by myself, Senator HATCH, Senator DOLE, Senator GRAMM, Senator CRAIG, Senator SIMPSON, Senator MACK, Senator WALLOP, Senator LOTT, Senator SYMMS, Senator SEYMOUR, and Senator GRASSLEY.

Mr. President, I rise today to offer an amendment, cosponsored by Senator HATCH, which will ensure that rioting, such as that which took place in Los Angeles, will be dealt with in an appropriate manner. This amendment enhances the penalties under the Federal antiriot statute. It makes clear, that the Federal Government should also play a role in the prosecution of those who are responsible for this type of riot-induced damage to which our Nation is responding.

An article in yesterday's Washington Post illustrates why this amendment is necessary. According to the article, about 40 percent of those arrested for curfew violations during the Los Angeles riots had criminal backgrounds. More than 25 percent of those arrested for all misdemeanors were on probation or parole for felony convictions. These numbers certainly contradict the notion of some that the rioting was committed by people who were only motivated by despair and anger over the King case verdict. Los Angeles Deputy City Attorney John Wilson stated that there is no question that a major element of professional criminals were involved in the riots. The city attorney's office also found that more than 60 percent of those arrested in the riots were born outside of the United States.

Mr. President, these figures prove what many of us already suspected—that these riots were not incited by hungry or economically frustrated individuals. No, these riots were the product of career criminals who saw an opportunity and pounced on it. Apparently, the first stores hit by the rioters were gun stores and liquor stores. As one policeman said, and I quote, "You would have a hard time convincing me that these were mothers and fathers looking to feed their children."

Mr. President, this amendment recognizes the events of Los Angeles for what they were—criminal acts, encouraged by cowardly, opportunistic criminals. This was not an inevitable response to the social plight of urban America, as some have suggested. Rather, the rioters were the same criminals and thugs who stalk our streets and commit violent acts against law-abiding citizens every day. They saw an opportunity to strike and did so. Congress must take steps to ensure that those responsible for these types of violent crimes are held accountable for their actions.

The current Federal antiriot statute was enacted in 1968 and authorizes a maximum penalty of 5 years imprisonment for those who incite or participate in a riot. There is no increased penalty if the rioter committed a murder, attempted murder, or assault. Moreover, Federal jurisdiction is limited to those cases where the defendant travels in interstate commerce or uses a facility of commerce.

This amendment corrects these inadequacies to allow Federal prosecutors to seek those penalties prescribed under the Federal code for murder, attempted murder, and assault. It would also enlarge Federal jurisdiction so as to reach riots that affect interstate or foreign commerce—not just those where the defendant traveled in interstate commerce. This would give Federal prosecutors broader discretion to assist State and local officials in their prosecution of riot related offenses.

This amendment simply submits rioters who commit murder, manslaughter, attempted murder, or assault to the existing Federal penalties for those offenses. In essence, all this amendment does is expand Federal jurisdiction to cover all violent crimes committed during a riot.

Mr. President, I strongly believe that this amendment will prove beneficial should our Nation be faced with similar pillaging in the future. For these reasons, I strongly urge my colleagues to support this important amendment.

This amendment, incidentally, is endorsed by the Justice Department of the United States.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio [Mr. METZENBAUM].

Mr. METZENBAUM. Mr. President, I want to commend my colleagues who have crafted this underlying legislation in a bipartisan response to the unrest in our cities. Their efforts represent the best the body can be. I only regret that we are about to mar this accomplishment.

It seems we are unable to stop ourselves from bounding up to the political grandstand, and making ourselves look like carnival barkers in the process.

Mr. President, I speak about the amendment offered by the Senator from South Carolina. Actually, this amendment's timing is completely predictable. After all, the political debate on the violent eruption in Los Angeles began with the ridiculous, moved quickly to the absurd, and now with this amendment, descends directly into the realm of the destructive.

First, the ridiculous George Bush blames the rioting on Lyndon Johnson. Our current President casts blame on a long-dead President who made greater social strides in a single day than this president has made in 3½ years.

Next, the absurd Dan Quayle identifies the moral culprit responsible for the despair in our inner cities as "Murphy Brown."

Now we move on to the destructive. This amendment follows in lockstep our maddening pattern of posturing that has resulted in widespread disgust with, and distrust of, our political leadership in this country.

People of this country do not have any confidence in those of us who represent them in the halls of government. We have become a sad joke. We have made ourselves into a political cartoon so outrageous that no political cartoonist could ever hope to better us.

This amendment represents everything that is wrong with the Congress. We have a bill in front of us that is supposed to begin the healing process. We should be sorting through the rubble of Los Angeles to begin repairing the crumbling foundations throughout our society.

Do we do that? Oh, no.

This amendment is not about healing. It is about hurting. It is not about repair. It is not about retribution. That is the purpose of this amendment, retribution.

I was as sickened and saddened by the violence in Los Angeles as any American. Rioting, looting and killing cannot be tolerated or excused. Lawlessness must be punished.

But how can we now ignore the explosive racial and urban problems for which the Rodney King verdict provided the match?

How can we ignore the sense of outrage and betrayal felt by that community when that verdict was read in Simi Valley?

How can we ignore the fact that the seeds of this grim harvest were sown in part by the politics of racial divisiveness?

How can we ignore the fact that this case was moved from Los Angeles to another county where practically no blacks live, to a county where policemen and firemen live, and former policemen and firemen live, and you find a jury that does not seem to understand or comprehend what had occurred?

Our political system has fueled racial tension. Politicians have won elections by reinforcing racial stereotypes, rather than leading us beyond them. Racial politics appeals to the worst in us—it draws its power from fear, ignorance, and resentment.

How can we continue to ignore the dangers that kind of politics produces, yet this amendment would try to have us do just that.

And how can we, supposedly the world's greatest deliberative body, how can we pretend that yet another Federal death penalty will prevent rioting of this kind in the future? Whom do we think we are kidding?

No wonder the American people want to throw the bums out of here.

My colleagues on the other side of the aisle have previously spoken. Senator DOLE spoke about why people are skeptical of Congress. And this amendment will only make them that much more skeptical.

Senator SEYMOUR spoke about the fact that we had to deal with the emergency first. I could not agree with him more. But this amendment will not do anything about dealing with the emergency. It is just trying to kid the American people.

Senator CHAFEE spoke about a sense of responsibility. I accept all of those comments and they are applicable here. Regrettably, some of those who spoke to that very end are cosponsors of this amendment.

This amendment is a perfect illustration of why the American people think the Congress of the United States is incapable of responding to the problems of this country in an effective and thoughtful manner.

Once again, however, we are on the verge of reaching a legislative judgment that the best way to solve deep-rooted social problems is to execute more of our citizens.

In the aftermath of the riots, some people have spoken about the need to foster and promote hope within our inner cities. And, frankly, there is much in this legislation that will do just that. I support that aspect of the legislation.

But the death penalty that is now before us does not promote hope. The death penalty is a message from the Government that some of its citizens are beyond redemption and beyond hope, and therefore they must be executed.

Let's not mince words here, Mr. President. Let's not continue the charade. The passage of this amendment would result in the Government's execution of more African-American males. That is the thrust of it. The death penalty is almost never invoked as a solution to lawlessness by white citizens. There were no cries to expand the death penalty after Rodney King was brutally and senselessly beaten by four white police officers. There are no cries to expand the death penalty when a white male rampages with an assault weapon and mass murders bystanders. There were no cries to expand the death penalty after more than two dozen African-American workers in North Carolina were killed because the owner of a chicken plant did not want to spend any money to ensure their safety.

If my recollection serves me right I think he wound up paying a penalty, some dollar amount penalty. But there was no death cry. But more than 24 African-American workers lost their lives.

But the moment that there is violence in the African-American community that affects the white communities, the Senate of the United States, the all-white Senate of the United States, is quick to expand the death penalty. The legislation that is before us is supposed to be a bond for the wounds of racial division which have been inflicted on this country. To adopt this amendment is to salt those wounds. Indeed, the verdict in the Rodney King case was yet another reminder of the fact that too often in our Nation's history our legal system has worked to subdue African-Americans rather than to serve them.

Mr. President, that is only one part of the problem with this amendment. I appeal to my colleagues, not on the basis of whether or not you believe in the death penalty as a deterrent to crime, I appeal to you not wholly on a moral or emotional level. I appeal to your sense of common sense because if you look at this amendment on its face, it makes no sense at all. This amendment should be rejected as bad legislation period.

Aside from being a terrible idea, this amendment is completely unnecessary.

And now I wish to gain the attention of those who are very supportive of the death penalty. I want to point out that the death penalty already exists for any murders that may have occurred during the Los Angeles riots. The State laws are applicable. If there were murders committed during the riots, those people are subject to capital punishment, and you do not need a new Federal law in order to do the very same thing that the State law already does.

California has a death penalty. As a matter of fact, a couple of weeks ago a convicted murderer was executed in California under that law. If the disrict

attorney in Los Angeles wants to seek the death penalty against any rioter who committed a murder, he can do that right now. The fact is that every single criminal act which occurred in the Los Angeles riots can be punished under current law. If riots occur in any other cities around the country, State criminal laws exist to punish the law breakers.

This amendment gives new meaning to the word overkill. Does the Senator from South Carolina really mean to execute people twice? Are you going to execute them once under the State law and once under the Federal law? This amendment is also incredibly broad because the Senator from South Carolina has chosen for the Federal authorities to be involved in any riot which affects interstate commerce. As we know, that means every riot will be implicated.

Moreover, the Federal statute defines the term riot as "a public disturbance involving an act of violence" by anyone who is "part of an assemblage of three or more persons." That is the language of this proposal.

Anyone who is "part of an assemblage fo three or more persons," It is indicated that is part of the present law. It is not. That is the proposal we have before us. So what does that mean in real life? This amendment will put the Federal authorities in the business of enforcing the law every time three or more persons get together and violence occurs. Is that really what we want? Should the Federal Government be involved in every assault involving three or more persons? Do we think the States do not have laws on such matters? Which brings us to the next problem.

I am curious, Mr. President, how my friend, the Senator from South Carolina, once the States rights candidate for President, squares this amendment with his lifelong passionate defense of a State's right to pass and enforce its own laws. This amendment is a completely unnecessary intrusion of the Federal Government into the affairs of the States.

What has happened to States rights? Many other Members of this body have spent their political careers on this floor talking to constituents and even running for President defending the rights of States to enact their own laws free from interference from the Federal Government. Does the Senator from South Carolina think that the Federal courts do not have enough work to keep them busy, that we must now create a new Federal offense? Of course not. But this is part of the hullabaloo and the excitement of the Rodney King trial and the riots that occurred out there.

This is no answer. This is trying to kid the American people that we in the Senate are doing something about it. And again I repeat, that is the reason the American people have come to have so little regard for the people who represent them in public office.

Forget about whether or not you believe in the death penalty as a general matter. If you are for States rights, you should be against this amendment. During a decade-long muscle-flexing contest on crime legislation, we have put more people in jail than any other nation on Earth and our crime rate is still the highest in the world and rising daily, rising as we stand here.

The use of the death penalty has increased all over our country, yet the murder rate rises, and those countries who do not have the death penalty, and many of them their crime rate has indeed not increased.

We have increased mandatory minimum sentences, and violence plagues our cities. Make no mistake about it, the efforts to combat poverty two decades ago met with far more success than our recent efforts to combat crime. But today if you suggest that the threat of crime intensifies in communities where poverty is rampant, where families are broken, where housing is scarce, and where opportunity is not existent, then you are branded a coddler of criminals. If you suggest there is a social dimension to the problem of crime, then you can expect a political execution.

If you want to know why our standing with the public is so low, just look no further. Among its many other problems, technical and substantive, this amendment is brutally cruel in its irony. The administration of the death penalty in this country is infected by racial bias, yet here we are expanding the death penalty on a piece of legislation aimed at easing racial tensions.

This amendment tells the country the Congress will once again mindlessly reach for gimmicks and phony solutions to painful and complicated problems. Does anybody really believe that if somebody was involved in that riot in L.A. or were to be involved in one in the future that they would be restrained in their activities because now there was a Federal statute providing for capital punishment in addition to the State statute for the same crime with the same punishment? No, we are playing politics. We are pretending we are doing something to solve the problems of L.A. and other parts of this country. We should reject this amendment. There will be many more opportunities for the Senate to vote for the death penalty, if that be your inclination, but we seem never to tire it. In the name of decency, for the sake of our own reputation as Members of this body, I believe we should keep it off this legislation.

Mr. President, I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I have great respect for the Senator from South Carolina. He has done so many constructive things around here, including leading the effort for many years on a balanced budget amendment that I have been spending some time on recently. I am proud to have him as the chief cosponsor of that legislation.

But once in a while, my friend from South Carolina can be wrong, and I think in this case my friend and colleague is wrong.

What are we talking about in the riot situation? First, no one in this body is willing to condone lawlessness. We condemn it. But there is one thing—really, two things—that all the looters and those involved in the riot had in common. One was that they were young. That seems to be uniformly the case. No matter what their ethnic background, they were all young.

The second thing that they had in common was a sense of hopelessness. They did not feel that somehow this Government, as well as State and local governments, were responding to the needs of those in the central city, to the least fortunate in our society. We have to communicate that in other ways, and I hope we are moving in that direction.

I agree with what my colleague from Ohio has said, and I applaud him for his leadership on this. I would add, however, for me it is also the issue of the death penalty.

Very interesting. Last night, in the State of Virginia, not too many miles from where we meet, Roger Coleman was executed, with controversy about his innocence or guilt. I frankly do not have any idea whether he was guilty or innocent.

But very shortly, in about 15 minutes, Members of the Senate are invited to meet the Prime Minister of Canada. Does Canada have the death penalty? No.

Do any of the Western European nations have the death penalty? No.

We are almost alone among the more developed nations in having the death penalty. Up until recently, among the developed nations, it was only the United States, China, Russia, and South Africa. And recently President de Klerk in South Africa did away with the death penalty.

So now among the developed nations of the world, there are only three that have the death penalty: Russia, China, and the United States. I suggest we ought to be joining Canada, Mexico, Great Britain, France, Germany, and these other countries in doing away with the death penalty.

The PRESIDING OFFICER. The time allocated to the side on which the Senator is speaking has expired.

Mr. SIMON. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. No objection.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

Mr. SIMON. Let me add the final point, and I think this is conclusive, on the death penalty. Not only is it discriminatory racially in its application, the death penalty is a penalty we reserve for people of limited means. If you have enough money to hire the best attorneys, you never get the death penalty. We reserve it for people of limited means. We should not be doing that in this case.

I am going to vote against my friend from South Carolina. I am going to vote against his amendment.

The PRESIDING OFFICER. The Senator from South Carolina has 14 minutes and 13 seconds remaining.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND. Mr. President, I am amazed at what the distinguished Senator from Ohio had to say.

I am amazed at Senator METZENBAUM's statements that this is a partisan matter. It is no partisan matter. If anybody is partisan, he may be the one who is partisan. He can go on this amendment if he wants to. Any Democrat can go on this amendment. When I decided to offer this amendment, there were several Republican Senators who wanted to go on it, and I added their names. I will add Senator METZENBAUM's name if he wants to go on it.

Now, my colleague from Ohio talks about Federal jurisdiction, States rights. The idea of the Senator from Ohio talking about States rights, he has never been for States rights, and he knows it. He has tried to inject the Federal Government into the insurance business. Insurance is not even mentioned in the Constitution and yet he has been trying for years and years to put the Federal Government into the insurance business.

I want to say further on labor law matters, he has taken the same stand. Death penalty, he is against the death penalty. Of course, we understand that. And this is the reason he is fighting this bill, is it not? Because this provides the death penalty for rioters who commit murder.

And I just want to say this. On the double jeopardy issue, I want to ask the Senator from Ohio a question. The policemen out in Los Angeles were acquitted. The Federal Government is now thinking about prosecuting these policemen at the Federal level. How do you stand on that? Do you favor the Federal Government prosecuting the policemen?

Mr. BYRD. Mr. President, I ask that Senators address other Senators in the third person as required by the rules.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. THURMOND. Mr. President I would ask the distinguished Senator from Ohio how he stands on that.

Mr. BYRD. That is all right.

Mr. THURMOND. You make the law; the administration will conform to it.

Mr. BYRD. Mr. President, I intend to vote for the Senator's amendment at this point.

Mr. THURMOND. Mr. President, please, do not count this time against me now. My colleague is talking on his own time.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. THURMOND. I would like for the Senator from Ohio to answer the question. The Federal Government is thinking about prosecuting these policemen now, although they were acquitted in the State court. How do you stand on that?

Mr. BYRD. Mr. President, I ask that rules be enforced and that the Senator be required to address other Senators in the third person and through the Chair.

The PRESIDING OFFICER. The regular order is that Senators address each other through the Chair.

Does the Senator from Ohio wish to speak?

Mr. METZENBAUM. Mr. President, I have no difficulty in responding. I would say to the Chair and all Members of this body, I think the Federal Government should long ago have proceeded, and I think they are failing to do so. But it is under a totally different statute than what we are talking about now. The Federal Government would be proceeding under certain specific Federal legislation that is different than the laws that were applicable to the four policemen who were previously prosecuted. So, yes, they ought to be prosecuted. But what we are talking about in this amendment is to provide the same penalty for the same act, murder, that is in the State law. And there really is no reason whatsoever to have a State offense made into a Federal offense and only clog up the Federal courts, in addition to all other reasons why it should not be adopted.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. In Bartkus versus Illinois and Abbate versus United States, the Supreme Court clearly affirmed the well-established principle that State prosecution does not bar a Federal one. The basis for this doctrine is this prosecutions under the laws of separate sovereigns do not violate the fifth amendment's prohibition against double jeopardy.

This is known as the "dual sovereignty" concept. It is the very concept which makes possible the Federal case against the officers in the Rodney King case. My amendment will assure that, should the State's case against a rioter fail, Federal prosecutors can still take steps to ensure that justice is carried out.

If it applies in one case such as police brutality, as the way the distinguished Senator from Ohio answered it, it should also apply in these cases.

Mr. President, I want to clarify for my colleagues exactly what this amendment does. This amendment simply amends the current antiriot statute to allow Federal prosecutors to prosecute rioters who commit murder, manslaughter or assault.

Who can object to that? If a rioter commits murder, manslaughter, assault, why should he not be prosecuted for it in the Federal court?

I want to remind my colleagues that Federal prosecutors do not have jurisdiction over all violent crimes. Although rioting is currently a Federal offense, the Federal Government has no jurisdiction at present to prosecute rioters who committed murder during the riot. We want to be able to prosecute a murder committed during the riot, and you have to pass this law if you are going to give them that authority.

In order for the Federal Government to have jurisdiction over murders and assaults committed during a riot, there has to be a Federal statute on the books which spells out the Federal jurisdiction over these offenses.

This amendment simply expands Federal jurisdiction to cover violent crimes committed in the course of a riot. The existing Federal penalties for murder, manslaughter, and assault will apply.

The maximum penalty someone can receive for first-degree murder is death. Yet there is only an authorized penalty, since the necessary procedures for implementing the death penalty are not on the books. These procedures have to be passed by Congress later.

The maximum penalty for second-degree murder is life imprisonment. The maximum penalties for manslaughter and assault are 10 to 20 years, respectively.

So, Mr. President, all we are trying to do is to say to the people of this country that when those who commit riots and during the riots also commit murder, or manslaughter, or assault, they should be tried for murder, manslaughter, or assault. Why should not they be? That is even worse than the rioting in some cases.

I realize some people do not want a strong crime bill. I realize some people, under no conditions, want to convict anybody for murder and sentence them to death. Nevertheless, if we pass this amendment authorizing the death penalty, we still have to pass the procedures, in view of the Supreme Court decision a few years ago about the two-stage trial, in order to make it effective.

Why not hold those responsible if they commit murder, manslaughter, during a riot? They should be held responsible. That is exactly what we are trying to do here. That is the purpose of this amendment.

My good friend from Ohio has stated that he does not want to expand the jurisdiction of the Federal Government. That is amusing to me. He wants to expand the Federal Government in many other ways. I just gave you a couple of examples awhile ago.

This amendment is important. This is important to the welfare of this country. We have had too much crime in this country, and if you want to stop these riots, and stop this murder and killing—and you had a lot of them killed out in Los Angeles—if you want to stop that now, pass this amendment and we will help to stop it.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina has 6 minutes remaining.

Mr. METZENBAUM. The Senator from Ohio, I understand, has no time remaining?

The PRESIDING OFFICER. The Senator from Ohio is correct.

Mr. THURMOND. Mr. President, I reserve the remainder of my time.

Mr. HATCH. Mr. President, I am pleased to cosponsor this amendment. It strengthens the antiriot provisions of Federal law. We need to address the problems of urban America. Just last week I cosponsored with Senator KENNEDY an urban aid package that is a large part of the bill before us.

But we also need to be tough on the lawless elements of society. There is no excuse for the violence in Los Angeles. None. This amendment addresses that kind of lawlessness.

Currently, anyone who travels in or uses a facility in interstate or foreign commerce with intent to incite or participate in a riot; to commit any act of violence furthering a riot; or to aid or abet anyone in inciting or participating in a riot or committing an act of violence furthering a riot; and thereafter to perform any act furthering any of these purposes, can be punished by up to 5 years in prison.

This amendment increases penalties for killings, attempted killings, and assaults resulting in serious bodily injury in the course of a riot. For example, the death penalty would apply to first-degree murder committed in the course of a riot.

The amendment also removes the current law's ban on a Federal prosecution following a State prosecution resulting in conviction or acquittal based on the same conduct as forbidden in the antiriot statute. Just as the Federal Government is properly examining under Federal laws the conduct of the Los Angeles police officers in the beating of Rodney King following a State court acquittal, any rioter who may have violated both State and Federal law should be subject to the concurrent jurisdiction of both State and Federal law enforcement agencies.

The PRESIDING OFFICER. The Senator from South Carolina has 5 minutes and 30 seconds remaining. The Senator's time will run. The Senator from Ohio has no time remaining. Does the Senator from Ohio want to know if the Senator from South Carolina will yield?

Mr. THURMOND. His time is up.

Mr. METZENBAUM. If the Senator from South Carolina is prepared to yield back the balance of his time, I am prepared to make a point of order, and we can bring this matter to a head.

Mr. THURMOND. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DODD). All time is yielded back.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio, Mr. METZENBAUM.

Mr. METZENBAUM. I raise a point of order that this is legislation on an appropriation bill.

Mr. THURMOND. Mr. President, I raise the defense of germaneness, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question before the Senate: Is the amendment of the Senator from South Carolina germane? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Under the previous order, was not the vote on the Dole-Lott amendment to occur at 2:10 p.m.?

The PRESIDING OFFICER. The Senator from West Virginia is correct. That was a previous order. There was a subsequent agreement to set that amendment aside.

Mr. BYRD. But not the vote?

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. BYRD. Let us proceed to vote under the previous order and then resolve this matter following that vote.

Mr. THURMOND. Mr. President, this will be all right.

AMENDMENT NO. 1852

The PRESIDING OFFICER. If there is no objection, the question now occurs on amendment number 1852. The question is on agreeing to the amendment of the Senator from Mississippi.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

[Disturbance in the visitors' galleries.]

The PRESIDING OFFICER. There will be order in the gallery.

Mr. BYRD. Mr. President, may we have order in the galleries?

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 37, nays 62, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—37

Brown	Graham	Pressler
Burns	Gramm	Roth
Chafee	Grassley	Rudman
Coats	Helms	Sanford
Cochran	Kassebaum	Seymour
Cohen	Kasten	Simpson
Craig	Lott	Smith
Danforth	Lugar	Stevens
Dole	Mack	Symms
Domenici	McCain	Thurmond
Durenberger	McConnell	Wallop
Garn	Murkowski	
Gorton	Nickles	

NAYS—62

Adams	Ford	Mikulski
Akaka	Fowler	Mitchell
Baucus	Glenn	Moynihan
Biden	Gore	Nunn
Bingaman	Harkin	Packwood
Bond	Hatch	Pell
Boren	Hatfield	Pryor
Bradley	Heflin	Reid
Breaux	Hollings	Riegle
Bryan	Inouye	Robb
Bumpers	Jeffords	Rockefeller
Burdick	Johnston	Sarbanes
Byrd	Kennedy	Sasser
Conrad	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Specter
Daschle	Lautenberg	Warner
DeConcini	Leahy	Wellstone
Dixon	Levin	Wirth
Dodd	Lieberman	Wofford
Exon	Metzenbaum	

NOT VOTING—1

Bentsen

So the amendment (No. 1852) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

VISIT TO THE SENATE BY THE PRIME MINISTER OF CANADA

Mr. MITCHELL. Mr. President, I wish to call to the attention of the Members of the Senate the presence on the Senate floor of a distinguished guest, our friend and neighbor to the north, the Prime Minister of Canada, the Honorable Brian Mulroney.

[Applause, Senators rising.]

Mr. MITCHELL. Mr. President, history records the few cases in which two countries have lived side by side for so long with an unarmed border and with so few disputes. That is attributed primarily to the peoples of the United States and Canada, but also to the leadership of the two countries.

In behalf of all of the Members of the Senate, I warmly welcome the prime minister.

Mr. Prime Minister, you are among friends here in the United States Senate.

[Applause.]

Mr. MITCHELL. Mr. President, immediately following the commence-

ment of this upcoming vote, Senator DOLE and I will be hosting the Prime Minister in a reception in room S-211 at which the Prime Minister has consented to appear and respond to questions by Senators. Those Senators who wish to attend are invited to do so. That will begin shortly after the commencement of this vote and will continue until the Prime Minister will be forced to leave for another appointment.

Mr. President, I yield the floor and I thank my colleagues for their courtesy.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1855

The PRESIDING OFFICER. The question before the Senate is, Is amendment No. 1855 of the Senator from South Carolina germane? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

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

The yeas and nays resulted—yeas 42, nays 57, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—42

Brown	Grassley	Nunn
Burns	Hatch	Packwood
Byrd	Helms	Pressler
Coats	Hollings	Roth
Cochran	Kassebaum	Rudman
Cohen	Kasten	Seymour
Craig	Lieberman	Shelby
D'Amato	Lott	Simpson
Dixon	Lugar	Smith
Dole	Mack	Specter
Domenici	McCain	Stevens
Ford	McConnell	Symms
Garn	Murkowski	Thurmond
Gramm	Nickles	Wallop

NAYS—57

Adams	Durenberger	Levin
Akaka	Exon	Metzenbaum
Baucus	Fowler	Mikulski
Biden	Glenn	Mitchell
Bingaman	Gore	Moynihan
Bond	Gorton	Pell
Boren	Graham	Pryor
Bradley	Harkin	Reid
Breaux	Hatfield	Riegle
Bryan	Heflin	Robb
Bumpers	Inouye	Rockefeller
Burdick	Jeffords	Sanford
Chafee	Johnston	Sarbanes
Conrad	Kennedy	Sasser
Cranston	Kerrey	Simon
Danforth	Kerry	Warner
Daschle	Kohl	Wellstone
DeConcini	Lautenberg	Wirth
Dodd	Leahy	Wofford

NOT VOTING—1

Bentsen

The PRESIDING OFFICER (Mr. BRYAN). On this vote, the yeas are 42, the nays are 57. The amendment is a legislative proposal to a general appropriations bill and thus violates rule XVI, paragraph 4 of the Standing Rules of the Senate. The point of order is sustained. The amendment falls.

Mr. BIDEN. Mr. President, it is surprising that principle triumphs. I voted with the Senator on the last amendment, on his point of order. I voted with him not merely because the point of order was correct but the substance of the amendment was inappropriate for our consideration, in my view, and should not have been passed whether or not there was a point of order.

I must say for the record I spoke to the Senator yesterday about this, because I was informed, as chairman of the Judiciary Committee, that such an amendment would be forthcoming. I immediately went to my friend from Ohio to tell him of the existence of the amendment. My sage advice was—obviously looking older than he was and having been here a couple more years—we are not going to be able to defeat this amendment, so why not try to figure out how to get rid of the amendment another way. My friend said, "This makes me angry. This is a matter of principle. This is the wrong thing to do. Do you agree with me, Joe?" I said, "Yes, I agree." I said, "If you want to take the fight to the floor, I will support you. You go ahead."

I am here to tell you that the Senator from Ohio constantly amazes me, and I want to truly compliment him for being willing to take this fight to the floor and to do something that is not often done on what could be viewed as a politically difficult vote for some Members to make—the right vote, but the politically difficult vote to make in a moment of, in some quarters of this country and on occasion in this Chamber, mild hysteria.

My friend came here and argued passionately. People listened to him. He changed people's minds. He won on a very important vote that I, quite frankly, did not think he could win, although I supported his position from the very beginning.

I just want him to know, again, notwithstanding the fact I have less hair, look older, and am more senior than my friend from Ohio, my sage advice was obviously neither sage nor good. I compliment him on the fight he gave and doing something, in my view, very positive for the country today by his willingness to be stubborn, his willingness to speak for principle.

I compliment the Senator.

Mr. METZENBAUM. I want to say thanks to the Senator from Delaware for his very kind remarks. I appreciate them greatly. I also appreciate the votes of my colleagues.

RESCISSION OF CERTAIN BUDGET AUTHORITY—CONFERENCE REPORT

Mr. BYRD. Mr. President, I ask unanimous consent, due to the fact that there are two remaining amendments to the supplemental appropriations bill, that the Senate proceed to the consideration of the conference report on the rescission bill, H.R. 4990.

The PRESIDING OFFICER. Without objection, it is so ordered. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4990) rescinding certain budget authority, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 20, 1992.)

The PRESIDING OFFICER. Under section 1017 of the Budget Act, there are to be 2 hours equally divided and controlled.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, today we are considering the conference report to accompany H.R. 4990, an act making rescissions in response to the President's March 10 rescission requests, as well as those of March 20, April 8, and April 9. These messages were made up of 127 separate rescission proposals. This was not an easy conference. Only through negotiations in good faith could the conferees reach an acceptable agreement on this rescission measure. In particular, I commend to my colleagues the excellent product produced by the managers of the Subconference on Defense—Senators INOUYE and STEVENS and Representatives MURTHA and MCDADE. They had an especially difficult challenge. They met it skillfully and they met it successfully.

I also express my thanks to Mr. WHITTEN, for his leadership and help, and thank as well all members of the conference for their superb cooperation on this product. Every subcommittee in subconference matched or exceeded the amount proposed for rescission by the President.

I also wish to thank most generously my colleague and senior member on the Republican side, Senator HATFIELD, as well as all members on the Appropriations Committee, all subcommittee chairmen in particular, and our staffs.

The President's rescission requests would reduce national defense spending by a total of $7,141,770,000. The conference recommendation would reduce defense spending by a total of $7,233,465,000, or $91,695,000 more than requested by the President.

In other words, the cuts made by the Congress are $91,695,000 deeper than those requested by the President.

The President's requests would reduce domestic discretionary spending

by a total of $721,002,690. The conference recommendation would reduce domestic discretionary by a total of $760,706,000, or $39,703,310 more than requested by the President. In other words, deeper cuts again than those requested by the President.

For international spending, or foreign aid as some people prefer to term it, the President requested no rescissions—not one red cent—but the conferees recommend rescissions totaling $164,134,054.

The total amount of rescissions requested by the President for defense and domestic discretionary spending is $7,862,772,690. The conference agreement contains rescissions for defense, domestic discretionary, and international spending that total $8,158,305,054, or $295,532,364 more than the amount requested by the President.

In making these recommendations, the Committees on Appropriations and the committee of conference carefully scrutinized the President's requests and recommended many of those requests, modified some of them, and rejected others. In addition, the committee has reviewed all appropriations under its jurisdiction and recommends additional rescissions which were not requested by the President. These congressionally initiated rescissions are made possible due to changed circumstances, delays in obligations, and, in some instances, wasteful and unnecessary spending by the executive branch. We took the President's rescission requests very seriously, even though they were accompanied by a lot of political background noise. We approached this task in a nonpartisan manner, worked together and in the spirit of compromise.

Mr. President, the defense portion of this conference report is a well balanced basket of reductions, which responds to the President's request for reductions, and adjusts it in a responsible way. The President asked for termination of both new *Seawolf* submarines, and the Congress terminated one of them. The status of the second *Seawolf*, given the realities of the contract that was made by the Pentagon with the manufacturer, the Electric Boat Co., is such that the termination costs would amount to nearly the same amount of money that it cost to build it.

So, we have already paid for the second submarine and we should take delivery. That decision also maintains the Nation's submarine-building industrial base for the future, and for the new and smaller submarines scheduled for the end of the century. It is a good compromise.

On the B-2, $1 billion was appropriated but cannot be spent in fiscal year 1992 for various statutory and programmatic reasons.

But the House committee has indicated its support for a 20-bomber force, and some of that money could be held over for possible use in the next fiscal year. Therefore, the committee reduced the account by just half, by $500 million, which is a fair and reasonable compromise on the B-2.

Mr. President, we have agreed to rescind $200 million from the strategic defense initiative for fiscal year 1992. I agreed on this low number reluctantly. I compromised on this low number in order come up with a bill the House conferees would agree upon, and that the President would sign; a bill that cuts at least some of the unnecessary executive pork barrel spending from the Federal budget. The strategic defense initiative is a far greater abuse of Federal funds than any research grant to study why people fear going to the dentist, both of which are examples of executive branch pork.

It is extravagant and unnecessary spending on a grand scale, to save us from an enemy that no longer exists and from enemies that will not exist for at least a decade, if they materialize at all. It is, as I have said before, it is sky titanic—pork pie in the sky.

I wanted to cut $1.3 billion from the SDI budget for this year. That still would have left SDI with a budget equal to what it received in fiscal year 1991. It would have fully funded theater missile defense development and the initial limited defense site at Grand Forks, ND, allowing us to both meet the current threat to American forces and allies and to address any foreseeable future threats. But it would have restricted the funding for space-based interceptors and follow-on technologies that would violate the ABM Treaty. With this compromise, we continue to pour money into a sinkhole of paper studies and failed tests, for parts of a system that we do not need and cannot afford. The conferees have done what is necessary to create a bill that the President will sign. The conferees have gone much further than the merits of this program dictate, in order to put together a very generous package for the President. In any case, the entire rationale and reach of the SDI program needs complete reassessment in the context of the fiscal year 1993 defense legislation.

Of course, if further rescissions are sent to the Congress by the President, SDI can be reconsidered.

On the so-called pork barrel university grants, the conference eliminates all those projects which were earmarked, and allows the affected schools to compete for possible grants through a new process which would be the responsibility of the Secretary of Defense. The Secretary may choose to fund none of the projects, or some of them, or all of them. A new university review board is created to advise the Secretary on this matter.

The solution responds fully to the President's request to eliminate those earmarks. I congratulate again Messrs. INOUYE, STEVENS, MURTHA, and MCDADE.

Overall, Mr. President, the conference committee worked hard to accommodate the concerns that were raised by the President in his requests, and acted very responsibly on those requests. Yes, it put its own stamp on the measure, as it should, and as it will again if further rescissions are sent up to the Hill. And I think Congress improved the result. I congratulate the Defense Subcommittee for its work on this matter. A veto of this bill on the grounds that the defense portion is not in the national interest would be unfair and irresponsible of the President. The measure squeezes billions of dollars of unneeded spending out of the defense budget. The American people should know that this measure saves them billions in unneeded defense spending. Certainly that is commendable and the beginning of a long process to downsize our Defense Establishment to fit the requirements of the new world we now live in.

For example, the conferees include rescissions of $1 billion from DOD's inventory, which were not requested by the President. The committee held a hearing on the matter of excess Defense Department inventories, partly based on a "60 Minutes" piece which showed the magnitude of this problem. Senator GLENN, in his capacity as chairman of the Governmental Affairs Committee, and Senator LEVIN, who chairs the Subcommittee on Oversight of Government Management of the Governmental Affairs Committee, presented very compelling testimony to the Appropriations Committee on this important matter and recommended substantial reductions in appropriations for DOD inventories.

In addition, the committee took testimony from Mr. Frank Conahan, Assistant Comptroller General of the General Accounting Office. Mr. Conahan has been in charge of GAO's audits of DOD inventories for a number of years. He testified that in 1989, the Pentagon had a 50-year supply for 1,241 items. There are clearly savings that can be obtained from a careful scrutiny of Defense Department inventory practices. I think we should continue taking a look there for further savings.

The motto of the Pentagon purchasing agents could well be, "If we might need it, buy it, buy lots of it, and buy it now."

Mr. President, these $1 billion in rescissions are just a down payment in attacking the billions of dollars which can be saved in the coming years in this area of the DOD budget.

The unprecedented changes in the world situation and latest threat forecasts provide us with an historic opportunity to reevaluate how much of this country's precious resources we must devote to defense. The threat of global

conflict is vanishing. The war in Afghanistan was the last battle of the cold war and was won by the people of that country. The greatest threat now facing the United States is economic, not military. We must seize this opportunity to redirect our money and our energy into civilian programs that have a much greater impact on our economic situation.

The conference report contains two rescissions that I recommended which will eliminate wasteful executive branch spending by the National Science Foundation and by the National Institutes of Health. As Members are aware, the Appropriations Committee approves funding for general categories of spending for various agencies, such as research, salaries and expenses, and so forth. These lump-sum appropriations are not administered by the Congress, but by the respective agencies, which are delegated that authority in appropriations acts. This is necessary because there are literally thousands of applicants for grants for many Government programs. Congress is in no position to review and act upon these grant requests. So we delegate this authority to the executive branch. We do our best to assure that recipients of Federal funds, under the tight budgetary constraints that all agencies face, will be carefully selected on a prioritized basis.

Yet an examination of a host of grants in the National Science Foundation led me to conclude that while there may be some theoretical value for these items, the American taxpayer may wonder why their hard-earned money is being spent on them.

The conference agreement, therefore, will rescind the $2,000,000 from the National Science Foundation. Grants were made by the Foundation for such specious purposes as: A study of the sexual aggression in fish in Nicaragua; the importance of lawyers to the middle class; the personal identity of law school professors; the mating behavior of swordfish and so on.

I should not fail to mention a comparison of the roles of intra- and intersexual selection in the evolution of sex-limited mimicry of two swallowtail butterflies, to name just a few of the executive branch wasteful pork items.

Those in our research community might wonder why these particular projects received funding. Last year, the National Science Foundation received 52,880 proposals, totaling $11.9 billion. Of those, only 34 percent received funding, since the National Science Foundation budget is about $3 billion. Given the importance of the Foundation's work in manufacturing research, supercomputing, and biotechnology, which have direct ties to our future economic competitiveness, it is ludicrous that the National Science Foundation is spending limited resources on these unnecessary and wasteful items.

For the National Institute of Dental Research, the conferees recommend rescission of $183,000 from grants to calibrate the amount of dental pain persons experience by studying their facial expressions while in the dentist chair, to study the incidence of dental fear in the population, and to study why people fear their dentist. Ask any child why he fears going to the dentist, and the answer is easy: it hurts. You do not need to spend thousands of dollars to ascertain why people fear going to the dentist.

I want to reemphasize that these items were not congressional earmarks; they are not congressional pork. Rather, they are grants made by the National Science Foundation and the National Institutes of Health—by the executive branch—under the general authority that is provided to those agencies in appropriations acts. There are probably many more instances of wasteful spending that can be found as the committee continues to review executive branch spending policies and practices in the coming months. We do not have the staff resources that would be required to prevent or eliminate all wasteful and unnecessary executive branch spending, but we do have a very dedicated and hardworking professional staff who will do their best to ferret out such profligacy and eliminate it.

In conclusion, Mr. President, let me point out to Senators that rescissions are nothing new. The Congressional Budget and Impoundment Control Act of 1974 provides the authority for Presidents to request rescissions of appropriations. According to GAO, Presidents have, in fact, requested rescissions in every year since 1974 except for 1 year—1988. The total number of Presidential rescission requests for the period 1974 through April 14, 1992, is 1,012 for a total amount of $69,273,034,690. Of those numbers, Congress accepted 324 rescissions totaling $19,311,454,366. In addition, congressionally initiated and enacted rescissions for the period 1974 through March 9, 1992, totaled 378 rescissions for a total dollar amount of $43,798,239,022.

When one adds the total Presidential rescission requests which were approved by Congress over this period, $19,311,454,366, and the congressionally initiated rescissions of $43,798,239,022, one gets a total of $63,109,693,388 in rescissions that have been enacted since the enactment of the Congressional Budget and Impoundment Control Act of 1974, and prior to the President's March 10, March 20, April 8, and April 9 rescission requests.

When one adds to this total of $63,109,693,388, the total rescissions recommended in the conference report, $8,158,305,054, one gets a total of $71,267,998,442 that will have been rescinded if the recommendations in the conference report are enacted. That total is $1,994,963,752 more than the total of all rescissions that have been requested by all Presidents since 1974. So rescissions are nothing new. The Committees on Appropriations of the House and Senate have approved rescissions in every year since enactment of the Congressional Budget and Impoundment Control Act. As I have stated, the total amount of enacted rescissions will exceed those requested by Presidents if the amount of rescissions recommended in the conference report is enacted.

Having said that, I hasten to add that rescissions have not been used in the past to reduce the deficit. Instead, under the tight budgetary constraints that have faced the Appropriations Committees for the past 12 years, rescissions have most often been made in annual and supplemental appropriation bills and the savings then used to fund increases for higher priorities.

There should be no impression left that this exercise will seriously cut the deficit. This process can serve a useful purpose, but it is no panacea for getting our deficits under control. It should not be painted as such and it should not be used as a political tool for election year advantage. The type of rhetoric we have heard over this rescission matter only further polarizes the executive branch and the Congress, contributes to a lack of serious understanding about the causes of our budget deficits, and makes genuine steps toward a real solution to our massive budget problem more difficult.

If the President vetoes this bill, that is his right. We have included a number of rescissions which should be made and which I hope will be enacted. We have carefully considered the President's proposals. To be fair, I believe the White House must carefully weigh our serious attempt to do what we have been asked to do. I hope that he will sign this bill. If the President vetoes this bill, all the money that would have been saved will be spent. If the President decides to veto this bill, absolutely no savings will have resulted from this exercise. The President will be giving the green light to all the spending he railed against.

Let me state again that we have exceeded the amount of rescission dollars which the President requested. We have acted in good faith and made legitimate savings.

I hope that all Senators will support this bill.

I urge Senators to agree to the conference report on H.R. 4990 so that we can get this rescission bill on the President's desk for his signature.

Let us not engage in any more political warfare. I believe that the American people are sick to death of charges, counter-charges, finger pointing, gridlock, speechmaking, and tired rhetoric about who shot John and who is responsible for what. I hope that we

can yet salvage some dignity out of this unfortunate rescission game and pass this responsible attempt to comply with the President's request.

I now yield to my distinguished colleague and friend, the ranking minority member of the Appropriations Committee, Senator HATFIELD, whose help—as always—has been invaluable, for any remarks he may wish to make.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I thank the Chairman for his clear explanation of this conference report. I associate myself with his remarks.

I yield 15 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. President, first of all, I am puzzled as to why we have waived the normal 3 days that is necessary from the filing of this report until the time that it is acted upon by the Senate. Consequently, a lot of the remarks that I will make will not be as precise as they would have been if I had had a conference report or the required information. In fact, there is very little information available to this Senator as to the exact details. I point out to the distinguished chairman and ranking Member that there is no conference report on my desk, or any other desk that I know of. There is no relevant information——

Mr. HATFIELD. If the Senator will yield, I say that the conference report is in the CONGRESSIONAL RECORD and has been available to the Senator since this morning.

Mr. MCCAIN. I thank the Senator. I do believe that in the CONGRESSIONAL RECORD, even, there is no listing of the rescission proposals made by the President which were not acted on. Is that correct?

Mr. HATFIELD. The Senator is correct.

Mr. MCCAIN. So it is correct that there is no way of knowing from the CONGRESSIONAL RECORD which rescissions the President requested were not acted on, but only those that are acted on.

Mr. BYRD. If the Senator will yield, in the CONGRESSIONAL RECORD the Senator will find that every item listed in the conference report that was agreed to by the conferees is set out beginning on page H3629.

Mr. MCCAIN. My question was—and I repeat it—when the Senator from Oregon responded, the original rescission requests by the President are not printed in the RECORD, those that were not acted on. I believe that is correct. Is that correct?

Mr. HATFIELD. The Senator is correct. I understood the Senator to say initially that he had not had an opportunity to view the conference report. I was responding to the fact that the conference report does appear in the RECORD.

Mr. MCCAIN. So Members of this body will not know when we vote today which requests of the President to be acted on were not acted on.

The information that I have is that the President sent over 7.9 billion dollars' worth of rescission requests. Of those requested by the President, $2.2 billion of the President's rescission request were accepted and the rest were not acted on.

As I say, I do not know the rescissions that the President sent over that were acted on because, as was stated, it was printed in the CONGRESSIONAL RECORD this morning and it does state which Presidential rescissions were ignored. But the fact is that there were certain projects that were deemed unnecessary to be acted on in the rescission process by Congress.

For example, $120,000 for manure disposal grant, $46,000 for a mink feeding and reproduction grants, $134,000 for a mechanical tomato harvester, untouched funding for celery and asparagus research, lowbush blueberries, and other such projects that were simply not addressed in this process.

I would surmise, given figures that I have, that since only 2.2 billion dollars' worth of the President's rescissions request out of $7.9 billion, that there was a large number of rescission requests which were not acted upon during this process.

As I have said before, I happen to believe that the President's requests should be acted on by a vote of this body. So what we will be acting on today is what the conferees decided would be put together in a package, excluding millions of dollars for HUD money for upper-class welfare including $2½ million for a contemporaneous art center in north Miami, that I would like for this body to have had an opportunity to vote on, and many others.

I guess, Mr. President, the fact is that we have turned this process into a way of cutting some spending but we have not made this process into what I believe the executive branch deserves, and that is when they request cuts in spending, that those should be and could be voted on.

I would like to now talk a little bit about the *Seawolf* submarine that I have talked about a length before. It is incredible that we would be spending roughly $3.5 billion to build a ship which is no longer required, which any military expert in the world will describe as unnecessary in this post-cold-war era.

The fact is that when we take this $3.5 billion and spend it on an unnecessary although very impressive weapons system, we are going to take away from other expenditures. This money would pay the salaries of 108,695 enlisted men and women in the Air Force.

Supporters of the *Seawolf* will again point out how 21,000 jobs are going to be saved, and I am one of those who want to save those jobs because, sadly, we are going to spend this $3.5 billion.

But the fact is, Mr. President, at the same time that we are spending $3.5 billion on the basis of saving jobs we are also telling tens of thousands of young men and women that are in the military today, many of them minorities, that we cannot afford to keep them because we have not enough money to pay for their salaries and keep them in the military because of budget cuts.

So the next time that the young man or woman in the military is told by his or her commanding officer that they cannot stay in the military because we cannot afford to keep them, I hope that the American people know where we are spending $3.5 billion. It is outrageous. It is just outrageous.

A lot of my colleagues may not know this figure: 10 percent of all black Americans between age 18 and 24 in America that are employed today are in the U.S. military. Many of those young Americans, no matter what their ethnic background, may be forced out of the military. I have some serious questions here to be asked because we know that the *Seawolf* money has to come from somewhere. It does not simply cut the B-2 or SDI.

It takes vast amounts of money from the areas of the President's original request that we really need.

From reading this RECORD that was printed last night, it takes a billion dollars away from operations and maintenance without any clear idea of how this can be done.

I would ask my friends, colleagues from West Virginia or from Oregon, where is this billion dollars which is being cut from operation and maintenance going to cut? Is it going to be the ship days that our ships go to sea? Is it airplanes they supply as the Chief of Staff of U.S. Army when he came before the Senate Armed Forces Committee and told us we had a hollow Army because they were not able to supply and service and train and cache out the missions which resulted in ill fated operations such as the aborted rescue of the American citizens who were held hostage in Iran?

There is another $300 million being cut from the maintenance revolving funds. What is going to be cut there?

This conference, as far as I can read, takes away $343 million from other Navy procurement. I understand that is a line item, $343 million from other Navy procurement; $517 million away from other Air Force procurement; $750 million away from the missile procurement of the Air Force; takes $120 million away from other procurement, Air Force; and $11 million from other procurement, Defense agencies.

I have no explanation nor do I know nor do I know anyone who is voting on

this can tell me, and I would appreciate it very much if I could be told before this vote, what are these procurement items that are going to be cut?

It takes away $500 million from Defense research and development. It cuts away at a critical aspect of competitiveness to fund what we do not need. All of this money comes from somewhere and these cuts will mean jobs somewhere else. On the one hand we put in $3.5 billion plus another $500 million in case we need another 688-class submarine of which we have over 40 in service, on the other, we are taking away hundreds of millions of dollars from the Navy procurement, Air Force procurement, and other procurement.

I think at least we have the right to know what that procurement is.

I see my friend from Hawaii here on the floor. Perhaps he can tell me what that is.

What procurement is being cut here for $343 million from the Navy procurement? Is that a ship?

Mr. President, I would like the answers to those questions.

I would like to say to my friend from West Virginia, there are parliamentary ways that I have been informed of that I could delay this vote. I do not choose to do that, employ those parliamentary mechanisms to delay this vote. But I would like to know some of the answers to these questions, and I think my colleagues deserve it and the CONGRESSIONAL RECORD deserves it.

I guess my friend from Hawaii is on the floor. Perhaps my colleague from Oregon would allow me some additional minutes to try and get answers to those questions.

Mr. HATFIELD. Mr. President, I yield 10 additional minutes or 15.

How many would the Senator want?

I yield 10 additional minutes to the Senator from Arizona.

The PRESIDING OFFICER. The record will reflect the Senator has yielded additional 10 minutes.

The Senator from Arizona has the floor.

Mr. MCCAIN. I say to my friend from Hawaii, according to the CONGRESSIONAL RECORD that I am reading from, it says rescission affecting more than one service or Defense agency are described immediately below. Details on the rescissions for each service and the Defense agency are shown under the appropriate heading in the act.

Frankly, from reading these, it is very difficult for me to understand.

For example, what I am puzzled about—I will just give an example. On page 6335 it says:

The conferees agree to rescind a total of $330,000,000 of previously appropriated funds for the installation of equipment. These funds had been appropriated for the installation costs related to a wide variety of equipment which is procured in the Other Procurement, Navy account. As stated in the bill, funds are rescinded from the following years:

FY 1990	$100,000,000
FY 1991	130,000,000
FY 1992	100,000,000

This is a one time action by the Congress and the conferees agree that the installation costs should be provided in the out-years in the same year that funds are provided for the equipment which is to be installed.

What in the world does this mean? What equipment? What equipment are we cutting $330 million out of? I do not mean to cause a problem for my colleagues here. I guess I would just finally make my point. We have hundreds of millions of dollars worth of cuts here which are clearly unspecified in any detail that any one of my colleagues could understand. At the same time, we are devoting $3.5 billion for a *Seawolf* submarine that is clearly not needed.

My point is that there were other cuts made in order to make the *Seawolf* possible, and at least we deserve to know with some specificity what those cuts are.

Mr. President, I imagine that I know what the votes are, since we tested this issue once before, and so I will not take up a great deal of time. But I do not believe that, using this kind of procedure, we can convince the American people that we are truly interested in cutting wasteful and inefficient spending. The system is not working as anticipated by the American people nor how they deserve.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. INOUYE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 10 minutes.

Mr. INOUYE. Mr. President, I believe my friend from Arizona is entitled to a response.

First, on the *Seawolf*. The President of the United States, in his March 20 position message, requested the total of $2,765,900,000 of rescissions for the SSN-22 and the SSN-23. These are the second and third submarines.

On the face of it, one would conclude that if we can save $2.7 billion it would be a good thing for our country. But then if one should look into the details of these submarines, you would find the following: We have already spent $1.650 billion in advanced procurement.

Mr. President, I am certain we all realize that in building submarines or aircraft we must deal with countless numbers of subcontractors, subcontractors that will provide you with wiring, with engine parts, with steel plating. And all of these things have been purchased; moneys have been spent. And so even if you did do away with the submarines, all we would have would be a pile of sheet metal, a pile of wiring, and some engine parts.

In addition to this is the matter of termination costs. Whenever a defense contractor enters into a contract with the U.S. Government, they put a clause into the contract in the anticipation that something may happen in the Congress or in world circumstances that may require a change in procurement practices.

A good case in point: When the B-2 was first discussed, the Defense Department wanted 132 B-2 planes. When the Congress reacted and said this was too much, we cut that down to 75. And now we are discussing whether it should be 15 or 20, from 132 to 20.

Now, Mr. President, if I were a contractor called upon to build the B-2 and I put up front moneys to build this plant, to buy special equipment, to hire researchers, I will do my best to make certain that if in the event the contract is broken that my initial investment is returned.

In the case of the *Seawolf*, that cost would have been $500 million.

Third, instead of building three submarines as planned, if only one is being built, then the overhead costs for all three would then rest upon the first one instead of being shared by all three. So you will have a cost overrun. When one adds all of this, you will find that instead of a savings, we would be spending more money, and all we would have would be a pile of sheet metal, wiring, and engine parts.

Add to this the cost of plant closure, because everyone agrees that if we build only one, the Electric Boat Co. in Groton, CT, would certainly close its doors. That plant closure cost would be about another billion dollars.

What we did in this rescission agreement was to save our Nation money, believe it or not. It sounds convoluted, but that is what it is.

As to the other matters that my friend from Arizona inquired about, whenever the Department of Defense purchases equipment, we set aside funds for installation. If you are going to buy an air-conditioning unit, funds have to be set aside to install that air-conditioning unit in the building. Well, it turned out that the Department of Defense in fiscal years 1990 and 1991 and also in 1992, had submitted estimates that were slightly higher than anticipated and, as a result, funds were in excess. We took them out because, to do otherwise, they would have just lapsed. That is all we did, Mr. President.

This bill rescinds $7.1 billion, about $90 million more than what the President requested. We have acted responsibly. We have acted to maintain the national interests of the United States and at the same time uphold our national security.

Mr. President, the President proposed to rescind $7.005 billion from funds under the jurisdiction of the Defense Subcommittee. The bill before the Senate rescinds $7.097 billion, $92 million more than proposed by the President. In the President's proposal,

$4 billion, or 57 percent of his total rescissions were from two areas. First, $2.9 billion was from the Navy's *Seawolf* submarine program and second, $1.1 billion was for equipment for our National Guard and Reserve forces.

The conference agreement denies the $1.1 billion in rescissions from Guard and Reserve equipment, and accepts a rescisison of $1.15 billion from the *Seawolf* program with an additional $189 million rescission in *Seawolf*-related equipment.

In the case of the *Seawolf*, the conferees agreed to fully fund the second *Seawolf* submarine. The conferees also provided $540.2 million in advance procurement funding for the Navy to be used at the discretion of the Secretary of the Navy for the future purchase of the third *Seawolf*, or to restart the SSN-688 submarine programs or to take other actions which will maintain the current submarine industrial base.

Mr. President, this agreement will protect the fragile submarine construction industrial base which would have been seriously jeopardized if the Congress had agreed to the President's proposals.

In other areas, the President proposed to rescind funds from several programs which were key to our overwhelming victory in Operation Desert Storm. These included $133 million from the Army's AHIP helicopter, $225 million to upgrade the M-1 tank, and $130 million from the Navy's Smart missile, the SLAM. The recommendations included in the conference report before the Senate reject all of the President's proposals in these areas.

To reach the total amount requested for rescission by the President, the conferees recommend reductions of $200 million from the strategic defense initiative, and $500 million from the B-2 bomber. Even with this reduction in SDI, sufficient funds would remain in the program to safeguard all funds provided for the Theater Missile Defense Program proposed by the Congress last year. The funds from the B-2 program are available for rescission because of fencing language included in the Defense Authorization Act. Under that act, $1 billion cannot be obligated in fiscal year 1992. The conferees reduction of $500 million safeguards the purchase of the 16th aircraft approved in fiscal year 1992, but defers support equipment and other related costs.

The Senate bill proposed a provision to eliminate funds to support military museums. The provision was dropped in conference after opposition was raised by our military departments and other interested parties.

The conferees also proposed a reduction of $1 billion in excess inventory cuts. This amount is double the amount proposed by the Senate, but should be achievable through severe belt-tightening and streamlining of the defense supply system.

In other areas of interest, the Conference Report would terminate the Advanced Cruise Missile Program and capture savings associated with the President's proposed termination of the small ICBM, Peacekeeper Missile, and SH-2G Helicopter Program.

The conferees also recommend rescissions of $300 million from the AOE Fast Combat Supply Ship. The AOE ship is currently on deferral by the Secretary of Defense. The agreement leaves $200 million in the program which is available to be obligated for long-lead material. This amount will preserve the Defense Secretary's option to continue this program.

Mr. President, these are the highlights from the Defense Subcommittee's portion of the bill. Many of these decisions were painful. It should be clear to all Members that cutting more than $7 billion from the Defense Department at this time has not been easy, but given the desire of the Congress to reduce spending by this amount, I believe this is the best possible compromise. I urge my colleagues to support the conference report.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

PROVIDING FOR ADJOURNMENT OF THE TWO HOUSES

Mr. INOUYE. Mr. President, at the request of the leadership of this body, the majority leadership and the Republican leadership, I ask unanimous consent that the present business be temporarily set aside and that we consider House Concurrent Resolution 323 and I ask for its immediate consideration.

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

The resolution is privileged.

The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 323) providing for an adjournment of the House from Thursday, May 21, 1992 to Tuesday, May 26, 1992, and an adjournment or recess of the Senate from Thursday, May 21, 1992, or Friday, May 22, 1992, until Monday, June 1, 1992.

The PRESIDING OFFICER. The question now occurs on the adoption of the concurrent resolution.

The concurrent resolution (H. Con. Res. 323) was agreed to, as follows:

H. CON. RES. 323

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 21, 1992, it stand adjourned until noon on Tuesday, May 26, 1992, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first, and that when the Senate recesses or adjourns at the close of business on Thursday, May 21, 1992, or Friday, May 22, 1992, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until Monday, June 1, 1992, at such time as may be specified by the majority leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the majority leader of the Senate, acting jointly after consultation with the minority leader of the House and the minority leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. INOUYE. Mr. President, I yield whatever time is required by the Senator from Connecticut.

The PRESIDING OFFICER (Mr. LAUTENBERG). The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I rise to commend the distinguished Senator from West Virginia, first of all, as the chairman of the Appropriations Committee and, second, to commend the distinguished chairman of the Defense Appropriations Subcommittee, Senator INOUYE, along with Senator HATFIELD and the House conferees. This has not been an easy process.

This rescission package was sent up, as is the normal procedure. This is done rather routinely each and every year and has been the case since 1974 when rescissions became legal as a way to deal with decisions to eliminate certain times of the budget that the executive branch felt were unnecessary.

But that process is not just an executive branch process. It is one that, obviously, involves the legislative branch as well. I know there are those who would just prefer to give the President his say and allow the President to determine exactly what each and every item ought to be, not only in rescission packages but in any appropriations bill. But our Founding Fathers envisioned something a little more broad based than that and suggested the legislative branch also be involved in that process.

So we have rescission packages which arrive here. There is debate and hearings. There is discussion as to whether or not the President's package ought to be adopted or modified in some way. And what has occurred here is a modification. That is not behavior that is out of the ordinary. In fact, routinely over the last 20 years when rescission packages are sent up here, that is the process by which those packages are handled.

So, while this year's rescission package has received a great deal of notoriety because of some of the items included, this is not an unusual legislative procedure.

I say to my good friend from Arizona, he and I have spent I do not know how much time talking about the *Seawolf* program and other such programs, this bill cuts them all. As he knows, I am one of those Members who supported the B-2 program and the SDI Program, one of the few Members east of the Mississippi to do that, I might add. Last year alone those programs survived by one- or two-vote margins. Yet in each instance it was the merits of the argument that determined the final vote.

What we have in the SDI Program—and the Senator from Arizona knows those better than I do—but as I understand it, the President has asked for a rather substantial increase for the funding for SDI in the coming fiscal year, an almost 31-percent increase. And I understand why he would like to do that. He supports that program strongly.

This is a difficult time as we are trying to downsize these budgets and to have some sense of equity in the various programs that are vital to this country's national security. What we have done here is, as I understand it, to strike a balance in all of this. SDI will go forward. The B-2 program will go forward. There is a fencing of some dollars, but eventually those moneys will be released, and, if the Congress agrees with an additional five aircraft, it will be approved.

So compromise in areas of critical importance to our Nation's security is what is being sought here. As the Senator from Hawaii pointed out, shutting down the doors of the only industrial base left in the country to produce what I think most people believe is a vital piece of our industrial technology, namely nuclear submarines, would be irresponsible. We are talking abut a program here that has been significantly reduced. We are talking about a program that originally called for 29 *Seawolfs* only a few years ago. Obviously, the end of the cold war has changed that and that final number has come down. Last year the total request was for something in the neighborhood of six or seven of these submarines, but, again, that has been changed dramatically. What we are talking about is completing the program at three. So there is a price and there is pain associated with this.

The Senator from Arizona mentioned accurately the number of employees employed directly by the Electric Boat Division. He did not mention, however, the hundreds of subcontractors and suppliers in 37 States who support this program as well. But putting the issue aside of exactly the number of people affected, even with three submarines, which by the way, is not the case here—we are talking about one submarine and additional moneys which the Secretary of Defense can decide how he wants to expend them within the submarine programs—we are talking about employment in that facility alone that is going to come down about half over the next several years. Then, hopefully, we will get some sort of transition. And I admit a decision will have to be made at some point whether or not we want to go to a next generation of submarines. But if you shut the doors of this industrial base facility in 1994 or 1995 and, under the best of circumstances, start a Centurion program, under the best of circumstances, in 1998—you have a 2- or 3- or 4-year gap without any work at all.

This is not a Government yard. It is a private yard. It is a division of General Dynamics. They have to make very tough, cold decisions about the economics of maintaining a facility that is not producing anything.

I stress again this is the only nuclear design facility left. A decade ago we had six design yards capable of providing that kind of technology for the country. It is not debatable today whether or not there is more. This is it. If we destroy this industrial base, then, we also must simultaneously conclude that it is no longer important for us to have any technology in this area.

So I hope that the conference report will be supported.

I know there is pain involved in this for all of us down the road. We are going to make that transition in the State of Connecticut and the State of Rhode Island. But as the Senator from Hawaii has also pointed out, and accurately so, while it seems convoluted to some, there is actually a cost savings involved in this. Money, substantial amounts, have been expended. By the Pentagon's own assessment, some $2 billion in termination costs would have to be paid out even if you terminated this program at one submarine. So the taxpayer not only expends the money but gets nothing for it.

What we are suggesting here is that by completing this program as the conference report has suggested, we can actually get something for it, maintain an industrial base and then move forward from there as we either diversify or move into additional submarine classes.

But if we reject this argument and reject the recommendation of the conference report, then, as the Senator from Hawaii has accurately said, you lose the ability to even make that decision about going into the next generation.

So I commend them for their efforts here. A balance has been struck, and it is an extremely important balance to be maintained.

An important point here as well is that we are talking about a $7 billion reduction in defense spending overall. These decisions were difficult for all of us. But the compromises contained in the report provide the country with a credible defense while at the same time reducing expenditures for urgently needed programs. I urge my colleagues to adopt this report as presented.

Mr. INOUYE. Mr. President, may I inquire how much time do I have?

The PRESIDING OFFICER. The Senator has 19 minutes 40 seconds remaining.

Mr. INOUYE. Mr. President, I yield 19 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for as many as 19 minutes.

Mr. METZENBAUM. I thank my colleague. I may not take that entire time.

Mr. President, the American people are angry and they have a right to be angry. They say that Congress is completely out of touch with what is really going on in this country today. They say that Congress is incapable of understanding the problems that we face, much less able to help. And the people are right.

They know we have a crisis in health care unmatched by any other Western country, where 30 million Americans have no access to affordable health care.

They know we have not done anything yet about it other than talk, even though we Democrats run this place and have made health care reform our most urgent priority.

Two weeks ago our second largest city went up in flames—the most serious urban riots this country has faced in modern times. What was the result? The President started pointing fingers, and then so did others, even though everyone from the President on down knows in their heart of hearts that the continued slide into urban decay, hopelessness, and poverty is the direct result of 20 years of Government paralysis and willful neglect.

Why is the Government so paralyzed? Because there is no leadership from the White House and because we here in the Congress are not doing what we should be doing because we are still spending tens of billions of dollars every year to build super-high-technology weapons for which there is no conceivable national security need. I am talking about the B-2 bomber, the strategic defense initiative, the *Seawolf* submarine, and so much more. We do not need them, we should not have them, we ought to be cutting back and saving those dollars for what is needed to be done in this country.

And I am also talking about the Osprey airplane. The Osprey is not a particularly high-technology weapon. Even the Pentagon does not want it. Yet the American taxpayers are being forced to pay for the Osprey based on the vague premise that it may have some commercial potential.

I want to point out the Osprey is not mentioned in this bill, but it is a $2 billion expenditure that the Defense Department does not want, and some in Congress are insisting by legislation

that the Department of Defense spend the money. We should be rescinding the expenditure. It is an absurdity to read in the paper, to learn that our colleagues in the House are saying that there will be a penalty if the money is not spent; that the Department of Defense budget for its operating purposes will be cut if they do not spend the money, a program that could save $2 billion.

I hear every day of the week in this body: If we only had the money we could do something about the problems of education in this country, about the problems of highways in this country, about the problems of taking care of children in this country, about the problems of AIDS research and so many other things, but we do not have the money. And yet there are Members of the House who are demanding by legislation that we spend the money.

I am going to vote for this measure, but not because I think it is a good measure. I think it is the best I can get. I think it is the best we can get, but it is not as much as we should have. It is not enough in rescissions.

Mr. President, the cold war ended 2 years ago. The great evil Soviet empire is in a dozen pieces, none of which is in a position to threaten the United States or our allies. Against which of our remaining enemies are we going to use the B–2 bomber or the *Seawolf*? Saddam Hussein? Castro? North Korea? Come on, who are you kidding? With the military might we currently have in our arsenal, we could whip all three of those countries at the same time with one arm tied behind our back.

How do these programs keep getting funded? How is it possible that we in the Congress keep providing the money when it is unnecessary? What kind of wheeling and dealing is done?

Last year, the B–2 bomber was dead in the water. Only 15 planes were to be bought. So what happened? In this bill, there was a rescission of $1 billion for that purpose.

The House had been talking, the chairman of the Armed Services Appropriations Committee, the committee dealing with this particular subject, had indicated he was against the B–2. So, was there a cut, the $1 billion that was proposed to be cut with respect to the B–2 that went out of this body over to the conference committee? That was a peanut item. But amazingly, when it came back, the $1 billion rescission was cut to half a billion dollars.

What happened to those people in the House who were talking about eliminating or cutting the B–2 program? When they get into a conference committee, the small rescission that was involved of $1 billion is cut to half a billion dollars.

That same B–2 airplane was going to cost $430 million in 1987. Today that cost has ballooned to $2.3 billion per plane, not quite five times the original cost of 8, 7, 5 years ago. Two point three billion dollars literally offends the senses. We barely spend the cost of one airplane on Head Start in an entire year.

And now what has happened? Now we have, with no explanation, a truce between the President and the House Armed Services Committee on the B–2. We are not going to build 15 airplanes. Is that not wonderful news? No, that is not wonderful news. We are going to build 20 airplanes instead of 15 airplanes. What possible reason can there be for spending an additional $11.5 billion to build five more airplanes that we will never use? Eleven point five billion dollars. And compare that to the fact that this bill makes some steps forward by reason of the able efforts of Senators KENNEDY and HATCH to provide some assistance with respect to human service programs. So that provided for less than $1½ billion, less than 10 percent of the $11.5 billion for the five more airplanes. But 37 Members of the U.S. Senate voted to delete even that $1.45 billion.

Let us talk about another item: The strategic defense initiative. What do we have to show for SDI after 9 years and $30 billion in expenditures? Thirty billion dollars. Do my colleagues realize how much money that is for which we have received nothing? None of the technical problems have been resolved. We spent $1 billion on ground-based lasers and then abandoned the project when it would not work. We spent $1 billion on space-based lasers, and they did not work. We spent billions on Brilliant Pebbles, which almost nobody thinks will work.

To say that the SDI Program has been and still is evolving is about as charitable as one can put it.

Now the President wants another $5.4 billion to build a ground-based missile interceptor system. Last year, we gave him what he wanted.

Mr. President, it is time that Members on both sides of the aisle come to grips with the basic facts of what the Congress is doing. We are spending billions and billions of dollars of taxpayers' money building incredibly expensive weapons that have no use whatsoever, and now we are doing it claiming it to be a jobs program.

I would like to make it possible for every man, woman, or young person in this country who wants a job to be able to get a job. But spending defense dollars is not a jobs program. We are literally throwing billions of dollars at the defense industries of this country, and we ought to be ashamed of ourselves.

The defense program is now kept in place by people telling us we need the *Seawolf* because it is a jobs program. I want to see everybody in Connecticut have a job just like I want to see everybody in Ohio have a job, but we should have eliminated the *Seawolf*. It is an error to keep it in, and it is kept in in this bill.

Unfortunately, defense expenditures have been jobs programs for the most highly skilled technicians, scientists, computer specialists, and managers in the American work force. The defense program has become a jobs program for the people who live in upper-middle-class suburbs. But the defense program is not a jobs program for the millions of impoverished Americans who live in Los Angeles, in Cleveland, in Newark, in Detroit, in Atlanta, and so many other places in this country, or the millions of unemployed Americans who live in rural America,

I heard the Senator from Arkansas today talk about the impoverished people living in the Mississippi Delta. What we could do with just a modest amount of money to help those people find some employment to make their life more worthwhile. No, we do not do that. We have money for the *Seawolf* and the SDI and the B–2 and so many other programs that should and could be cut back, but those people do not get anything because the defense budget is like a giant leech on the American economy, consuming 28.2 percent of the Federal budget plus the 15.5-percent share of the interest paid on military-related debt.

Mr. President, that equals a whopping 43.7 percent of the total Federal budget for defense. Is it any wonder that the people are so fed up with Government and those of us who serve in Government? Is it any wonder they are worked into an anti-incumbency fervor? Can we say it is not our fault and blame it all on the President?

I am frank to say that it is time that we opened our eyes and looked beyond next week. What this country needs is long-term committed leadership, not more of the same short-term political expediency. The defense budget, the defense expenditures are literally taking this country into bankruptcy.

People thought there was going to be a peace dividend and looked forward to it with a sense of enthusiasm that now we will be able to do some of the things that could have been done and should have been done when we were spending all those dollars for military purposes. But the peace dividend has been nothing but a mirage. It just is not there, and we are not getting it.

I commend those who have handled this bill and brought it to this point, which is something like a $7 billion or $8 billion rescission. That is good. It is a step in the right direction. But I think it is peanuts as compared to what can be done, and should be done.

Mr. President, I yield the floor.

I thank the Senator from Hawaii.

Mr. GORTON. Mr. President, today the Congress is passing the first, and a surprisingly substantial, package of rescissions totaling $7 billion. I am pleased to support this package of re-

scission and I hope that President Bush will sign this bill.

In my view, the President was a winner and exhibited national leadership on two levels. First, he forced Congress, for the first time ever, to act upon a series of rescissions submitted by a President. In a classic case of a President using his bully pulpit, President Bush browbeat the Congress of the United States into seriously considering and acting upon his package of rescissions. Without the President's leadership on this issue, this country would have added $7 billion more to its astronomical national debt this year.

Second, President Bush rightfully reopened and moved the debate on the need for the *Seawolf* submarine, a strategic weapons system whose mission has disappeared. Originally established as the successor to the *Los Angeles* class of attack submarines, the *Seawolf* submarine is designed to hunt down and destroy Soviet submarines equipped with ballistic missiles. The *Seawolf*, however, is a weapon system that no longer has a mission. It is designed as a nuclear attack submarine to counter a very sophisticated high-tech Soviet nuclear submarine capability which is virtually nonexistent.

The President's rescission package called for the complete halt in the production of the *Seawolf* after a first model was almost completed. The conference report on this bill provides for completion of two of the submarines. While I am not happy about building a submarine without a mission, the halting of the production of these submarines at two is the best chance we have at preventing the building of the third *Seawolf* and more. Again, without President Bush's leadership, this country would build a billion-dollar plus submarine it clearly does not need.

The President did not get everything he wanted. He wanted completely to end production of the *Seawolf* submarine. But, neither did the Democrats of the Congress. They wanted much steeper cuts in strategic defense initiative and B-2 bomber funding. But, with this leadership on the issue of rescissions and his insistence that the Congress act, the Democrats were forced to come up with a package of spending cuts for presentation to the President.

Mr. President, only the American taxpayer was the complete winner in this battle. Let us hope the American taxpayer starts winning more of these battles.

NEW JERSEY URBAN HISTORY INITIATIVE

Mr. LAUTENBERG. Mr. President, I rise today to take note of an important victory. I am pleased that President Bush failed in his effort to eliminate urban revitalization funding for three of New Jersey's neediest cities.

Last year, at my request, the New Jersey urban initiative was enacted. Since that time, I have worked with the cities of Perth Amboy, Trenton, and Paterson to ensure the success of these important projects. Therefore, I was very disturbed when the President placed these important urban initiatives on the chopping block.

The President's proposal to cut assistance to three of my State's neediest cities was especially disturbing in the wake of the Los Angeles riots and a strong plea by the mayors of our country for more aid for urban economic development. Plain and simple: the President's proposal to cancel the urban initiative just did not make sense and I am pleased that the conference agreement rejected it.

The New Jersey urban initiative involves a modest sum, $7.9 million, in the National Park Service fiscal year 1992 budget to rehabilitate historic structures in Perth Amboy, Trenton, and Paterson. All three cities have poverty rates between 15 percent and 18.5 percent which is well above my State's overall poverty rate of 7.6 percent. In addition, statistics for February of this year show that these cities are well above the State's overall unemployment rate, with Paterson leading the pack at nearly double the State's 8.1 percent unemployment rate.

These projects are much more than historic renovations. They are essential parts of these city's urban revitalization and economic development efforts. These cities have, unfortunately, been sidetracked in their efforts at self-renewal by this proposed rescission.

In the short time between the President's signing of the fiscal year 1992 Interior appropriations bill, and his announcement that the administration was slating these projects for rescission, the cities worked diligently with the National Park Service to move ahead on these projects. It is my strong hope and belief that, once underway, these projects will act as a magnet to attract private investment in these downtown neighborhoods and to restore safety, hope, and pride.

Of the total amount appropriated for the New Jersey urban initiative, $4.2 million is slated for the city of Paterson, NJ. Paterson holds a special place in my heart. It was where I was born and it was where I spent my youth. Paterson also holds a special place in history as one of the leading industrial cities of this Nation. The Great Falls in Paterson is the site of the first attempt in the United States to harness the entire power of a major river for industrial purposes. The Great Falls National Historic District in Paterson contains some of the most important vestiges of our Nation's industrial heritage. Unfortunately, Paterson, which is about to celebrate its bicentennial, has had its share of bad fortune.

The National Park Service, it is 1989 report on damaged and threatened national historic landmarks, described the Great Falls Historic District as suffering "severe physical deterioration." The raceways, a system of canals which were used to channel water from the Great Falls to the nearby mills, is the unifying thread of the district. The raceways have fallen into severe disrepair and must be stabilized and refurbished. The funding earmarked for Paterson will be used to repair the middle raceways, as well as to make other improvements in the district. Funding will also be used for the Park Service to perform a comprehensive assessment of historic structures within the district and to devise an action plan to stabilize and reverse the decline of the area.

Trenton, my State's capital, is plagued by drugs and crime. The city has suffered serious consequences in the face of our dwindling Federal investment in cities. Trenton is a city rich in revolutionary and post revolutionary history, but municipal resources are already stretched to the limit and many urban historic treasures are severely deteriorated. The $1.892 million in Federal funding from Trenton will provide a much needed shot in the arm to the capital city's revitalization efforts by improving key historic landmarks and structures.

Perth Amboy once was the capital of pre-Revolutionary East New Jersey. The New Jersey urban initiative directs $1.808 million to this city to renovate two central historic structures in the downtown area, the train station and the Tottenville Ferry slip. In addition, the Park Service will work with the city to develop a revitalization strategy for the downtown district along Smith Street which connects the ferry slip to the train station.

These three cities have embraced the urban initiative projects as an essential part of their urban revitalization strategies. I am pleased that, with the rejection of the President's ill advised rescission proposal, these cities can move forward with plans to strengthen their communities.

Mr. LEVIN. Mr. President, I appreciated the fact that the Senate version of the rescission bill did not include the rescission of $1.375 million originally appropriated for fiscal year 1992 for the preservation of historic structures in the Calumet Historic District on the Keweenaw Peninsula of Michigan. This appropriation was subject to the authorization of a national historical park that I have been working to create through S. 1664, the Keweenaw National Historical Park bill.

I was deeply disappointed to see that the House position prevailed in conference and that this funding was rescinded. I know that the committee made its best effort to promote the Senate's position.

The fiscal year 1993 budget request by the President seeks $1.875 million for land acquisition and planning, provid-

ing an authorization is enacted. I would hope that this request will be given full consideration by the committee, and that the rescission contained in H.R. 4990 will neither jeopardize nor prejudice that consideration for fiscal year 1993.

Mr. BYRD. I understand the Senator's keen interest in this project which he sees as important to the preservation of our Nation's heritage. I can assure him that the budget request for the Keweenaw National Historical Park will not be jeopardized or prejudiced by the action that the Senate is taking today.

However, as the Senator knows, the committee faces very tight budgetary constraints and, for that reason, all projects will have to be scrutinized very carefully.

Mr. WOFFORD. Mr. President, I am voting for this rescission package because I agree with its bottom line—it cuts military spending. But I am disappointed that we have failed to seize the historic opportunity created by the end of the cold war to make far more substantial cuts in the military budget—or to adjust the military budget to fit our changing national security needs. The peace dividend will remain a mirage until we find the courage to make the difficult decisions to build-down our military and build-up our economy, our schools and our health care system.

We are continuing to build weapons that were designed to protect against the Soviet threat—a threat that is largely gone. The *Seawolf* is a submarine in search of a mission in the post-cold war world. It is ironic that the Congress is voting today to spend almost as much on the *Seawolf* program as we will spend in helping to rebuild our urban areas.

Another relic that we will continue to build is the B-2. We do not need it, we are not sure it will work—and yet this year the President is asking for just about as much to build four new B-2's as he is asking to fund the entire Head Start Program.

The rescission package was an opportunity to tailor our military to fit the post-cold war world. Instead, we have made small reductions in what remains a large cold war military budget. I have no practical choice but to support this small step, but I will continue to fight for a military that truly fits our Nation's domestic and international needs.

Mr. MACK. Mr. President, this is a political vote on a political issue, and it shows. We have taken the legitimate recisions recommended by the President and distorted them into a fraudulent product of political guile. The result is a package that stands on its head the President's intent to cut out wasteful spending.

Congress has proven remarkably incapable of cutting spending, although we all seem to agree that the right way to do it is to target low priority programs. It clearly makes sense to weed out those programs which are genuinely not in the national interest, but only serve the narrow interest of a tiny group of people or small part of the country.

But this recision package conference report makes a mockery of that notion. What has been done is to shield political pork at the expense of programs of broad and well-defined national interest. Pork-barrel spending in both domestic and defense accounts has been spared while important defense programs have been hit hard.

An example of the distortion of priorities is the protection of funding for the *Seawolf*—a submarine unwanted for many reasons by the Navy, the administration, and by the Armed Services Committee.

Yet this conference report reverses the recision request for the *Seawolf* made by the President, and instead cuts funding for the strategic defense initiative—a set of programs widely viewed as essential to our national security.

Voting against a bill which cuts spending by over $8 billion is not easy for me to do. I have been steadfast, and will continue to be, in my efforts to restrain Federal spending.

But the distortion of this conference report represents all that is wrong with Congress. It is no wonder that Americans are disgusted with Congress' continued pandering to special interests. The conference report is wrong, and I will not vote for it.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, in behalf of Senator HATFIELD, I yield back the remainder of his time and I believe I have 40 seconds remaining. I yield back the remainder——

The PRESIDING OFFICER. The Senator from Hawaii has 5 minutes.

Mr. INOUYE. I yield back the remainder of that time.

I urge adoption of the conference report. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The assistant 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 who desire to vote?

The result was announced—yeas 90, nays 9, as follows:

[Rollcall Vote No. 108 Leg.]

YEAS—90

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

NAYS—9

Garn	Mack	Smith
Gramm	McCain	Symms
Lugar	Roth	Wallop

NOT VOTING—1

Bentsen

So the conference report was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. BYRD] is recognized.

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 5132, the supplemental appropriations bill.

Mr. BYRD. I thank the Chair. Mr. President, I believe there are two amendments on the list, one by Mr. SPECTER, one by Mr. SEYMOUR and Mr. DOLE. There is a time limitation on each. Could we have an answer as to whether or not either of those amendments is ready to go?

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

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

Mr. DURENBERGER. Mr. President, when the Simi Valley, CA, verdict in the Rodney King case was announced, a shockwave ran through every citizen in this country. Shock at what appeared to be a total miscarriage of justice. And shock at the random violence, murder, and destruction that ensued in south-central Los Angeles shortly after the verdict.

Today, south-central Los Angeles lies in ruins with total property damage in Los Angeles estimated at over $735 million. And the human misery and suffering cannot be measured. Lives lost to wanton gang violence. As many as 40,000 jobs lost throughout Los Angeles, some lost permanently.

Eight Federal disaster application centers have been established throughout Los Angeles County with more than 1,000 people already registered for assistance in repairing and rebuilding their homes, businesses, and apartments.

Mr. President, in coming to the floor today, I do not seek to engage in a debate as to whether the destruction in Los Angeles or the terrible flood in Chicago qualify as the type of disasters that deserve Federal emergency funds. To the people whose businesses and lives have been shattered by the events in these cities, assignation of blame is not the issue. For they are trying to cope and rebuild from the ruins of disaster.

There is no doubt in this Senator's mind that both disasters were preventable. In Los Angeles, responsibility lies with the early inaction of the LAPD, and live television coverage of looting that only served to fuel the lawlessness of vengeful gangs. In Chicago, administrative indifference and lethargy caused a minor leak to turn into a torrential flood.

But, Mr. President, on other occasions when the Senate has voted emergency disaster assistance, we have not sought to assign blame for those of our citizens who put themselves in the way of natural disasters. When we spent more than $1 billion for homeowners and businesses who suffered damage from Hurricane Hugo, I do not remember any Senator voting no because the victims chose to build their homes on perilous ocean vistas.

When tornados destroy homes in Tornado Valley, none of us vote no because the residents should have known that tornados regularly hit the area.

When we voted more than $2.8 billion to assist the victims of the 1989 San Francisco earthquake, none of us stood up here and voted no because the residents of the area should have known better than to build their houses so near the San Andreas Fault.

And when drought hit the Midwest 2 years ago, I do not remember any Minnesota Senator voting against emergency assistance for farmers who failed to purchase crop insurance.

Mr. President, the people of Los Angeles and the people of Chicago deserve the assistance of the Federal Government in this time of tragedy just as the victims of hurricanes, droughts and earthquakes have deserved our assistance in the past.

Hopefully, some day when there are not any victims to console, we will debate the future policy of Federal Emergency Assistance to the local governments. It is not an entitlement program, Mr. President, and should not be treated as such as we have done ever since I have been here. Not every large loss is a national tragedy to be remedied by national spending, but this is not the time to debate that issue.

Of course it is right to help the victims of this disaster. But it is wrong for us not to pay for this assistance and instead to pass on the costs to our children and our grandchildren.

Unfortunately, Mr. President, the Committee on Appropriations has compounded our collective fiscal irresponsibility and the Senate has just ratified that error. For the measure reported from the Committee not only borrows from our children to pay for emergency disaster relief, but it adds more than $1.4 billion for various job and education programs.

The committee has more than doubled spending for summer jobs. A quarter billion more for Head Start; a quarter billion more for Chapter I, and a quarter billion for Weed and Seed. All the President has to do is declare an emergency and bingo, we spend another $1.4 billion of our children's money on programs already in place.

All we have to do to avoid any sense of fiscal restraint is have the President declare an emergency. Today there is a Head Start emergency and a Chapter I emergency. Tomorrow we will be declaring emergencies for every Government program and we will not have to worry about paying for them. We will just send the bill to our children.

Mr. President, you want to talk about looting? What do you think the Federal deficit is doing to our children's future? Every day that goes by, with every bill we pass, we are breaking into their future and taking what rightfully belongs to them.

Mr. President, you want to talk about flooding? How about $4 trillion in red ink? A billion more dollars in debt every single day. If the Potomac River rose 2 inches for every billion dollars in debt we incur this year alone, the Oval Office and this Chamber would be under water.

Let us not let the urgent problem we can see blind us to the genuinely important crisis we cannot.

Mr. President, when our Nation has been confronted with domestic and international emergencies and disasters the best in our people's spirit has always come through. Many times in the 203 year history of our Republic we have asked our citizens to make personal and financial sacrifices for the good of our Nation. And they always have.

Can we not now, in the face of terrible devastation in the Nation's second and third largest cities, ask for some sacrifice? Can we not ask that the money that is needed to help rebuild these cities be taken from another program in the Federal Government's $1.5 trillion budget? Is every dollar of domestic spending sacrosanct and untouchable?

Can we not ask Americans who were not devastated to pay for those who are? Is that not the American way? Yes, a very, very minuscule and modest increase in any number of taxes could easily pay for this supplemental appropriation. Do not these disasters merit a change in spending or taxing policy, or have we as a nation become so politically paralyzed that we refuse to ever ask our citizens for sacrifice?

The answer to both questions this year is "No". We cannot. So we do not. The President promises without paying. The Congress is not about to volunteer to pay. Just last week, we went through the rescission exercise and achieved nothing except to show the American people that pork comes ahead of fiscal integrity. Again last night, when the Senate rejected the amendment offered by Senator GRAHAM, we showed our institutional inability to shift spending priorities.

And in March we again learned that it is impossible for the Congress and this administration to come to any viable agreement and compromise on raising revenues.

So what do we do when we need to spend money. We borrow it from our kids.

Mr. President, next month we are going to debate amending the Constitution of the United States to require a balanced budget. I am sure that there will be much handwringing over the sheer magnitude of the debt burden that we are amassing at such a rate that we are heading our Nation into bankruptcy. Many of us will hold out the panacea of adding a few lines to the Constitution as a way to overcome political cowardice.

When that debate begins, I hope Senators will come to the floor to remind our colleagues that we do not need an amendment to the Constitution to balance the budget. I plan to remind them that barely a month ago this body voted for a budget resolution that guaranteed a 5-year increase in the national debt of more than $1.2 trillion dollars. We should remind each other that we could have aided the citizens of Los Angeles and Chicago without increasing the deficit and the debt. Colleagues gave us that opportunity.

Mr. President, this weekend all of us will be returning to home States for Memorial Day recess. This is the most

solemn holiday we share as a Nation. For many decades, this day was known as Decoration Day because in the late 19th and early 20th century, families of deceased Union and Confederate troops visited their lost loved ones and decorated their graves with flowers.

This weekend's Memorial Day Services will remember the sacrifices of all the brave men and women who fought to preserve liberty and freedom throughout this Nation's history.

Mr. President, what can a Senator tell the mother or widow of a serviceman who has died about sacrifice? By our act today of continuing to borrow from the future and refusing to ask for sacrifice, we can say we are failing in our responsibility to the people who gave their life so that we might be free.

Our refusal to tax ourselves and our refusal to reduce consumption to pay for the tragedies of Los Angeles and Chicago perpetuate our irresponsibility as servants of the public.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, earlier today I voted in support of the amendment that Senator LOTT and Senator DOLE offered with reference to the so-called Kennedy-Hatch amendment or Hatch-Kennedy amendment.

Let me clarify one thing. There was within that amendment additional funding for the Weed and Seed Program. I wholeheartedly support the Weed and Seed Program. At first I thought, since I was an advocate of it and pushing hard for increasing funding for it, that perhaps that vote was inconsistent. But let me explain why I think the vote is not inconsistent and fits right in with the rationale that I expressed to the Senate yesterday.

The Weed and Seed Program right now is a pilot program of about $20 million. It is appropriated and in the budget. We have not yet used up all that pilot money. We are still out trying to find ways to use it and use it properly.

In the budget for FY 1993, in the detailed agency budget requests, there is a request by the President of the United States for $500 million for 1993, the budget year of 1993, starting this coming October, for the Weed and Seed Program.

I believe that is exactly what we ought to do. We ought to dramatically increase funding for that pilot program, and we ought to fund the President's request come October 1. I do not believe there will be any real ability to use significant additional funding until then.

So it seems to me that the exact same rationale that I indicated applied to Head Start and applied to the other programs that we were talking about by way of an emergency applies to weed and seed, and the vote which I took is consistent with the discussion that I had regarding the other programs.

I also want to note that the Lott-Dole amendment would have deleted provisions under the Treasury subcommittee's jurisdiction included in the bill. These provisions provided additional funding to meet law enforcement requirements, and I support those supplementals. They are fully offset by rescissions and will not add to current spending.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Michigan.

Mr. RIEGLE. Madam President, before we finally now act on this supplemental appropriations bill, I want to make a few comments on it.

Certainly, as we all know, this has been a time of soul searching for our country. Problems like racial discrimination, crime, poverty, and urban decline are now all being discussed in public forums, on television and radio, and certainly debated here in the Congress.

Acknowledgment of these problems, I think, helps us get to the question of how do we take and set America on a different course and help solve these problems? What is the role of the Federal Government and how do we get the Federal Government to change the direction from the disconnect of the 1980's to help fashion the national strategies that we need to address these issues and build a strong nation and a strong people, strong cities for the future?

This supplemental appropriations bill brought forward by Senator BYRD—and I commend him very much for his leadership—includes important provisions put in by Chairman KENNEDY of the Labor and Human Resources Committee. I think, taken as a whole, this legislation is an important start to addressing some of these urgent national problems.

This legislation, I think, also shows us that the cost of ignoring critical problems is far higher—the cost is far higher—than is the cost of solving them. So we cannot afford to ignore the problems of our urban areas or, for that matter, any area of our country, urban or rural. I think to do so on the scale that we now see is inhumane and very destructive of our future.

It is fair to say, I think, and it is a sad commentary, that it has taken the civil unrest, the rioting in Los Angeles and also a major flood in Chicago to bring the focus around to cause our Government to turn its attention to massive urban problems long neglected. Many of us here have been pointing out for years that the Federal Government has a responsibility to provide the leadership, working with States and local units of government, the private sector and citizens, public interest groups, to prevent these kinds of problems from becoming full-blown crisis situations.

When we respond after the fact, it is usually after lives have been lost, family businesses have been ruined, property damaged—in many cases we have been set back a great distance from where we otherwise might have been.

I strongly support the amendment included in this package that was proposed by the Labor and Human Resources Committee to take immediate action to help our cities. That amendment provides $1.45 billion in emergency funding for job, education, and community development-type programs. This short-term action is desperately needed to give hope to those in our Nation's urban areas by providing the resources for summer jobs, summer Head Start, and Chapter I programs, and to fund the Weed and Seed Program proposed by the administration to address crime in inner cities and establish basic human services in communities that truly desperately need them.

This amendment is important because it is not just cities like Los Angeles and Chicago that are facing urban problems, and urgent problems. Not just big cities, whether it is Detroit in my home State of Michigan, or New York—or many other areas could be listed, but also smaller urban communities across the Nation. In Michigan, my hometown of Flint, cities like Muskegon, Pontiac, Saginaw, and others are experiencing many of the same problems, albeit on a reduced size and scale.

But these areas have seen their local economies badly damaged, as good manufacturing jobs have been shipped overseas, and urgent human problems have been building up for neglect and lack of resources to deal with them.

People want to help themselves, but there have to be things in place that enable them to do that, in terms of adequate health care, decent education, and above all job opportunities. We cannot have a situation where there are not enough jobs around and expect that people are going to be able to provide for themselves and their families. So we need to do something that is major and fundamental to increase dramatically the number of jobs in the United States.

Some are talking about a 1990's version of the CCC concept that we saw back in the 1930's. I think that is an idea that makes good sense. Finding a way for people to do meaningful work that leaves a lasting value to society, where people can fit into work teams where they can have the opportunity to earn, be part of a systematic work effort, and learn from that experience the skills that are required to move on later into kinds of work efforts, I think is something that is a very wise investment in our people and even more so in our country's economic future.

In terms of the bill before us, there was a disturbing indication yesterday in the Washington Post that the President has indicated that he does not

support this initiative that we are bringing forward here. I hope that is not accurate and I hope, if it is accurate, that he will reconsider and decide to put the force of his leadership strength in the executive branch of Government behind this package. Because this package, as good as it is, is really only a modest first step, something to start addressing this enormous area of national need, but we must get started. The education and job programs in this bill are widely recognized to be good, solid programs, and they urgently need additional funding if they are going to provide services this summer.

The proposal, as I said earlier, also includes the President's Weed and Seed Program. He has asked for that one and we are responding to it. But it he does not end up taking this package then of the things in here, all of which are vital, none will be able to happen at this time. So I ask the President to sign this bill, give it full effect and then release the money needed to implement these initiatives. We should not wait and allow other tragic situations to arise that I think we can avoid by taking effective action now.

It is instructive to look at what happened in the unemployment compensation area. When we tried to extend that back when the recession was raging on at such a severe level, we passed it here but the President refused to declare an emergency, so the help was denied to unemployed workers and their families for several months. We passed it a second time. It was not until the third time we passed it that finally he changed his mind. We should not let that happen here. We should be able to have a situation where we bring forward a well-targeted, timely, and urgently needed piece of legislation that the President and his administration will be supportive of.

In terms of what has been offered, the President put his 6-point proposal on the table. There are some good things in that proposal, some of which are incorporated in this package. But this is an important start and we should now enact this and move on from there.

I rise in my capacity as Senate Banking Committee chairman and chairman of the Democratic Task Force on Community and Urban Revitalization. Together with the other Members of the Senate on either our committee or on our Special Democratic Task Force on Urban Policy, we have been working and we have advanced and put forward many of the proposals that are now contained in this supplemental appropriation.

In adopting this legislation I think we take an important step towards solving these problems. But we are going to need action this year in a number of other key areas including extending and reforming unemployment insurance, strengthening our housing and economic development programs, and improving education funding. This should include increasing the money for Head Start, helping finance some school reform efforts and broadening the availability of student loan programs so people out there can go out and try to get the advanced training and preparation that can route them out into the world of work where they can find work at a level commensurate with their skills and where they can earn a decent standard of living.

Finally we need desperately in this country a comprehensive economic strategy for America. Our Government today has an economic plan for every country in the world except our own. There is a plan for China, and a plan for Mexico, and a plan for Kuwait, a plan for the old Soviet Union, money flowing all over the world and so forth. But there is no real focus on what it takes to put 16 million unemployment and underemployed Americans to work in ways that let them earn a decent living and also build the economic future of our country.

In that broad, comprehensive economic strategy we have to concentrate on our human resources, invest there; in our infrastructure, invest there; in speeding up the rate and breadth of our technological activity and advancement; and, finally, much greater investment in state-of-the-art plant and equipment that can help enhance our productivity improvement.

With that kind of a long-term strategy we can rebuild our economy so there are enough good jobs to go around with decent wages where people have a chance to build good futures for themselves and for our Nation. But for today, this urgent supplemental is exactly that.

I want to again commend Chairman BYRD for his leadership on this issue, and Chairman KENNEDY for his important contribution to it. I appreciate the fact that some of the recommendations our urban task force has made have been incorporated here. Let us get it enacted. Let us sign the bill. Let us do something to help America.

I yield the floor.

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

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

Mr. KENNEDY. Madam President, it is my hope we will be able to move toward passage of this legislation within the next 45 minutes, no longer than an hour. There needs to be some discussion which will soon take place about the Summer Youth Program formula. We have been basically able to agree on where we want to end up. We will need some additional information, and we will then make a recommendation to the Senate about how best to proceed. I hope, acting in good faith, that we can reach final conclusion on the Seymour and Dole amendment and then move toward final passage very soon.

So I will just make some brief final comments, Madam President, at this time.

I thank the leadership on both sides of the aisle for the bipartisan progress that we have made on this legislation. We are well within the striking distance of successful enactment of this package of emergency assistance for the cities in time to make a significant difference in programs for the summer. I want to emphasize how important it is we complete action on this measure as soon as possible.

The four key programs in this measure, involving summer jobs for youth, summer Head Start, aid to public schools for their summer sessions, and weed and seed program, are all seven programs they are extremely time-sensitive, and time is running out.

I had hoped it would be possible to complete final action on this legislation this week and to have it on the President's desk tomorrow. That is no longer a realistic target because there are a number of issues in the Senate bill that must be resolved in a conference with the House of Representatives.

By the end of the first week in June, it is likely that too many deadlines will have passed in the States and cities for this assistance to be useful this summer. State and local governments need to make their preparations now. They cannot put together summer plans on speculation. They need to know whether help from Congress is on the way.

So it is important that the handful of remaining issues be resolved in time for President Bush to sign this legislation early in the week of June 1 after the Memorial Day recess next week.

I am gratified by the bipartisanship which has been displayed so far and which has brought us to this point today. I hope the spirit of cooperation will continue. Obviously, not everyone shares this sense of urgency, but enough of us do that I believe we have a solid majority for immediate, significant, and timely action.

The substance of this legislation is important but so is the larger message of hope it sends. In effect, we are saying to the Nation we understand the vast dimensions of the urban challenge we face. We have a plan for action. We are capable of acting in time to make a difference, and we are taking the first step now. The night of neglect is ending and the dawn of hope is beginning.

Madam President, I would like to express appreciation to a number of the

members of my staff who have been extremely helpful and valuable in developing the legislation. These include Michael Iskowitz, Ellen Guiney, Sarah Fox, Nick Littlefield and Marsha Simon. I would also like to thank the staff of the Senator from Utah, including Laurie Chivers, Kris Iverson and Anne LaBelle. They all worked very closely with us in fashioning the program. In addition, I want to recognize the invaluable help of Senator BYRD's staff including Jim English and Carol Mitchell as well as many other staff of the Appropriations Committee.

Madam 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. DOLE. Madam 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. 1856

(Purpose: To improve targeting of summer youth job supplemental funds, and for other purposes)

Mr. DOLE. Madam President, I am pleased to offer this amendment on behalf of the distinguished Senator from California [Mr. SEYMOUR] and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself and Mr. SEYMOUR, proposes an amendment numbered 1856.

Mr. DOLE. 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 4, line 20, insert after "Congress" the following: ": *Provided further*, That, for the purposes of this Act, of the funds appropriated herein, the first $200,000,000 will be made available as follows: 50 percent will be made available by the Secretary to the service delivery areas containing the 75 cities with the largest population as determined by the 1990 census data, in accordance with the formula criteria contained in section 201(b)(1) of the Job Training Partnership Act; and 50 percent will be allotted among the states in accordance with the formula contained in section 201(b)(1) and 201(b)(2)(A) to be distributed within the state with a priority for areas with emergency summer youth employment needs; and

On page 4, line 21 insert before "funds" the word "remaining"."

Mr. DOLE. Madam President, let me just briefly explain the amendment. I think it is going to be accepted on the other side. I talked to the distinguished Senator from Massachusetts, and we have been in contact with the Senator from Utah [Mr. HATCH]. I understand there may be some modifications in the conference in order to address certain concerns that have been raised.

The amendment provides that 50 percent of the first $200 million of appropriated funds—or up to $100 million—will go to the 75 largest cities. The other 50 percent of such funds are discretionary and are allocated directly to the States to be distributed with a priority based on summer youth employment need as determined by the States.

Finally, Mr. President, the remaining $475 million available for emergency designation under the legislation would be allocated pursuant to the formula presently set forth in the legislation. Let me make clear, Mr. President, that the formulas proposed are not perfect. We recognize that factors such as city size are not the only or best indicators of need. Size may leave out some smaller areas that are relatively large—but not the largest such as Hartford and New Haven—and have high rates of unemployment and poverty and would benefit greatly from the use of summer jobs funds.

On the other hand, the formula used to allocate the remaining $475 million largely emphasizes poverty and as a result discriminates against some areas of high unemployment that are less poor. These issues will need to be revisited in conference to ensure fairness for all parts of the country.

Notwithstanding these issues which will be looked at and dealt with. The purpose of this amendment is to initially target large cities and urban areas which we believe to be among the regions most in need of short-term emergency assistance.

The problem with the current language in the legislation is that while it recognizes that emergency funds are needed to provide jobs for unemployed youths, it makes no attempt to rationally distribute the funds based on where the emergency exists.

The administration has specifically raised this problem and is opposed to the language in the bill.

This amendment meets the concerns of the administration and has its support to ensure that funds that are spent—are spent wisely.

I think we are fully in agreement in what we need to do. We could move on to this bill, pass it, go to conference, and work out any formula changes that are needed to be addressed.

Mr. SEYMOUR. Mr. President, I am pleased to join with my good friend, the distinguished Republican leader, Senator DOLE, to make a small but important change in the summer jobs provisions in the urgent supplemental.

Mr. President, I have already stated that this legislation has become a Christmas tree, adding $1.45 billion to an annual deficit of over $400 billion for this fiscal year. It is certain to fail and crumble under its own weight. I was a cosponsor of the amendment by the Senator from Mississippi and the distinguished Republican leader to eliminate the $1.45 billion unless the Senate made cuts elsewhere in that amount. That amendment failed and so the majority of the Senate has committed to spend those dollars.

I am hopeful that in the conference committee reasoned minds will prevail and we will either find appropriate spending reductions of $1.45 billion or we will reduce the cost of this bill by that amount.

However, before this bill goes to conference, I believe the provisions pertaining to the summer jobs programs can be improved, and that is the basis of my amendment today.

Basically, this amendment will target up to $100 million to the service delivery areas from the 75 largest cities in the United States. A second $100 million will go directly to the States to supplement youth jobs. And the remaining $475 million will be distributed to the service delivery areas for summer youth jobs in accordance with the formula proposed by the Senator from Utah and the Senator from Massachusetts.

Mr. President, the rationale behind this amendment is simple: Our urban areas are experiencing the greatest demonstrated need. The urgency of our actions here today is dictated by the devastation brought to our Nation's second-largest urban area—the city and county of Los Angeles. And our next and most important step after we complete action on this bill is a comprehensive plan to strengthen all urban areas in this Nation.

Even the proponents of the measure that I am attempting to amend call this a rescue effort to those who live in the inner cities.

Though I have concerns regarding the timing of the provisions that go beyond FEMA or SBA emergency assistance, this amendment at least will make good on the good intentions of my friend the Senator from Utah [Mr. HATCH] and the Senator from Massachusetts [Mr. KENNEDY] by targeting 75 urban areas for the scarce Federal funding assistance provided in this bill.

Mr. President, in the distribution of scarce Federal dollars it is often the case that funding formulas are not an exact science. Indeed, the formula proposed in this amendment is not perfect. Formulas that emphasize city size are not always the best or exclusive indicators of need. Though we see the need for a renewed effort with respect to urban programs, problems such as high poverty and high unemployment are not exclusively urban problems.

Therefore, it is my hope, Mr. President, that the conference committee will take a look at the formula provided in the underlying bill and determine what will be most effective and fair for every region—urban and rural—across this Nation.

I am a businessman and thus, I look to the bottom line, and the bottom line is this: First, we must address the urban problems made clear to us by the Los Angeles riots. I believe this amend-

ment accomplishes this goal. Second, we must be sure that any Federal dollars, allocated through any formula, are spent fairly and wisely. And I look forward to working with the conference committee to ensure my amendment, and more importantly, this legislation, meet that goal as well.

Mr. President, I want to thank the distinguished Republican leader for his leadership on this amendment, as well as the distinguished ranking member of the Labor Committee, Senator HATCH, and the chairman, Senator KENNEDY. And of course, I wish to thank again the chairman of the Appropriations Committee, Senator BYRD for his leadership on this important emergency appropriations bill.

I urge my colleagues to support this important amendment.

Mr. KENNEDY. Madam President, first of all, I want to express appreciation to the minority leader and to Senator SEYMOUR.

As I understand it, the purpose of the amendment is to provide initial targeting of resources on major cities of this country and then, on the second $100 million, provide greater flexibility so the States would have greater leeway in allocating resources to areas of very special need. That objective is a commendable one. The remainder of the summer youth funds would be distributed under the revised formula. Reaching a compromise in this matter is a very laudable objective and one that I certainly support.

I think, as has been brought out in the consideration of this amendment, the Seymour-Dole amendment follows strictly the size of the cities, although many cities that fall outside that formula have pockets of poverty and have very important needs. When we consider some of the smaller cities, we find out that their high incidence of poverty and youth unemployment are certainly a significant problem.

We had hoped to be able to work a final formula with Senator DOLE and Senator SEYMOUR. I believe we made some very, very substantial progress and, operating on good faith, it is my firm belief that it can be resolved in the conference.

So, at an appropriate time when others have had a chance to speak on this issue, I will urge that the Senate accept the Seymour-Dole amendment with that understanding.

As a matter of fact, in my own State, it does not really make such difference which formula we are going to have. There is not really much of a swing for Massachusetts, nor is there really a very significant swing in the allocations for most of the States. But there is for some States, and there are strong feelings among some of the Members. We have made a good-faith effort to target the summer youth funds to the areas of the greatest need. I am satisfied that that is also what the minority leader and Senator SEYMOUR are attempting to do. That is certainly what I hope will be the result of the conference. Having discussed with Senator DOLE our purposes and the objectives, I hope that we can move ahead and accept that amendment and then move on to final passage.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Madam President, first of all, let me extend my compliments to the Senator from Massachusetts, to the distinguished minority leader, and to Senator SEYMOUR, from California, for their work on this issue. It is not easy to put together a compromise that will satisfy everyone's concerns and those of all the different States. Each State is different, and it is hard to accommodate the interests of all States and all cities in a single formula.

My State of Connecticut is somewhat small geographically, but we have three cities that are among the top 10 poorest cities in America. All three—Hartford, New Haven, and Bridgeport—have unemployment in excess of 20 percent. The distinguished minority leader was gracious enough to mention Hartford and New Haven in his remarks.

I appreciate also the willingness of the distinguished Senator from Massachusetts and the minority leader to try to accommodate Connecticut's concerns when the conference on this bill is entered into. Connecticut's cities have struggled and are feeling tremendous burdens of economic dislocation. They were great manufacturing centers in the Northeast and provided a great deal to this country over the years. But, like many cities in this country, over the last 20 or 25 years, their economic condition has deteriorated considerably. So today, even in a State as geographically small as Connecticut, there are tremendous pockets of poverty and unemployment, and youth unemployment particularly.

So, I ask my colleague from Massachusetts if efforts can be made in conference to better address the needs of smaller cities. Earlier today I talked to the distinguished Congresswoman from Hartford, Mrs. KENNELLY; the distinguished Congresswoman from New Haven, ROSA DELAURO; and the Congressman from Bridgeport, CHRIS SHAYS. And we all agreed that population should not be the sole criterium for allocating summer jobs for youth among cities.

Connecticut's cities are large, but they are not among the top 75. So even those among the 10 most impoverished cities in the country would not necessarily benefit from the current formula in as equitable a fashion as they might. We are just interested in knowing if the concerns of cities this size could be accommodated as the formulas are considered during conference.

Mr. KENNEDY. I appreciate the Senator's bringing these problems to our attention. The problems the Senator described are virtually identical to the kinds of problems that exist in the larger cities. As I understand it, the minority leader and Senator SEYMOUR are attempting to target where there is the greatest need, and we want to work together to achieve that end.

We are talking about scarce resources here. With the appropriation of the additional $675 million, we really have an opportunity to make some difference in areas of highest need. However the exclusion of Bridgeport and New Haven is contrary to the thrust of the Seymour-Dole amendment. So certainly this is going to be something that the Appropriations Committee will need to work on in conference negotiations.

As I pointed out, we are enormously in the debt of Senator BYRD and Senator HATFIELD and others for bringing us to where we are. I would hope that in a good-faith effort we will be able to work that out. Frankly, I think we would have a difficult time trying to arrive at a formula tonight. I am satisfied with the good faith of those involved. I hope we can do it in a way that will please most and minimize the grief for others.

Mr. DODD. I thank my friend from Massachusetts. I appreciated the reference to New Haven and Hartford in the Senator's remarks, and his recognition that the largest are not always the neediest. I hope in the conference some effort will be made to accommodate more citizens than just the 75 largest. We could also look at some of the poorest cities in the country for example. Of the 10 poorest in the country, we have 3—Bridgeport, Hartford, an New Haven—in Connecticut. I ask the minority leader if that might be possible?

Dr. DOLE. Certainly. As one of the authors, along with Senator SEYMOUR, we understand that modifications need to be made to take care of the concerns raised by the Senator from Connecticut, and I think also the Senator from Pennsylvania, and others. So the answer is that we certainly understand that modifications have to be made.

Mr. DODD. I thank the minority leader and the distinguished Senator from Massachusetts. I neglected to mention the Senator from Utah in talking about the fine job done here. It takes a lot of people to put a bill together. They have my commendations, and I am satisfied, I say to the Senator from Massachusetts, with the good faith commitments that the needs of these other cities will be considered. I am grateful for that.

I yield the floor.

Mr. SPECTER. Madam President, I would like to supplement the colloquy which has already been made part of the RECORD and to commend my colleagues for the progress which has been made on this important legislation.

As I commented in a brief floor statement yesterday, it has been the conclusion of many mayors that I have met with, that the issue of summer jobs is at the top of the list in terms of priorities for the summer which we are approaching. In articulating the need for summer jobs, and the other items in the pending legislation such as Head Start and education funds, that is not to say that we can avoid moving quickly on some of the long-term needs of the cities, enterprise zones, and the needs of rural areas as well. But the issue of summer jobs is a very important one on top of the list.

I am concerned about the formulas which are being advanced in this legislation now before us, because we have had formulas worked out in the past, and they have been considered and concluded to be equitable formulas.

There is a grave difficulty in knowing just what will be the impact of the formulas which have been worked out by the distinguished Senator from Massachusetts and the distinguished Senator from Utah, the chairman and ranking member of the authorizing committees. As the matter was reported to me last night in an urgent telephone call by my colleague, Congressman FOGLIETTA of Pennsylvania, Pennsylvania might have stood to lose considerable funding under these revised formulas.

As we have taken a closer look, and read some figures I have seen from the Pennsylvania Department of Labor, it appears that there is doubt as to just what the impact will be. We have not had enough time to really analyze the figures, and they are vague.

Now we have had the addition of the amendment offered by the distinguished Senator from Kansas [Mr. DOLE], the Republican leader, and the distinguished Senator from California [Mr. SEYMOUR]. And while they are targeting the 75 biggest cities, which would include two from my State, there are many other cities which are omitted. The problem of summer youth employment is an issue not only for the 75 biggest cities; it is an issue for many other cities. I am concerned about where we are heading with the first $100 million and the second $100 million. And then when we talk about $475 million which will be distributed under the new formula, there is just so much uncertainty.

I had reserved some time to offer an amendment on the formulas, but, candidly, it is impossible to articulate an amendment because there is so much uncertainty as to where we are at the present time. In an earlier colloquy which has been worked out with the distinguished Senator from Massachusetts and the distinguished Senator from Utah, there are assurances that there will be an effort in conference to work out the formula issue. The Republican leader has articulated the same as the distinguished Senator from Connecticut a few moments ago. All that can be said is that this Senator is not satisfied with the current state of the RECORD, but understands that it is not possible to materially improve it on what we have here. It is a good faith proposition as we work through to conference. I did want to express that in addition to the earlier colloquy.

I yield the floor.

Mr. BYRD. Madam President, how much time do I have?

The PRESIDING OFFICER. The Senator from West Virginia has 5 minutes, 30 seconds.

Mr. BYRD. I yield that time to Mr. BUMPERS for his control, or yielding, if he wishes.

Mr. BUMPERS. I thank the distinguished chairman of the committee very much.

Mr. President, I spoke this morning on the floor strongly approving this jobs proposal in this bill, complimenting Senators HATCH and KENNEDY for coming up with it. I chided the Senator from California, who said he strongly favored the $800 million in aid for Los Angeles and Chicago, but was very much opposed to the Hatch-Kennedy proposal which helped all the rest of America.

It is a rather disingenuous argument. I am not being critical. I am just saying that under that argument, what you are saying to me is, you go back down to the poorest part of America in Arkansas, Mississippi, Louisiana, Tennessee, Missouri, Kentucky, and Illinois, back down there where 11 million people live, that is 3 to 4 million more people than there are in Los Angeles, and 257 counties on both sides of the Mississippi River, where the poverty rate is 40 percent—that is correct, 40 percent of those 11 million people live below the poverty rate—and my guess is that the unemployment rate averages well over 10 percent in those 257 counties. So you are saying to me under that logic, go down there and tell those people, if they want Congress to pay any attention to them, they are going to have to start burning some buildings and looting some shops.

Not only did I think this jobs proposal was a great idea to keep 16- to 19-year-old poor children working this summer and off the streets, it was based on a formula that I thought was extremely equitable, and for the first time recognized precisely what I am talking about, and this is that poverty is not an exclusive quality of the inner city.

Betty Bumpers and Rosalynn Carter toured that area last week promoting childhood immunizations. I will not tell you the rest of the story of their reactions and what they saw and how appalled they were about some of the conditions and incidentally how exhilarated they were about some of the really classy people working in the public health clinics in that area.

We have worked so hard. We have two new steel mills in northeast Arkansas, Mississippi County. The average wage for 800 workers in those mills is $47,000 a year. At the end of this year Mississippi County will be the second-biggest steel producing area in America and they because of some of my efforts are building. We are providing for a new port in Helena, AR, and they voted a 1 cent sales tax on themselves to pay their share. So they are doing valiant things to try to help themselves and make it a better place for their children to live. And now here at the last minute we come in with an amendment that makes everything we have done over the past 30 hours almost a nullity, almost a nullity.

Nobody can tell you precisely what the new formula under this amendment does. I can tell you it is not as good as the original one.

Madam President, I am not going to take a lot of time and bore my colleagues. Everybody wants to get out of here. The distinguished ranking member on the Appropriations Committee is seated on the floor. He heard my rather volatile comments about this earlier in the cloakroom. But I told the chairman of the Appropriations Committee, who is always, always the consummate gentleman, trying to help people, and I told him, and I told the people in the cloakroom who were trying to work this new formula out, I am not going to keep Senators hanging around here filibustering this amendment or trying to defeat it. You can voice vote it.

But I came over here to serve notice on everybody in the Senate that I am going to be a conferee and we have to deal with the House. You know, we always forget they happen to be an equal body. But I am going to do my very best to get the breakout on these figures and send them to all Senators. And I am going to do my very best to change that conference report back as close to where we had it as I can possibly get it.

It is time this body wakes up to the fact that poverty is not the exclusive province of the inner cities. I am happy to vote for this bill to help Los Angeles and Chicago. And everybody else in this body ought to be happy to do something for the kinds of poverty I just described for you where people are trying so hard to help themselves, and they are not burning buildings, and they are not looting.

Madam President, I yield the floor.

The PRESIDING OFFICER. All time on the Dole amendment has expired. If there be no further debate, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 1856) was agreed to.

Mr. KENNEDY. 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.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, as I understand we should be prepared to move toward final passage. I imagine we will have a short quorum call to alert the leader to that and Senator BYRD to that fact.

Mr. COCHRAN. Madam President, if the Senator will yield, I have a couple of comments I would like to make on the subject of the bill before we go to final passage that will take a few moments. Will the Senator withhold asking for a quorum?

Mr. KENNEDY. Fine. Just for the information of the membership, we do expect to have a rollcall vote on final passage and that ought to be in the next few minutes. That is established by the majority leader.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I rise to comment very briefly before we vote on the final passage of this bill. On the appropriations bill, when the bill was reported out, I happened to be the only member of the committee voting no on the question of reporting the bill to the Senate.

I was disturbed at that time, and I remain disturbed and concerned about the procedure under which we are developing a supplemental appropriations bill—calling it a dire emergency supplemental appropriations bill to deal with disasters that occurred in two major cities of the country. In the bill there is added almost $1.5 billion of funding for programs that are not related to disaster assistance. They are not administered by the Federal Emergency Management Agency which has the responsibility of dealing with disasters. The funds are not used by the Small Business Administration which is the other agency that is provided funding in this emergency supplemental bill to be used to deal with disaster assistance programs and provide disaster assistance to those targeted under the bill.

The addition of the funds for regular programs unrelated to disaster assistance disturbs me because the Budget Enforcement Act requires the Congress, and the bill so provides, that Congress finds that an emergency exists to justify including these additional funds.

That is the part and the point of departure that I think the committee permits to be made by including that language and including those funds—grouping that within the terms of this bill and saying that this is related to the Los Angeles and Chicago disaster incidents. The President has asked for special funds to deal with those issues. And, here are some more funds. Because we want to show that we are more sensitive, we add them to the bill. We are willing to say that emergencies exist to justify additional funds for these programs.

The fact of the matter is that we are in a regular appropriations cycle where these programs are being funded. We have had hearings to try to determine the level of appropriations that would be needed to provide services under these programs for this next fiscal year.

If we are going to identify programs of this kind now and say that they are to be included in this disaster assistance package, we are really creating a political ambush for the President, and I think that has to be pointed out.

There is no question that the President is put in a very awkward political position by the action the committee has undertaken in this way. It forces the President to go along with this procedure, if this bill passes in this form, a conference report comes back, and it is submitted to the President and he signs the bill. If he does not then follow through under the terms of the Budget Enforcement Act and declare that emergencies exist in these programs that are defined in the bill as in need of dire supplemental emergency funds, then he is in a political corner. The beneficiaries of those programs are going to be told the Congress thinks you need these additional funds and the President does not. So, he is not very supportive of the programs that are being funded.

But the fact of the matter is just to the contrary of that kind of charge that could be made against the President because of the procedure that is being followed in this instance.

One of the programs is Head Start. It is not a disaster assistance program. It is not under the jurisdiction of the Federal Emergency Management Agency. It is not under the jurisdiction of the Small Business Administration. Those are the two agencies that are being given additional funds by this dire emergency supplemental to deal with disaster assistance. But Head Start is included, and Head Start is a program the President has very strongly supported. He has requested more funding for the Head Start Program over the last 2 years than any President in quite a while. These are the facts.

Head Start received $1.952 billion in funding in fiscal year 1991, and $2.2 billion in funding was made available this year in the appropriations process. The President has requested in the budget submission that came up to the Hill in February $2.8 billion for fiscal year 1993.

That is a significant increase—some $600 million additional in funding—the President has requested already. It is in the pipeline. The committee is going to be dealing with this issue in due course and will be appropriating additional funds—an increase in funding, I predict for the Head Start Program. Since fiscal year 1989, Head Start will have been increased 127 percent. That includes the 1993 budget number that I just recited.

One of the other programs that is added to this bill and was added within the Appropriations Committee is compensatory education. That program is another program that is not related to disaster assistance. It is not administered by FEMA or SBA. It is not the kind of program that we usually provide in dealing with a disaster.

In our State, we have been besieged with hurricanes and tornadoes, and many other States have had disasters where you have these agencies coming in to deal with assistance that is needed on an emergency basis by victims of that disaster. I do not recall anybody ever coming to Mississippi and offering to provide us with extra compensatory education money as a result of a hurricane or a tornado or a flood. And we have been victims time and time again in my State by disasters of that kind.

I can remember one of the first bills that came through the Senate when I was a Member of this body was in 1979. The Senator from Wisconsin, Mr. Proxmire, was managing a disaster assistance bill relating to the loans that are available to businesses and individuals who were victimized by disaster. We were trying to get the interest rate lowered. I remember standing here and battling with forces in the Senate who were in charge of that legislation to get another 1 or 2 percent reduction in the loan rate that would be permitted under a disaster assistance program for Mississippi disaster victims.

Nobody came in that day and said, "Well, let us send you some additional Head Start money, too." Or "How would you like to have some more school money for compensatory education programs?" Or "Let us see what else we can do." That is what is happening here today.

Mr. President, I voted "no" in the Appropriations Committee because that is a bad procedure. My no vote looks better and better to me, because not only are we seeing additional programs grouped into this bill for extra funds that may take away from areas that would normally be expecting to receive funds of this kind, but also we are seeing the formula rewritten. A legislative change is now being written into this bill to reallocate and redistribute these funds.

This is not a legislative process that we are undertaking today. This is a dire emergency supplemental bill to appropriate money for existing programs as defined and authorized by the Congress. We are distorting the procedure, Mr. President, to the extent that this bill should be voted down today. We should not pass this bill in the current form.

Many are suggesting that in conference we can work it out. This can be improved in conference. I compliment the distinguished Senator from Arkansas who pledges that he is going to work to see that funds are allocated fairly to the rural areas and the small towns in the South.

Representing the State of Mississippi, I cannot vote for this bill, and I cannot condone the procedure that is being used to bring this bill to the floor and to add all of these funds for programs that are not disaster assistance programs. This is a disaster assistance bill. Disaster assistance programs are administered by certain agencies.

I object to including these programs that are very important; they are very meaningful to the children and the people in my State. I normally support increases for many of these programs. I have worked hard to see that they get their fair share of funding, but not in this procedural way that ambushes the President and at the same time distorts the process that we usually see when we deal with emergency disaster assistance legislation.

I hope Senators will reject this effort.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER (Mr. SIMON). The Senator from Maryland is recognized.

Ms. MIKULSKI. Thank you, Mr. President.

When my name is called for this bill, I will certainly vote for it. I happen to think that it is urgent. I think we face a crisis in the United States of America. And it is not only in Los Angeles and it is not only in Chicago. America is coming apart and America is coming apart at the seams both literally and figuratively.

What we are doing here is a stop gap measure and we need to face up to it. This legislation and the problems that it is addressing in Chicago and Los Angeles is a metaphor for what is happening in the United States of America.

What happened in Chicago happened because they did not spot it soon enough, and when they did spot it, nobody paid attention, and because nobody paid attention to a $10,000, $20,000 or $100,000 leak, we now have a megabuck leak.

That is what is happening to the infrastructure of the United States of America. It is coming apart. And we either turn our back or we have categories called deferred maintenance. But the physical infrastructure of the United States of America is coming apart and we are now like the little Dutch boy running out there to put our finger in the dike.

It is not only in Chicago, it is in Baltimore, it is in New York, it is in every city and every community and every highway and every byway, and we need to know that.

What happened in Los Angeles, in the great tragedy that unfolded there, is once again we should have spotted this sooner. Certainly, we are all aware of the tragedy that occurred in the Rodney King verdict, but we know that that was only the first level of the outburst in Los Angeles.

I am not here to condone violence. In fact, I wish we could reward the communities that say no to violence, no to riots, and are trying to hold it together. But right now the mayors of big cities and small towns are holding it together on sheer grit and on absolutely no resources.

America is coming apart. It is coming apart not only in terms of its jobs but how we have to get along. And when Rodney King said we just got to get along, we need to start to be able to do this.

What has happened in Los Angeles is no one heeded the early warning signals. Those gangs that came up, whether they are the Crips or the "thises" or the "thats," or whether they wear red bandannas or blue whatever, the fact is that it is in the gang that a lot of kids only have a home. It is in the gang that they only have somebody who cares about them or cares for them.

When we look at what happened in Los Angeles, you could see how various different groups in the United States of America not only do not speak the same language literally, we no longer speak the same language in terms of being able to communicate with each other as human beings. America is coming apart at the seams.

It is coming apart in our schools, it is coming apart in our communities, it is coming apart in terms of the way we respond to each other.

I am going to vote for this urgent supplemental, but note what has happened in Chicago and what has happened in Los Angeles is an early warning signal to us all. We need to step up to the fact that we are in a war for America's future. We are in a war for America's future. And we need to make sure that we are working on jobs today and jobs tomorrow; that we start giving help to those who practice self-help, in terms of a student loan program, in terms of generating jobs, in terms of reforming the health insurance industry.

So, Mr. President, I am sure going to vote for this.

I note that the distinguished Presiding Officer represents Illinois and the great city of Chicago. I am sorry about what happened in Chicago. But what I am really sorry about is that we are not paying attention. What these things now show is that America is coming apart at the seams. We need to step up to it because we will need emergency assistance throughout our entire country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Chair.

(The remarks of Mr. JEFFORDS pertaining to the introduction of S. 2778 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DECONCINI. Mr. President, I rise today to oppose this emergency supplemental appropriations bill. I do so not because I oppose aid to our distressed urban areas. Our cities are in crisis; they are in desperate need of assistance. I support most of the programs earmarked for increased funding in this bill: Head Start, Summer Jobs Program for our at-risk youth, Chapter I educational assistance for our most disadvantaged students, and small business and disaster loans. I am opposing this package for one reason only—because we cannot muster the discipline to pay for it. Instead of paying for this package, we declare the situation an emergency, placing it outside the constraints of the 1990 budget agreement, and we add once again to our ballooning deficit.

Mr. President, continuing down the road of deficit spending with blinders on is dangerous and deceitful. Shortly after we return from the Memorial Day recess we will be debating, at long last, the balanced budget constitutional amendment. I have every expectation that this legislation will pass by the requisite two-thirds majority. No wonder the American people are disgusted with their governmental officials. No wonder they are cynical. They clearly see the hypocrisy of voting one month to increase the deficit, and the next month voting for a constitutional amendment to balance the budget. Evidently, we do not.

During markup of this legislation, I offered an amendment to provide the Bureau of Alcohol, Tobacco, and Firearms [ATF] with an additional $5.5 million to meet the increased costs associated with ATF's extraordinary efforts in investigating criminal acts involving firearms, arson, and explosives during the riots in Los Angeles and other cities around the country. These funds will also allow ATF to hire 200 new agents to expand violent crime task forces across the country, including those in Phoenix and Tucson. And I paid for it with offsetting reductions elsewhere. My amendment also included an additional $1.5 million for the Federal Law Enforcement Training Center to meet the increased demand for law enforcement training provided by the center. And I paid for it for offsetting reductions elsewhere. I paid for the costs of these necessary and important initiatives by reducing spending in other programs under the jurisdiction of my appropriations subcommittee on Treasury, Postal Service and General Government—programs that I care deeply about.

Mr. President, we could easily have paid for this package. If ever there were a case to be made for taking down

the budget firewalls, this is it. Why should Congress not be able to take money from our defense and foreign aid accounts to pay for this domestic emergency? That is clearly what the American public thinks we should do. They do not understand how we can spend billions of dollars to help foreign nations and not find the money to support high priority domestic programs. They do not understand why we are spending billions of dollars for B-2 bombers and star wars and MX missiles in the post-cold war era when we cannot find enough money to fully fund WIC and Head Start. Mr. President, this Senator can find no justification for increasing the deficit when there is clearly a way to pay for this important aid proposal. The clear and simple solution is to eliminate the budget firewalls. Mr. President, I cannot in good conscience participate in this charade, despite my deep personal concern and compassion for the plight of the people in the riot torn areas of Los Angeles and elsewhere.

Mr. SPECTER. Mr. President, while I fully support the $675 million in the committee amendment for summer youth programs, I object to a formula change within an appropriations bill coming on such short notice.

It is not clear at this time exactly what the effect of this formula will be. The current formula was well thought out and in my view should be retained—at least until we have had an opportunity to examine it more closely.

The Senate should not be asked to consider such fundamental changes to existing law without carefully reviewing what effect these changes would have on States. It is my understanding that Pennsylvania and many other States cold possibly be penalized under this new formula.

I was prepared to offer an amendment to strike this new formula and restore the distribution of these desperately needed funds to the formula in current law. However, I understand that the chairman and ranking member of the Labor and Human Resources Committee have agreed that the formula in the bill should be developed further as additional information is obtained, and that on the basis of that information, must be reexamined when the conference committee meets in the next few weeks. May I have assurances from the chairman and the ranking member that my understanding is correct?

Mr. KENNEDY. The Senator is correct. There are several issues with regard to the formula which need to be addressed during the conference. You have my assurance that I will work with you and other members of the conference committee to achieve a fair and equitable result with regard to this formula.

Mr. HATCH. I concur with the statement of the chairman and will work with you and other conferees to reach an agreement. We do need to revisit the formula issue. The formula that is part of the Kennedy-Hatch amendment was intended to target the distribution of these emergency funds, to the critical unemployment needs of disadvantaged youth. I understand the concerns of the Senator from Pennsylvania and I appreciate the willingness of all involved to work together to ensure that these funds are distributed equitably.

Mr. SPECTER. I thank the Senators for their comments. I wish to reiterate my view that this is not the time to change the basic formula. Given the needs of the youth of Pennsylvania it is my hope the conferees will reach an agreement that will retain the basic format of current law.

Mr. GORTON. Mr. President, today we are considering a bill entitled emergency supplemental appropriations for disaster assistance. The actual bill fails to live up to its title. In all too many ways, this supplemental is a reminder about what is wrong with Congress. Under cover of its response to real and extreme emergencies in two cities, Congress is appropriating huge additional amounts of money for programs that already received substantial funds this year and which are only tangentially related to the emergencies which spawned this legislation. Also, in this dire emergency bill the Senate has voted to change the ground rules of another program which is hardly more than 6 months old and has no relation to the underlying emergency at all. A Congress which has already created a $400 billion deficit now proposes more of the same.

The bill before us today provides an additional $1.5 billion for a series of social programs already funded: youth summer jobs, Head Start, and disadvantaged students education.

I do not argue that these programs lack merit. In fact, the city of Seattle is a recent recipient of a Weed and Seed grant, one of the programs included for extra funding. The problem is these programs were weighted against competing needs last year during the appropriations process. The programs received a greater level of appropriation of Congress than this country could afford, with the consequent deficit and its depressing effect on our future.

With this bill the Senate adds $1.5 billion to these programs over and above the level Congress felt capable of delivering last year. I cannot agree that this extra funding deserves emergency designation. These programs address longstanding and virtually intractable social problems. These programs deserve as much funding as possible from the appropriations committees. In this Senator's view, however, these programs do not deserve extra funding outside of the normal appropriations process—at least during a major fiscal crisis.

In addition, the Senate has added an amendment which removes the requirement for State and local matching funds for some highway construction projects for the present fiscal year. The State and local match included in the Surface Transportation Act last year requires a 10- to 20-percent contribution by the State or local governments toward some projects. The policy was designed to insure that States and localities are committed to these projects. Furthermore, if there was not a state of local match requirements the total funds available for these important transportation projects will be significantly decreased.

Removing this matching requirement is bad public policy. Not only is this bad public policy, but it is a policy which is being rammed through the Senate without adequate deliberation in the name of an emergency.

What a sham, Mr. President. The Surface Transportation Act provides a mechanism by which State and local governments may defer paying their matching funds in times of trouble. There is no need at all for this kind of change, let alone an emergency need for this kind of policy change.

This is just business as usual by Congress. Every time a Senator or Congressman cannot get enough money for his or her pet programs during the normal appropriations process or has a change in the law he or she cannot get through the normal authorization process, he or she sneaks it onto the nearest emergency appropriations bill that comes along. That way, pet programs do not have to compete for funds with the other pressing domestic needs or pass the test of full Senate deliberation. This debate overwhelmingly justifies the proposed constitutional amendment mandating a balanced budget. That amendment would kill bills like this one.

I cannot support this bill despite my belief that FEMA, SBA, and the FBI do need emergency funding above and beyond that appropriated last year. These extra funds are truly an emergency in the sense that Congress and the President never expected anything like what we saw in Los Angeles and Chicago.

Mr. President, I will not vote for this legislation because of the combination of extra spending and bad public policy contained in this legislation.

I can only hope that much of this extraneous material is dropped in conference with the House. A bill which only provides extra funding for real emergencies is the only bill I will support.

Mr. RUDMAN. Mr. President, as reported from the Appropriation Committee the supplemental appropriations bill adds almost $500 million in new budget authority for the Small Business Administration and the Federal Emergency Management Agency.

In addition, almost $1.5 billion would be provided for a variety of programs subject to a Presidential request for these funds on an emergency basis.

While designation of an emergency avoids a sequester in 1992, to the extent these program enhancements are continued in 1993, additional pressure will be put on the domestic spending cap. The increase in the domestic discretionary cap from 1992 to 1993 is $10.5 billion; the increase in prior year outlays is $10.5 billion. Therefore we face a freeze on new discretionary outlays; this problem will be exacerbated if new funds are made available through whatever mechanism and we are required to annualize these program increases. Not only will we be increasing the deficit, we will be compounding the difficulty the Appropriations Committee faces in producing domestic appropriations bills for 1993.

We are not being honest with ourselves or with the American people if we think that a phantom appropriation of $1.45 billion in funds for a variety of worthwhile programs will actually be spent by the administration. The failure to meet rising expectations which have been generated by the political system is one of the reasons we face unrest. We should resist the temptation to promise funding we know will not be spent.

If these programs are indeed worthwhile, we should fund them up front—and find a way to pay for them without increasing the deficit. And as I say, even if a portion of the funds are actually requested and obligated, we will only be increasing the pressure to exceed the domestic cap in 1993.

Finally, while I agree there are times emergency appropriations bills are necessary, I wonder if we really need to reimburse the city of Chicago for the incompetence of its own officials. While I can justify adding to the deficit in extraordinary circumstances, the only thing extraordinary about this situation is that the city has the gall to ask the Federal Government for assistance.

Mr. JEFFORDS. Mr. President, the riots in Los Angeles destroyed lives and property. But they destroyed something else—the anonymity of poverty in our cities.

You would think that Members of Congress, who live or at least pass through the poverty of this city every day, would need no such reminder. But I guess the beauty of this city is distracting. It is only natural that we gaze at the fine memorials and avenues. But is it asking too much that we see what is huddled on the grates and in the doorways as well?

What we cannot see in our midst, we have now witnessed on our televisions. Not the silent, grinding poverty of Washington's homeless, but the shriek of violence and rage and lawlessness of Los Angeles' underclass.

Jerked to our senses that all is not well in America, what is our response? It is proposed, including by some who were only weeks ago were preaching the sanctity of the budget agreement, that we send money to the cities and, having thus solved the problem and salved our conscience, move on to something else.

By moving quickly, we can avoid a few nettlesome questions. Does adding to the deficit ultimately do the poor much good? To my knowledge, the Bloods and the Crips don't have a big position in T-bills. It is harder to be poor in a city, where services and help and job opportunities are somewhat accessible if not ideal, or in a rural area where education, wages, employment, and opportunities are all lower?

And now that we seem to acknowledge poverty is a problem in our cities, what will it take for us to acknowledge poverty in the hills and hollows of our land as well? Can we only hear the cries of many voices joined and televised, and not the single, invisible plea from the family on the backroad?

In fact, poverty rates are higher in nonmetro areas than metro areas, and almost as high in rural areas as central cities. If you are black or Hispanic, you are more likely to live in poverty in a rural area than a central city.

We are reassured by the fact that the President can decide whether or not to spend this money, and indications are that he will not. Thus, we have the best of both worlds. We can vote for the money, take credit for doing something, and take comfort in the fact that it will not be spent.

But I am not sure that is the responsible course. We will be giving false hope, the realization of which will only add to the bitterness and distrust. And we will be building false expectations when we should be building the foundations of a better society.

The programs under consideration are keys to that society. Chapter I and Head Start are all important. But they cannot be expected to provide instant solutions. They will help tomorrow's generation. Only the summer youth employment spending can really be considered as dealing with today's emergency.

Nor should the urgency of the problems, illustrated by Los Angeles but not limited to the cities, excuse us from making tough decisions on spending and taxation.

Two months ago, 48 Senators voted against using defense savings for important domestic programs, preferring instead that such savings go to reducing the deficit. I was among those 48. Frankly, I think it was a close call, as breaking down the firewalls would have meant at least halfway compliance with the budget agreement. Supporting this legislation means that we might as well shelve the budget agreement.

Every dollar would be added straight on to the deficit. We may well educate a few more children. But we will do so on borrowed money they will be forced to repay. It's like the old Marx brothers movie, "A Night at the Opera," where Groucho sends flowers to Margaret Dumont and tells the florist to write "I love you" on the back of the bill.

But $400 billion in deficit spending is no joke. Mr. President, I urge my colleagues to reject this legislation.

Mr. SANFORD. Mr. President, I rise to voice my opposition to the proposal now under consideration, H.R. 5132, an emergency supplemental appropriation. I will reluctantly have to vote against this bill. I say reluctantly because several of the programs which would benefit under this bill are programs that I care deeply about and programs that I have long supported.

We, of course, need to put more funding into Head Start, into Chapter I, into summer youth employment. Over 20 percent of all children in the United States now live in poverty. This is a shocking, outrageous statistic, and we can no longer afford to continue this neglect of our children. The results of our neglect have now infected all of society. I believe that the riots we saw in cities around the country earlier this month in many ways sprang up from our long-term neglect of children. We must declare it a national priority that the basic needs of children in America will no longer be ignored. I, for one, will consider this a priority when Congress allocates funding for the coming fiscal year.

But I have to take issue with the emergency supplemental now under consideration. The fact that we are neglecting our children is not news. We knew long before the riots broke out in Los Angeles that we should fully fund programs like Head Start, which have been proven effective at helping children succeed in life. Many of us have made efforts in the past to provide this funding through the normal budget process. I have supported those efforts and will continue to do this. But funding these very worthwhile programs through emergency funding, building up more debt, is not the answer.

This bill would provide a one-time, part way funding increase that will give the impression of action without the substance. The children, the States, and the local communities deserve better. Programs like Head Start, JTPA, and Weed and Seed need planning time, and they need sustained, long-term commitment, and I do not see this in the emergency supplemental. Let's turn instead to our regular budget process and use that opportunity to fully fund all programs designed to have children ready for school when they get there. That is the answer to Los Angeles.

Mr. President, I find some insanity in a push to increase the deficit on the eve of a vote to approve a constitutional amendment requiring a balanced

budget. I will continue my efforts to provide adequate funding for vital, cost-effective programs that work to ensure that all our children have a fair shot at life. These programs deserve our full support in the regular budget process in which we are now engaged. A single shot in response to Los Angeles is not acceptable action. I cannot support these programs in this hurry-up manner being debated today.

Mr. DODD. Mr. President, I would like to briefly engage some of my colleagues here on the floor in a colloquoy regarding the allocation of money under the summer jobs portion of this bill.

As I understand it, under the compromise, the summer youth employment component of this bill is divided into two pieces.

As I understand it, the first of these pieces would allocate a total of $200 million; $100 million of this would be distributed to the 75 most populous cities in America, and the other $100 million would be distributed according to the existing JTPA formula.

The second of these two pieces would allocate $475 million to States according to a new formula devised by Senators KENNEDY and HATCH.

Mr. DOLE. The Senator is correct.

Mr. DODD. My concern, quite frankly, is that targeting $100 million to the largest 75 cities takes away from smaller cities that also have tremendous need.

There is no doubt that many of our bigger cities have a tremendous need for this program to put young people to work. But what about those cities which are not in the top 75 based on population? None of the cities in my State of Connecticut, for example, are on that list.

Mr. KENNEDY. I understand the Senator's concern. I know that he represents Bridgeport, Hartford, and New Haven, which are among the most impoverished cities in the country.

Mr. DODD. The Senator is absolutely correct. Indeed, Bridgeport, Hartford, and New Haven each have poverty rates above 20 percent, and Hartford and New Haven are among the 10 poorest cities in the Nation by that measure.

My point is that in the rush to address our urban problems, we must not overlook the Bridgeports, the New Havens, the Norwalks, and the New Londons, of this country. The urban problems that these cities face, I would point out, are exactly the same as the problems faced by New York, Los Angeles, and Chicago—just on a smaller scale.

In my view it would be a serious mistake if we missed a critical opportunity to provide youth in these smaller urban areas with additional summer job opportunities. That is what would happen, I fear, if the current formula for distribution of this first chunk of money is not changed.

I recognize that the Office of Management and Budget is very insistent that the Summer Jobs Program be targeted to the 75 largest cities. I would simply ask my distinguished colleagues if there might by some latitude in conference to address some of the concerns, I have raised with respect to our Nation's small urban areas.

Mr. HATFIELD. I believe the Senator from Connecticut raises an excellent point. I will be pleased to work with him in conference to see if his concern can be addressed.

Mr. BYRD. I also believe the Senator raises an important point. Urban problems are certainly not limited to our Nation's 75 largest areas, and I will certainly pledge to work with him in this respect.

Mr. DOLE. Mr. President, I have also spoken to the Senator from Connecticut about the issue he raises, and have agreed to work with him to address this matter in conference. My goal is that the final legislation take into consideration poverty and youth unemployment in smaller cities, such as the Connecticut cities that have been mentioned.

CHAPTER I

Mr. KENNEDY. Mr. President, I would like to direct a question to the distinguished chairman of the Appropriations Committee. A short while ago, the Senate approved a sense-of-the-Senate resolution directing the Secretary of Education to use the most recently available data in distributing funds under the Chapter I Program. Does the distinguished chairman intend that the Secretary should do this if it would delay the distribution of funds going to local schools?

Mr. BYRD. Absolutely not. I recognize that local schools must learn about their chapter I awards far enough in advance to permit planning and to enable them to make staffing decisions. This sense-of-the-Senate resolution will not delay the distribution of funds. I understand that notice of those allocations has already been made.

Mr. KENNEDY. I am pleased to learn that. A few weeks ago, Secretary of Education Alexander sent Senator PELL a letter indicating that he has already informed States of their allocation for the coming school year. I further understand that, based on that notification, school districts have already signed contracts with teachers.

I would ask that the Secretary's letter and memo to the Governors be entered into the RECORD in full. As is indicated in the letter, the Secretary based his decision on the fact that census data at the school district level would not be available until August, and I am, therefore, pleased that we are in agreement that we do not intend to disrupt the timely allocation of chapter I funds for the 1992-93 school year.

Mr. BYRD. I thank the distinguished chairman of the Labor Committee for the chance to clarify this issue.

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

U.S. DEPARTMENT OF EDUCATION,
May 4, 1992.

Hon. CLAIBORNE PELL,
U.S. Senate,
Washington, DC.

DEAR CLAIBORNE: Thank you for your letter of April 7 urging that the Department move quickly to announce FY 1992 Chapter I allocations on the basis of 1980 census data.

To avoid delays that could hamper crucial decisions about next year's Chapter I programs, I have determined that 1992 Chapter I allocations will be based on 1980 census data. The governors and chief education officials in all States were informed of this decision by memorandum dated April 8, a copy of which is enclosed for your information. Chapter I allocations were announced April 15.

I appreciated your pointing out some of the consequences that could have resulted from lengthy delays.

I am sending an identical response to Senator Kennedy.

Sincerely,

LAMAR ALEXANDER,
Secretary.

Enclosure.

This decision will permit the Department to announce final Chapter I allocations by April 15. Of course, the 1990 census data will be used for 1993 allocations.

LAMAR ALEXANDER.

Mr. KOHL Mr. President, it is with deep regret that I cannot support final passage of the dire emergency supplemental appropriations bill.

It is not for a lack of concern with the flood damage in Chicago. It is not for the lack of concern with the destruction caused by the L.A. riots. It is not for lack of support of the $1.45 billion investment in youth education and training programs. These are all needs worthy of our immediate attention.

Last evening, I joined my colleague from Florida in his call for responsible spending. His amendment would have paid for these emergency spending proposals by capturing the savings from the rescission package. I supported that. It was my sincere hope that his amendment would help us turn a corner on spending money we don't have; on making promises we can't keep; on adding daily to the deficit and the national debt. Perhaps next time.

We have tremendous domestic needs, Mr. President; needs that we have put aside too long, needs that have gone unfilled because of the debt with which we are saddled. I am pleased that the legislation includes the $1.45 billion investment in Head Start, Summer Youth Employment Program, Chapter I Summer Youth Program and Weed and Seed. Unlike the spending for L.A. and Chicago, this $1.45 billion is a long-term investment. It is an ounce of prevention.

The programs are vital because they seek to remedy the academic difficul-

ties, idleness and self-esteem problems young people face before they embark on a career of failure—before they turn to crime, before their hopelessness leads them to destroy their own environments to get the attention of complacent leadership. Through them, we have an opportunity to right the past wrongs of denial and complacency. We have a chance to prevent more hopelessness and despair.

It makes more sense to fund a summer job now than to spend on incarceration later. Yet in Wisconsin, the summer jobs program for disadvantaged youth, financed through the Job Partnership Training Act, has lost 40 percent of its Federal funds since 1984, and will receive 5-percent less funding for this summer. That's $8.5 million for this year. Last summer, the State had $10 million and hired nearly 9,000 kids. The resulting decrease in funds means at least 5-percent fewer youngsters served this summer. Counties have taken to hiring as many kids as possible for the summer jobs and shortening the length of time they work to as little as 6 weeks. That's too little time for the youth to get a true work experience and to stay off the streets.

To this Senator, the need to invest in these programs is as great as the need to rebuild L.A. and I support their inclusion in this package. At the same time, I sincerely hope that we will find a way to pay for these emergencies as we go. The truth is this increasing debt will be hung around the necks of the very people we are trying assist. Our deficit most hurts the less fortunate among us. It will most severely hurt our children.

Let us understand: 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. In our effort to correct the errors of the past, let us not make additional errors that will need corrected later.

I oppose this legislation without an offset because I fear it will contribute to the deficit and therein, contribute to our long-term crises.

Mr. MACK. Mr. President, I am very pleased that the Senate has included language in this bill which clearly acknowledged that fast-growing States, like Florida, should receive their fair share of Federal funds. I consider this a very significant breakthrough.

This body is sending a message to the Department of Education that it should use the most recent and satisfactory data for the allocation of Chapter I education dollars. That means the 1990 census data, which is now available.

For too long, Congress has relied on outdated census data to allocate Federal funds based upon population. This statement—I hope—will change this.

At the same time, however, the issue of the entire supplemental appropriation is a different matter. It is clear that there are a number of items that are not of a dire emergency nature. The deficit is far too large, and the level of overall spending is far too excessive for us to be appropriating additional money without reducing spending elsewhere to offset it.

Mr. HATFIELD. Mr. President, I do not have any information of anyone else wishing to be heard from on our side. May we have a third reading?

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Texas [Mr. BENTSEN] and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I further announce that, if present and voting the Senator from Rhode Island [Mr. PELL] would vote "Aye."

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE] is necessarily absent.

The result was announced—yeas 61, nays 36, as follows:

[Rollcall Vote No. 109 Leg.]

YEAS—61

Adams	Exon	Moynihan
Akaka	Ford	Nunn
Baucus	Fowler	Packwood
Biden	Glenn	Pryor
Bingaman	Gore	Reid
Bond	Harkin	Riegle
Boren	Hatch	Robb
Bradley	Hatfield	Rockefeller
Breaux	Hollings	Sarbanes
Bryan	Inouye	Sasser
Bumpers	Johnston	Seymour
Burdick	Kennedy	Shelby
Burns	Kerrey	Simon
Byrd	Kerry	Specter
Conrad	Lautenberg	Stevens
Cranston	Leahy	Warner
D'Amato	Levin	Wellstone
Danforth	Lieberman	Wirth
Daschle	Metzenbaum	Wofford
Dixon	Mikulski	
Dodd	Mitchell	

NAYS—36

Brown	Gramm	McConnell
Coats	Grassley	Murkowski
Cochran	Heflin	Nickles
Cohen	Helms	Pressler
Craig	Jeffords	Roth
DeConcini	Kassebaum	Rudman
Dole	Kasten	Sanford
Domenici	Kohl	Simpson
Durenberger	Lott	Smith
Garn	Lugar	Symms
Gorton	Mack	Thurmond
Graham	McCain	Wallop

NOT VOTING—3

Bentsen	Chafee	Pell

The bill (H.R. 5132), as amended, was passed.

Mr. BYRD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I move that the Senate insist on its amendments, request a conference with the House upon the disagreeing votes and that the Chair be authorized to appoint conferees on the part of the Senate.

The motions were agreed to, and the Presiding Officer (Mr. SIMON) appointed Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BURDICK, Mr. LEAHY, Mr. SASSER, Mr. DECONCINI, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. ADAMS, Mr. FOWLER, Mr. KERREY, Mr. HATFIELD, Mr. STEVENS, Mr. GARN, Mr. COCHRAN, Mr. KASTEN, Mr. D'AMATO, Mr. RUDMAN, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, and Mr. GORTON, conferees on the part of the Senate.

The PRESIDING OFFICER. The majority leader is recognized.

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

The PRESIDING OFFICER. The clerk will call the roll. The bill clerk proceeded to call the roll.

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

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

THE REVEREND WILLIAM J. BYRON, S.J.

Mr. BIDEN. Mr. President, next month, the Reverend William J. Byron, president of the Catholic University of America, will be stepping down from his post after nearly 10 years at the helm of that fine university. For the past decade, Father Byron has not only been a fine educator and excellent university president, he has been a national leader in representing the interests of higher education, and the needs of our students, here on Capitol Hill and throughout the public policy community.

At a time when there is a clear need for a concerted national effort to increase access to higher education, Father Byron has worked to give focus to that effort, to create programs and policy out of ideas and ideals. At the same time, Father Byron has sought to make sure that in our efforts to aid higher education, we do not lose sight of those who ought to be the primary focus of those efforts—America's students and prospective students.

There is a tendency, I think, when we look at the tenure of the leader of any large university, to measure success in concrete terms; to look at buildings built, organizational structures put in place, size of the student body or of the university endowment. All of these things are important, for a university that does not grow can too often be-

come complacent and stagnate. Strictly in concrete terms, Father Byron's tenure has been an unqualified success. There is a state-of-the-art athletic facility which was only a dream a decade ago. A new science center houses the university physics department and the Vitreous State Laboratory, a national leader in ceramics materials research. The old gymnasium has been renovated into the Center for Architectural Studies, complete with design studios, classrooms, and a 200-seat auditorium. And Centennial Village, a complex of eight new residence halls housing 600 students opened in September of 1989.

Father Byron established a board of regents to assist with the university's fund raising and public relations activities, allowing educators to spend more time on matters of education. By April of this year, Catholic University's endowment had grown from $16 million in 1982 to nearly $60 million. And, this year, Catholic University graduated its largest class ever.

But when I think of Father Byron, I am reminded that he and Msgr. William Kerr, the university's very capable vice president for university relations, each lived in a student dormitory, sharing the day-by-day lives of the students whom they serve. This, as much as all of the new buildings and all of the statistical measurements of Catholic University's growth and progress, reflects the nature of Father Byron's tenure and the depth of his commitment to his students. It is a commitment made, not to aggregate numbers on an enrollments list, but to several thousand young individuals whose young lives are at a critical point, and whose individual hopes and dreams need to be nourished if they are to lead us into the 21st century.

Whether he is in his dorm room, in the president's office at Catholic University, or in his numerous appearances here on Capitol Hill, Father Byron has been consistent in that commitment. Now, after a well-earned sabbatical, he wishes to return to the classroom, to teach courses in business and economics, and particularly in the area of business ethics. The classroom is where he began his remarkable career, and now he will have come full circle, continuing his commitment by training young minds, not only in the workings of business and the theories of economics, but in the ethical dimensions that we too often have found lacking in the business world in recent years.

A couple of weeks ago, Father Byron came to my hometown of Wilmington to speak at a testimonial dinner in honor of Msgr. Paul Taggart, a Catholic University alumnus who has served the Catholic diocese of Wilmington faithfully and effectively for many years. Father Byron's remarks on that occasion not only say a lot about Monsignor Taggart; they say a lot about Father Byron himself, and I will ask that those remarks be printed in the RECORD at the conclusion of any remarks.

Mr. President, as we wish Father William Byron well as he moves back to the challenge of the classroom, I think it is important that all of us remember his commitment to higher education, to the students seeking that education, and to the future that those students and their education represent.

Mr. President, I ask unanimous consent that Father Byron's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows;

REMARKS OF REV. WILLIAM J. BYRON, S.J., PRESIDENT, THE CATHOLIC UNIVERSITY OF AMERICA, ST. THOMAS MORE SOCIETY'S "MAN FOR ALL SEASONS" AWARD DINNER HONORING MSGR. PAUL J. TAGGART, WILMINGTON, DE, MAY 2, 1991

To recognize the career, praise the person, and honor the name of Monsignor Paul J. Taggart in the setting of a gathering of the Saint Thomas More Society is a very good idea. I associate integrity with both men, as do all of you. and in each I find a disinclination bordering on disdain for praise, honors, and events like this one. The story of each man reveals no propensity for prominence, no search for the spotlight, no feeding on the adulation of others. In fact, words used by Thomas More in speaking to Richard Rich in Robert Bolt's play, "A Man for All Seasons," could be used tonight to describe the audience each man concerned himself with pleasing. More was urging Master Rich to become a teacher. But the politically ambitious Rich did not find that prospect appealing. Why be a teacher, he asked. And More said: "Why not be a teacher? You'd be a fine teacher. Perhaps even a great one." And Rich responded: "And if I was, who would know it?" And More replied: "You, your pupils, your friends, God. Not a bad public that * * *."

Rich was not yet up to More's standard of humility, integrity, justice. These are the values we celebrate tonight. These are values we are called to exemplify in our daily lives. If we understand these ideas better, particularly the idea of justice, we are likely to be more faithful to that call.

Images can be quite helpful in gaining a better grasp of an idea. Take, for example, the famous plumb-line image used by the prophet Amos to convey an understanding of the meaning of justice. Shalom Spiegel has observed that a philosopher like Plato tends to deal with justice as a concept; a prophet like Amos treats justice as a command.

"This is what the lord Yahweh showed me: a man standing by a wall, plumb-line in hand.

"'What do you see, Amos?' Yahweh asked me.

"'A plumb-line,' I said.

"Then the Lord said to me, 'Look, I am going to measure my people Israel by a plumb-line; no longer will I overlook their offenses.'" (Amos 7:7-8)

The nation will be inspected. It will be measured for its uprightness, its integrity. Just as a well that is "out of Plumb" will collapse, so a society that is unjust is going to topple. As a group or nation, we are subject to measurement for the balance of our relationships with one another. Do our dealings pass the plumb-line test? Are they on the "up and up," or "on the level," or "fair and square?" The plumb-bob falls toward the exact center of the earth. The line between hand and bob is therefore "upright," an image of justice. Thomas More, in the tradition of Amos, applied the plumb-line test to matters of personal and public morality. Paul Taggart has applied that test to his assessment of the demands of pastoral service.

Another useful image comes from the legend, if not the actual mind and words of St. Thomas More himself. In "A Man for All Seasons," the play I mentioned a moment ago, Robert Bolt has his imprisoned hero, Thomas More, employ a striking simile to explain to his daughter Meg why he will not swear to the Act of Succession and thus gain his freedom at the price of violating his conscience:

"When a man takes an oath, Meg, he's holding his own self in his own hands. Like water. (He cups his hands.) And if he opens his fingers then—he needn't hope to find himself again. Some aren't capable of this, but I'd be loathe to think your father one of them."

I suggest that the cupped hands image the internalization of the water of justice. By opening the fingers in falsehood or infidelity, something of the self is lost. It is a matter of personal integrity. Paul Taggart is a man of that kind of integrity.

The familiar trays in balance on a scale provide by far the best image of justice. Since antiquity, the symbol of justice has been a figure holding equally balanced scales.

The scales of justice find their way onto lawyers' cuff-links, tie clips, monograms, jewelry, desk sets and coats-of-arms. In legal circles, the figure holding the scales in balance is often blindfolded, symbolizing the impartiality of the law itself. The image invites reflection.

What we experience in life as uneven is not necessarily unfair or unjust. To establish injustice, one must first establish relatedness between the trays. Not every imbalance is wrong. An imbalance is also an injustice when one side's advantage (the down tray) has been taken at the expense of the other side. Related to a downside gain is an upside injury (in-jure).

There is hardly a problem of significance to society today that cannot be examined, at least in a general fashion, through the framework of the scales of justice. That is the way lawyers and judges, and pastors too, should be looking at the world. If an imbalance is evident, the question to be asked is: Has one side's gain been taken at the expense of the other? Is one side up because the other is down? Do the imbalances represent acceptable unevenness of unacceptable injustice? The idea of justice inevitably touches upon the notion of equity, of fair shares. Justice does not necessarily mean prosperity, but it will always mean something related to decency and human dignity.

The average lawyer's idea of justice will ordinarily apply the notion of equity first to the distribution of material goods, to the distribution of wealth and income. Only secondarily is the notion of justice likely to include considerations in the spiritual realm where equality of rights—human rights relating to freedom of speech, of religion, of conscience, and of self-determination—emerge as matters of great concern. In his speech at the United Nations on October 2, 1979, Pope John Paul II identified the two "main threats" to peace, indeed to the survival of our world, as violations of human rights in both the distribution of material goods and in the exercise of our equal rights

in the spiritual realm. Not surprising, therefore, that a priest and pastor who is also a diocesan administrator might display an interest in human rights issues relating to religious freedom, religious education, and the promotion and protection of the right to life.

As all of you will readily acknowledge, every individual person's conscience is to be protected from assault and coercion. No one can be forced to violate his or her conscience. The Catholic tradition insists that it be a properly formed and informed conscience hence the teaching of morality, not the legislation, but the teaching of morality is so very important. And that fact further explains the appropriateness of your decision to honor tonight, in the midst of civil lawyers, a pastor whose moral voice speaks to matters of public concern.

In all ages and circumstances of life, human persons must make choices. Human choices are moral actions. The Catholic moral tradition is clearly pro-moral choice in every area of human conduct. But that moral tradition must be communicated in word and image if right choices are to be made.

So whatever the image that directs one's vision to issues of justice—whether it be plumb-line, hands cupped holding water, or the scales of justice—the choice, personal or public, should always be a moral one. It is Monsignor Paul Taggart's work to keep us focused on making moral choices. He has served the Church here in Wilmington faithfully and well with word and sacrament over the years. He has served this Church with his administrative talents. He has served his alma mater, The Catholic University of America, with wise counsel as trustee and regent. His generosity has opened his right hand to individuals and institutions that his left hand knows nothing about. But God knows, and God will reward him. "Not a bad public that!"

Robert Whittinton's description of Thomas More will serve as the endnote to my remarks tonight. These words fit Paul Taggart and serve as a pattern into which all of us here tonight can strive to fit our lives.

"More is a man of an angel's wit and singular learning; I know not his fellow. For where is the man of that gentleness, loveliness, and affability? And as time requireth a man of marvelous mirth and pastimes; and sometimes of as sad gravity: a man for all seasons."—ROBERT WHITTINTON.

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

The bill clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

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

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

KOSOVA

Mr. DOLE. Mr. President, I received an urgent letter today from Bujar Bukoshi, the head of the government in exile of Kosova. As my colleagues know, the 2 million Albanians who live in Kosova have been deprived of their fundamental political and human rights. They have lived, for more than 3 years now, under the crushing weight of repression. They are prisoners in Europe's largest concentration camp run by Slobodan Milosevic.

But, despite their great suffering, the spirit and courage of the Albanian people thrives. That is evident in the letter sent to me by Prime Minister Bukoshi. He wrote to inform me about the elections that will take place in Kosova this weekend, elections which the hardline Serbian Government in Belgrade has vowed to prevent.

These elections were called by Kosova's government in exile 3 weeks ago. Predictably, the Serbian Government has pronounced these elections illegal.

Prime Minister Bukoshi conveyed to me his deep concern for the safety of the Albanians who participate in these elections. He warns that there could be a massacre in Kosova this weekend.

Mr. President, I don't think that the Prime Minister's concerns are farfetched, indeed the shocking brutality of the Belgrade war machine in Bosnia-Hercegovina makes violence against the Kosova Albanians a very real possibility.

Nevertheless, the people of Kosova are committed to the democratic process. They are determined to pursue democracy even under the threat of brutal force. They have not been intimidated by the Serbian Government; they have not been weakened by the strain of martial law. The Albanians are going forward with these elections regardless of the consequences.

Prime Minister Bukoshi, said in his letter, "We are determined to defend our basic rights of free elections and proper representation." He went on to say that as long as the Albanians of Kosova do not have the right to choose their representatives and decide their future, "There cannot be peace and democracy in either the former Yugoslavia or Europe."

Mr. President, Prime Minister Bukoshi is right. There will be no real peace in Europe until the Milosevic regime is stopped, and until the Albanians of Kosova are free.

I will be watching this weekend's events in Kosova very closely, as will many of my colleagues. The Milosevic regime must know that its every move will be noted by the Senate and by the American people. Just this morning, the Senate unanimously passed the Yugoslavia sanctions bill. This action clearly reflects the Senate view that Serbia is a pariah state. And, any use of force against the Albanians by the Serbian military or Serbian police this weekend will only make the Senate more determined to isolate and punish the Serbian Government.

Mr. President, I ask unanimous consent that Prime Minister Bukoshi's letter be printed in the RECORD.

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

MAY 18, 1992.

Hon. ROBERT DOLE,
Minority Leader, U.S. Senate, Washington, DC.

DEAR SENATOR DOLE: I am addressing this message of utmost urgency to you in a very difficult time for the three million Albanian brothers and sisters in the former Yugoslavia, and especially in Kosova.

Since May 4, 1992, when the Kosova Parliament in Exile and the Government of Kosova decreed to hold the elections in Kosova (May 24, 1992) the already serious situation there has deteriorated even further. Serbia's Government statement that no election will be permitted in Kosova because they have been called by ". . . a non-existent Government, which is in exile and is illegal" has put us in a collision course with Serbia's Armed Forces and Police.

We are determined to defend our basic rights of free elections, and proper representation. If the Albanian majority in Kosova does not have the right to choose its political representatives freely, and to decide how it would like to live, there cannot be peace and democracy in either the former Yugoslavia or Europe.

DEAR SENATOR: Your August 1990 visit to Kosova has saved many human lives. Our people are fully aware of, and very grateful for it. Your powerful voice has repeatedly been a deterrent against Milosavic's monstrousities in Kosova, and elsewhere. Millions of Albanians, who rely on and respect many friends around the world consider you, Senator, as their most powerful friend who has seen firsthand their suffering, and has always helped.

Today, we are facing a new and dangerous threat : the onslaught by the Serbian Armed Forces and Police against the defenseless Albanian population in Kosova. The impending massacre in Kosova will make the massacres in Bosnia look "a minor incident" compared to the ferociousness the criminals of Serbia are ready and willing to show in Kosova. We appeal to you to use your great moral authority in an effort to forestall what could be turned out to be a massacre of major proportions against our people in Kosova. Again, thank you!

Very truly yours,

DR. BUJAR BUKOSHI,
Prime Minister, Government of the Republic of Kosova.

Mr. RIEGLE. Mr. President, will the Senator yield? I would like to associate myself with his remarks, and thank him for the statement on the issue.

Mr. DOLE. I thank the Senator from Michigan.

Mr. PRESSLER. I would like to be associated with the remarks.

Mr. DOLE. I thank the Senator from South Dakota and the Senator from Michigan, who have been long-time supporters of the effort to help free the Albanians, who are I think in the largest concentration camp in Yugoslavia in their own Province of Kosova.

JOHNNY CARSON RETIREMENT

Mr. DOLE. Mr. President, over the years, I have been accused more than

once of being the Johnny Carson of the Senate.

I do not know if those who said that meant it as a compliment—but I took it as one—because, like millions of Americans, I am a fan of Johnny Carson.

Perhaps it is the fact that we are both from the Midwest.

Perhaps it is the fact that he never complained when I stole his jokes—and I never complained when he stole mine.

But the main reason why, like most of the country, I like Johnny Carson is the simple reason that for the past 29 years, through good times and bad, he has made us laugh.

Of course, Congress has made America laugh for about 200 years, but 29 years still is not a bad record.

Johnny's last show is tomorrow night, and I am sure every Member of the Senate—except those he has joked about—join with me in wishing him the best of luck in the years ahead.

Mr. President, I yield the floor.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate now go into morning business with Senators permitted to speak therein.

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

MILITARY LAND USE IN HAWAII

Mr. INOUYE. Mr. President, I rise today to discuss the critically important issue of military land use in Hawaii. It is an issue central to the economic well-being of my State and the lives of all its 1 million citizens.

Today, the Department of Defense controls over a quarter-of-a-million acres of land—an area totaling more than 5 percent of our State. Historically, military decisions affecting the disposition of this land and its resources have been the province of the individual service secretaries. It is they who have decided whether an installation should be expanded or contracted. It is they who have requested funding to support ongoing installation operations as well as the missions and units assigned to those installations.

Rarely have the service secretaries coordinated their actions so as to achieve the most appropriate, efficient and cost effective use of Hawaiian land. As a result, vital training areas have been lost and critical ecosystems have been damaged. Opportunities to increase the quality and quantity of military family housing sites have not been maximized. All too frequently, it has been left to Congress to address these problems with programs and projects which the services should have provided themselves.

As a rule, the services have pursued their individual requirements with dogged independence regardless of how their actions might have impacted others. Their parochialism has often led to miscommunication with Federal and State authorities and confusion at the local level both internally and with the public.

I believe this solitary approach to land and resource management is inappropriate to the times in which we now live. Increasing population pressure, evolving military requirements, limited land area and mounting environmental considerations demand that the Department of Defense increase its coordination and cooperation.

Mr. President, in furtherance of this objective, I am proposing that the Department immediately take the following steps, steps which I know will improve the working relationship between the military and the government and people of the great State of Hawaii.

First, I propose that a joint task force on military land use in Hawaii be organized. This task force would bring together representatives of each of the military services, local and State government officials and community leaders and citizens to discuss on a regular basis the operation of our military installations.

Second, I propose that a military land-use master plan for Hawaii be developed which integrates the needs and responsibilities of all installation commanders in Hawaii and reflects the long-range base force objectives of the Department of Defense.

Third, I propose that the recommendations of the military land-use master plan emphasize, as a matter of first priority, sound environmental management principles and the enhancement of the quality of life of our service men and women.

Mr. President, it is time we grasp the opportunity to reconcile differing perspectives on land use in Hawaii. We must now act with appropriate and due regard for the effects our actions have on the security and well-being of the military services and the people of Hawaii.

These are difficult times. As the Department gets leaner it must get smarter. Cooperation and constructive dialogue must be the watchwords of the day. The rapid changes now sweeping our Nation and the world demand nothing less. It makes intuitive sense that Hawaii, because of its strategic importance and ecological vulnerability, should have its DOD facilities addressed comprehensively.

I am pleased to be able to announce this action today in the hope that it will protect Hawaii and bring about a new era of military and civilian cooperation on land use in Hawaii.

I pledge today to use the resources at my command to bring this vision of the future into reality. After consultation with senior military and civilian leaders in Hawaii I will include in the fiscal year 1993 Department of Defense appropriations bill sufficient resources for the land-use master plan to give effect to this pledge.

PRIME MINISTER BRIAN MULRONEY'S ADDRESS AT JOHNS HOPKINS UNIVERSITY

Mr. KENNEDY. Mr. President, we have been honored this week by the visit to Washington of Prime Minister Brian Mulroney of Canada. This morning, the Prime Minister spoke at the Johns Hopkins University graduation ceremony and delivered a timely message on the challenges we face in today's changing world in the wake of the end of the cold war and the disintegration of the Soviet Union.

As Prime Minister Mulroney told the students today: "You will enter a world burdened with the byproducts of its own success." He spoke eloquently of the need to avoid isolationism and embrace the opportunity to help the nations of the former Soviet Union in their struggle for democracy and economic survival. He also emphasized the need to seek arms reductions and prevent the spread of nuclear weapons.

I commend the Prime Minister for his timely and thoughtful address. I think it will be of interest to all of us in the Senate, and I ask unanimous consent that it may be printed in the RECORD.

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

ADDRESS BY PRIME MINISTER BRIAN MULRONEY, JOHNS HOPKINS UNIVERSITY, MAY 21, 1992

It is an honour to be at Johns Hopkins, one of America's great universities and a school with so many connections with Canada, including its Centre for Canadian Studies.

Convocation is always a joyous and poignant moment. It is a time of gratitude to your parents for the sacrifices they have made, and a time for them to take pride in their children's accomplishments. Convocation is also a time for looking ahead, to studies or careers, and a time for contemplating the world you are entering and what you can do to make it better.

Thirty years ago, at Berkeley, at a gathering like this one, President John Kennedy held out the hope that the future would be won, not by "a single dogmatic creed," but by the liberating energies of free men and women. President Kennedy's prophecy carried farther and wider and, in recent years, faster than even he could have foreseen. From Vancouver to Vilnius and Vladivostock, people are free to think and dream and speak their minds. From Latin America to Asia and Africa, people are increasingly deciding who will govern them and how.

Rarely in history has there been such a victory for an idea—the idea of democracy. The task the world's democrats face now is to secure that victory and to ensure that it is neither hollow nor short-lived. History will judge my generation and yours by our response to this challenge.

Johns Hopkins graduates and their counterparts elsewhere will inherit a world of un-

precedented opportunity, limited only by the constraints of time and the elasticity of imagination. But you will also enter a world burdened with the byproducts of its own success. The defeat of communism opened the door to democracy but it also brought economic hardship to 425 million people throughout Central and Eastern Europe. The disintegration of the Soviet empire freed a score of captive nations but it also raised the ominous spectre of murderous ethnic conflict. And, economic collapse and ethnic conflict have, together, multiplied the dangers of nuclear proliferation. These issues will test the durability of the democratic victory and the vision of democratic governments. Their outcome will transform the world, for good or ill, for a century to come.

The greatness of nations and peoples is determined, in part, by their adaptability to change; no nation is immune, and resistance to the currents of change can be fatal. The process of change today is exhilarating and its direction encouraging. But the pace of change is wearying and its dimensions disorienting. It is not surprising that pockets of nostalgia remain for the certainties and predictabilities of the Cold War, despite the sterility at its core. Which industrialized nation could not rationalize turning inwards, now, after decades of military expenditures and foreign aid contributions? And, yet, withdrawing from the world at this time would be an error of historic scale because neo-isolationism in the 1990's is even more dangerous than its progenitor in the 1920's. Withdrawal would also be futile because the distinction between domestic and foreign affairs has all but been erased by the growing globalization of economies. Withdrawal would also be self-defeating because engagement in global affairs is not charity, although there are obvious human needs to be met, but enlightened self-interest.

Without the active and constructive engagement of the U.S., the only superpower, in international affairs, the world suffers from uncertainty, hesitation and drift. Only the combination of economic strength, military power and political purpose of American leadership, for example, could have brought Middle Eastern countries to the peace table in Madrid. No other nation in the world could have achieved this result.

Securing democracy and managing the pace and direction of change are very much in American interests. Nowhere are the stakes greater than in the former Soviet Union. The new republics face two great challenges: making democracy work and learning to live with economic freedom. They will not succeed in either without help and patience.

As Russian foreign minister Andrei Kozyrev has written recently, his country is still vulnerable to "other stultifying ideologies" and to promises of grandeur and greed. Consider that the life savings of the Russian people have vanished almost overnight, the victim of rampaging inflation; that the career-track for many professional Russian soldiers leads now to the unemployment line; and that the people live a daily reality as old as a medieval market and as modern as a nuclear waste dump. People struggling with the transition to democracy and free markets must be given the hope that, if they help themselves, democrats everywhere will come to their aid. They will need our assistance, including our financial help, for years to come but money will not be their only problem and perhaps not their worst.

In all of the new republics, the understanding of democracy and of economic freedom is still rudimentary. Concepts we take for granted, such as independent judiciaries and political parties, are in their infancy there. The administrative skills required to run democratic governments are limited. The managerial skills needed for doing business in a market economy are scarce. The transformation of the former Soviet Union will take decades, perhaps even generations, to accomplish. All the more reasons to act. The opportunities are great and the need is now.

We know what the problems are and we know what the solutions are. At the Munich Summit in July, 7 nations representing almost 63% of the world's GNP will meet. Let us resolve, there, to work with the people of the former Soviet Union and solve these problems through decisive leadership and a strong, helping hand. Helping the new republics will take compassion, patience, ingenuity, and a great deal of money; the International Monetary Fund calculates the need at $43 billion this year alone.

The Cold War brought about the greatest military expenditures in history. Our side—the NATO Alliance—collectively spent hundreds of billions of dollars annually to defend principally against the Soviet threat. Why can we not contemplate the same scale of energy and purpose in promoting democracy and prosperity in our former adversary, which would provide us all with enduring stability and security? What would our reaction have been to Kerensky in 1917 if he and said the Czar was dead and he needed our help to forestall the 75 years of blind-alley economics and dead-end government of communism? What do you think our reaction would have been if, say, 20 years ago or 10 years ago, the Soviet leadership had said; "The empire is over, communism has failed, the Warsaw Pact has disintegrated, our economy is bankrupt, and we are going to lay down our arms. We seek your friendship and your help." And, yet we are now in danger of allowing our exhaustion from the pace of change to overwhelm the exhilaration we first felt when the Berlin Wall came down and to distort our judgment about our own longer term interests.

I believe that the West's collective response so far has been hesitant and timid and out of scale with both the need and the opportunity. Leadership will cost money. But the Marshall Plan cost much more money than has been transferred to the former Soviet Union so far and it repaid its investment a thousand times over. Europe remained free and it gradually prospered. And, as a result, the visionary Jean Monnet could lay the basis of the European Community, 360 million people strong and still growing, an economic powerhouse. "The finest pursuit of mankind is bringing people together," he said, and that is precisely what has been achieved with the creation of a single European market this year.

It is time to unite the people of the former Soviet Union with democrats everywhere. The first step is to complete the integration of the countries of the former Soviet Union into the global economic system. IMF and World Bank membership was approved in April. With IMF programs in place, the new republics will be eligible for billions of dollars of loans this year from the IMF, itself, the World Bank and the European Bank for Reconstruction and Development, the EBRD.

The EBRD was set up to make loans, to guarantee loans and to make equity investments. The capitalization of the Bank is about $12.5 billion and its capacity to operate could be exhausted in the next two or three years. This young institution has been doing excellent work and negotiations should begin as soon as possible to double the capitalization of the Bank so it can keep pace with reform in Eastern Europe. Bank financing is always done in partnership with other leaders and investors, thereby levering substantially the sums available for development in Eastern Europe.

Bilateral assistance is also vital and Canada is determined to do its part, and more, and without abandoning the poorest-people on earth in Africa, Asia and elsewhere. In Canada, we empathize with the magnitude of the challenge that President Yeltsin, President Kravchuk and others are struggling with us they try to lead their nations into democracy and economic reform simultaneously. We know from our own experience that living by market principles is painful enough these days, even for those nations who have had generations of practice.

To the end of 1991, Canada, with a relatively small population, approaching 28 million, had disbursed over $1.6 billion in credits and aid to the former Soviet Union, the second highest per capita assistance of the G-7, exceeded only by Germany. In 1992, we are providing an amount approaching a further billion dollars, for a total of almost $2.5 billion in Canadian assistance. To promote exports by the countries of the former Soviet Union, Canada is going beyond most favoured nation tariff levels and granting preferential tariff treatment—as low as zero tariffs in some categories. Considering the importance of trade to economic growth, we urge other countries to follow suit. It is particularly important that the European Community ease access to its markets for its eastern neighbours. It is also crucial that the new republics not make their own situations worse by creating barriers to trade between themselves.

Canada is ready to build on our special relationships with Ukraine, the Baltics and others, the products of 100 years of immigration, to impart democratic values, administrative experience and entrepreneurial expertise. We will seize this once in a century opportunity to build a political and economic partnership with the countries of the former Soviet Union, for the long term. But that partnership will only flourish if our new friends in Eastern Europe and the former Soviet Union have the resolve to sacrifice and save and invest in their own future. They have to want to help themselves.

It is vital that Russia and the countries of the former Soviet Union adopt policies to welcome western private sector investment and to reform their legal systems accordingly. It is also vital that IMF programs be implemented. They are the distillation of international experience with economics and they are the difference between economic success and failure, and crucial to continued western support.

Economic success will go a long way towards safeguarding democracy and easing ethnic conflict, the by-product of the collapse of the Soviet empire. Ethnic conflict is an urgent and, potentially, dangerous problem for everyone. Consider that 25 million ethnic Russians live now as minorities in the newly independent countries of Eastern Europe and Central Asia. Consider that many borders there are in dispute and that a deep well of animosity towards Moscow has built up over the centuries, particularly during communism's 75 centralising years. Consider that the economy of the former Soviet Union shrank by 17 percent last year and that, in Russia, it will fall back a further 15-20 percent this year. Consider the religious fer-

ment in Central Asia, the ethnic hatreds that have boiled over in the Caucasus and the uneasy relationship between Kiev and Moscow over everything from the Ruble to the disposition of the Soviet Union's huge Black Sea fleet.

The greatest single threat to world peace today comes from the thousands of nuclear weapons stored in the suddenly impoverished, politically volatile, countries of the former Soviet Union. Vast amounts of nuclear weapons-grade plutonium and enriched uranium are also stockpiled there. Couple these facts with the nuclear ambitions of a few international pariah states and the dangers are unmistakable.

That is why Canadians and people everywhere applauded the far-reaching nuclear weapons reduction moves by President Bush and President Yeltsin. It is urgent that the START cuts be ratified and implemented as soon as possible. We are very pleased by the progress made on strategic weapons by President Bush in his recent meetings with President Kravchuk of Ukraine and President Nazarbayev of Kazakhstan. Had these two republics not agreed to honour the START agreement and to sign the Non-Proliferation Treaty as non-nuclear weapons states, they would have been the world's fourth and fifth largest nuclear powers.

Canada would welcome still deeper cuts in nuclear arsenals on all sides, while the cutting is good, to the lowest possible level consistent with effective nuclear deterrence. This makes security sense and economic sense for all concerned, including the U.S., which no doubt could find places at home to spend any eventual savings that might accrue.

Canada would be prepared to join in an international program to assist the countries of the former Soviet Union in the destruction of nuclear weapons. Reduction of super-power weapons stockpiles is vital for its own sake and crucial to the prevention of the proliferation of nuclear weapons states. Nothing is more important than the prevention of nuclear proliferation. There is no room at all for slippage on this issue.

I believe that there are several important steps the world community should take to make sure proliferation does not happen. First, it is imperative that the Nuclear Non-Proliferation Treaty be strengthened when it comes up for review in 1995. All countries must sign it. And it must be extended indefinitely. As part of an effective international effort, Canada would be prepared to terminate all of its economic cooperation programs, including aid and tariff preferences, with any country, including the new republics of the former Soviet Union, that undermines the Non-Proliferation Treaty, through action or inaction.

Second, nuclear cheating must be stopped. To stop the cheating, the mandate of the International Atomic Energy Agency must be strengthened and its resources increased. The budget of the LAEA is currently $180 million per year, or about half the cost of one B-1 bomber. Canada will support giving the LAEA the teeth—the authority and the resources—to inspect any country any time. We will also support U.N. Security Council action to force compliance with international rules, as is currently being done in Iraq.

Third, controls must be tightened on the export of nuclear weapons technologies, and Russia must be made a member of the Nuclear Suppliers Group and the Missile Technology Control Regime.

Fourth, the sale of nuclear brainpower to pariah states must be stopped. It is extremely dangerous to world peace when highly skilled nuclear scientists, who now earn less than garbage collectors, are attracted to countries like Iraq and Libya to assist them in putting together a nuclear weapons capability. The creation under U.S. leadership of international science and technology centers in the countries of the former Soviet Union to employ nuclear scientists and engineers is, therefore, wise and timely. Canada is prepared to help lead in the founding and financing of such a center in Kiev.

Fifth, security cooperation must be strengthened regionally to reduce the underlying causes of tension, particularly in global hot-spots such as the sub-continent, the Korean Peninsula and the Middle East.

The basic bargain implicit in the Non-Proliferation Treaty is a commitment of the nuclear powers to reduce nuclear weapons in return for a commitment by the non-nuclear powers not to acquire any such weapons. The 1995 review conference must confirm that bargain. To pave the way, it would, I think, be reasonable for all nuclear weapons states to agree on a moratorium on testing these weapons. France deserves full marks for its unilateral moratorium announced in April. It is, also, reasonable for those states which have acquired nuclear weapons to give assurances to all those countries, including Canada, which have signed the Non-Proliferation Treaty, as non-nuclear weapons states, that such weapons will never be used against them. Progress on these seven points would give us all a lot safer and better world—which is precisely what democracy is all about.

Canada and the United States are different countries—different in size, different in history and, often, different in outlook. But, still, we have a lot in common. We share the universal values of liberty and democracy. And we have fought side by side in the first and second world wars, in Korea and in the Persian Gulf to defend them. We have built two of the most civil and prosperous nations on earth. Neither Canadians nor Americans can claim perfection for their societies. We both have some serious problems. But we both have achieved a great deal at home and have made a large contribution to peace and prosperity around the world.

The United States is respected for its unrivalled military power, its extraordinary scientific achievements and its historic economic gains. Americans are admired around the world for the vibrancy of their democracy, a democracy nurtured and sustained by idealism and by principle.

Idealism and principle are the great gifts of the young. When I graduated from college, the commencement speaker, an outstanding Canadian named Gratton O'Leary, told us that a good education should not provide a standard of living; it should provide a standard of life.

John Hopkins has given you such an education. May your standard of life be your gift to your nation. And may your idealism and principle be your legacy to the world. Thank you, good luck and may God bless you all.

BRINGING DOWN BARRIERS

Mr. RIEGLE. Mr. President, the wave of anger set off by the verdict in the Rodney King case illustrates in bold terms the intense frustration and deep divisions that remain in our society. The rage that was seen in that community, and exists in communities all over the country, has built up over a long period of time. More must be done to bring Americans together.

Our Nation was founded on revolutionary concepts of equality and justice. But throughout our history, we have wrestled with profound contradictions within our society. As Americans of differing ethnic or racial backgrounds have tried to take full advantage of their freedom, they have all too often been met with intolerance or indifference that limited that freedom.

While we have made progress in living up to our high ideals, we have a long way to go. We must undertake an all-out effort to take on the host of problems that breed racial intolerance and injustice. This is a difficult challenge that is made more difficult by the sagging economic environment our country now finds itself in.

We are in a period in which Americans are competing with each other over declining economic opportunity. And as economic opportunity declines, resentment builds, and discrimination and prejudice rise. Americans are fighting intensely over a shrinking share of the economy. The recession we are in is the longest economic downturn since the 1930's—a recession that has cost millions their jobs and homes and, for many, hope.

There is a great need to develop an economic strategy that invests in our people and stands up for America. Other nations have strategies to build their economies. That is to their credit.

Japan is a country that has pursued policies that have brought them great economic strength. Often, with respect to the United States, that strength has come through trading practices that do not allow fair competition. I have been critical of those practices because they have drained our economy of tens of billions of dollars and have cost thousands of Americans their jobs.

This issue must be addressed, and addressed forcefully. An environment in which both countries have fair access to the other's markets will help to bring our two Nations together and I will continue to press for an equitable trading relationship with Japan. At the same time, it is absolutely vital that a discussion of this issue does not add to the tensions we feel here at home.

Criticism of the Japanese Government's trade policy is not criticism of the character of the Japanese people and it is not criticism of Americans of Japanese or Asian heritage.

This is an important distinction. It has been tempting for some to vent their anger with Japanese trading practices at Asian-Americans. This type of bigotry has no place here.

Like other racial minorities, bias against Asian-Americans has existed throughout our history. From the arrival of the first Asians to the American mainland, Americans of Asian descent have encountered bigotry and

have been denied equal opportunity. Today, a significant degree of that intolerance remains. Asian-Americans face discrimination in education, in jobs, and are often victims of racially motivated violence.

Yet, despite this bias, many Asian-Americans have achieved great success. This success is to the credit of those who have worked hard and overcome barriers. But even as this success has lifted many Asian-Americans, it has created resentment among other Americans that fuels prejudice.

In addition, the success of many Asian-Americans has obscured the problems that remain. A poll taken last year found that a majority of Americans did not believe that Asian-Americans were discriminated against. So Asian-Americans are caught in a difficult cycle: they feel discrimination in many areas, but do not have the benefit of the awareness of the problem that is necessary to end it.

There is a great need to be sensitive to pressures that drive Americans apart. Our effort to bring down trade barriers should not create new barriers between Americans of differing racial backgrounds. Our Nation is at its best when we work together and reach out to others. I urge every citizen to do anything that can be done so that we are one country, an America that cares for every single citizen.

FOREIGN RELATIONS COMMITTEE ACTS ON EX-SOVIET AID BILL

Mr. PRESSLER. Mr. President, the Foreign Relations Committee has now reported out its version of the foreign aid bill for states of the former Soviet empire, S. 2532. The bill is flawed, in part due to a lack of proper hearings and in part because of the excessive flexibility it gives to the Executive Branch. I believe the bill must be repaired on the floor.

Although I reserved several other amendments to be offered on the floor, one I offered during markup encourages providing technical assistance to United States small- and medium-sized businesses to establish themselves in the states of the former Soviet Union, including Estonia, Lithuania and Latvia. That amendment is now section 7(2) of the legislation as reported.

The American media regularly paints a negative picture of large firms, but most of us know that prosperity and economic growth rest heavily on a strong small business sector. In South Dakota, 99.2 percent of our businesses have fewer than 500 employees. By any standard, these are small- and medium-sized businesses.

Mr. President, my intention in offering the amendment was to encourage individual entrepreneurs and franchisers to seek opportunities in the states of the former Soviet empire, including the Baltic States. In addition, the U.S. Trade Development Program under the dynamic leadership of Jose Martinez, a former small business leader, should be permitted to tap into the funds authorized by this legislation.

Other organizations also might benefit from the assistance provided in the bill for small- and medium-sized businesses. I am convinced that, since the key to American growth and prosperity is small business, the future of the Baltic States and the new republics of the former Soviet Union would be enhanced greatly by the genius, energy, and commitment of United States small business entrepreneurs.

Mr. DURENBERGER. Mr. President, I support S. 2743, the Yugoslav sanction bill and express my horror and outrage at the continuing violence being perpetrated against the people of newly independent Bosnia-Hercegovina. It is a senseless human tragedy that defies all reason.

I understand very well that there is an intricate, complex history in this region, but there can be no rational justification for the kind of savage, vicious brutality that Serbia and the thugs in its allied militia in Bosnia are inflicting on the people there.

It is deeply regrettable that the Serbian leadership has rebuffed virtually every attempt at serious negotiations, which represent the only sensible way out of this crisis in Yugoslavia. I commend the United Nations and European Community for their persistent efforts, against tremendous odds, to negotiate cease-fires and eventual resolutions. According to U.N. and EC diplomats and others, however, it is clear now that Serbia has never intended to negotiate in good faith and has only violence and destruction in mind.

I support the recent EC and United States decisions to recall their Ambassadors to Serbia. Given the circumstances, this is the very least that we could do. I would urge the Europeans and the United States administration, however, to go much further in imposing economic and diplomatic sanctions against Serbia. This bill, S. 2743, is an important step in the right direction, but more needs to be done.

Mr. President, the message that the United States and the international community must send to Serbia—its leaders and its people—is that they face total international isolation. That they are rapidly becoming a pariah state of the first order. And that that has very real and serious consequences for their own well-being, for their own future.

This mindless war is wiping out civilization in the region. The barbarism is unconscionable. Many Minnesotans have their roots in this part of the world. Many still have families and friends living. The accounts of unspeakable atrocities boggle the mind. I have heard firsthand reports of civilian people's eyes being gouged out; of ears, noses, and lips being cut off. Bodies are dismembered, the parts being strewn about the streets. Indiscriminate bombing and shelling of ancient cities and villages, churches being destroyed, cemeteries desecrated.

In the last several days, we have been horrified by Serbia's taking hostage of women, children, and elderly who were fleeing the wanton Serbian destruction in Sarajevo. Thousands of women, children, and elderly. Thousands, Mr. President. Taken hostage, with the potential for horrific consequences ever present. It's my understanding that they have been released in relatively good condition, something for which we are all thankful.

These several incidents, as if we need any reminding, give us clear indication of just what we're dealing with in Serbian dictator Slobodan Milosevic. irresolute action and hand-wringing will not suffice to persuade this Milosevic to cease his brutal aggression.

Some people have suggested, either explicitly, or implicitly through their silence, that there's nothing we can do, that this is someone else's problem, that it doesn't affect us. In the view of this Senator, it does affect us. It touches directly on what kind of new world order we're going to have. It touches on our sense of humanity and decency.

Mr. President, there are many difficult questions involved in fashioning the most appropriate international response. Some observers have made the analogy to the situation with Iraq and Kuwait. Although there may be similarities, the two are not perfectly analogous.

Nevertheless, there are important lessons from the gulf war experience that should be applied to Yugoslavia. Among them is the imperative for the international community to band together to resist and reverse these kinds of aggression. It doesn't mean that we must repeat Desert Storm or that force is necessarily the most appropriate or immediate option. It should be an option, but there are numerous important steps that must be taken prior to that point.

With the tragedy of Bosnia-Hercegovina and Yugoslavia only getting worse, it is imperative that the United States and the international community remain actively and urgently engaged in efforts to relieve the suffering and end the crisis.

Mr. President, I would urge my colleagues to remain attentive to the horrible situation playing out in Yugoslavia. Whenever possible, we should add our voices to those calling for reason and civility to prevail in that tortured country. We must also add our voices to those calling for greater and more urgent action on the part of the international community.

Mr. President, I ask unanimous consent to include in the RECORD at the conclusion of my remarks an editorial from this morning's New York Times.

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

[From the New York Times, May 21, 1992]

SHAME IN OUR TIME, IN BOSNIA

A "disgrace for humanity." The words uttered in Washington Tuesday by Haris Silajdzic, Foreign Minister of beleaguered Bosnia, should chill the hearts of all who despise naked aggression.

The Serbian strongman Slobodan Milosevic steps up his brutal bombardment of Bosnia's capital, Sarajevo, and his "ethnic cleansing" of Serb-occupied territory. Hundreds die; ancient towns are turned to rubble. And what is the response of the U.S., the European Community and the U.N.? Sighs, shrugs and evasions.

The bully who violates Bosnia's internationally recognized borders must be confronted by an international coalition prepared to do what is necessary to put him in his place. Otherwise the brutality in Bosnia will, far beyond the Balkans, dash hopes for a new world order.

This little country has been given a ruinous runaround. Washington initially called on the European Community to cope with the threat to peace, even as it disparaged E.C. efforts. When its mediation efforts collapsed, Europe called for U.N. peacekeepers. The U.N. was prepared to send them in February, but then Washington protested that $634 million was too expensive. Another mission to Yugoslavia managed to cut that by $28 million—cheese-paring that cost weeks, and lives.

In March, the blue helmets finally began arriving in force in Croatia. The U.N. established its headquarters in Sarajevo as a way of creating a presence, as well, in Bosnia. But within weeks U.N. officials were whining that peacekeepers "are routinely harassed, the Organization's property stolen and its emblems and uniforms misappropriated." The U.N. pulled out of Bosnia and now ponders withdrawing from the rest of Yugoslavia.

What touching concern for misappropriated emblems—even as whole neighborhoods of Bosnians were being forced to flee for their lives. It is true that the U.N. peacekeepers are too lightly armed to defend against rampaging Serbs. But why is that the only alternative? The larger truth is that the U.N. peacekeepers have become a cover for Western inaction.

Now there's not even the pretense of a U.N. presence in Bosnia. And the world's collective irresponsibility stands exposed as nakedly as the Milo-sevic aggression. President Bush, proud leader of the free world, had no trouble deciding that Iraq's aggression against Kuwait should not stand. He assembled a global coalition to force withdrawal. Why not a new one now?

Such a coalition need not undertake armed intervention, at least not yet. The economic noose can be tightened and those who help Serbia circumvent it can be pressured. And if cooperative security is to have meaning, the coalition can declare its willingness to use greater force, as a last resort.

Aggression ought to be every bit as despicable in the Balkans as in the Persian Gulf. For the U.S. and its allies to stand by while Milosevic marauders defile Bosnia invites bullies elsewhere to take heart. Peace in our time, spineless leaders said in the 1930's. In our time the word is shame.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to executive session to consider the following nominations, Calendar Nos. 582, 583, 584, 585, and all nominations reported today by the Committee on the Judiciary, and by the Committee on Armed Services; all those listed for appointment in the Army, Navy and Air Force; all nominations placed on the Secretary's desk, in the Army, Air Force, and Navy.

I also ask unanimous consent that the Committee on Commerce, Science, and Transportation be discharged from further consideration of the following nominations:

Vice Adm. Martin H. Daniell, Jr., to be commander, Pacific area; and

Rear Adm. Robert T. Nelson, to be vice commandant.

I further ask unanimous consent that the Senate proceed to immediate consideration, and that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Buster C. Glosson, 240-64-4340, U.S. Air Force.

DEPARTMENT OF STATE

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.

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.

NUCLEAR REGULATORY COMMISSION

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. (Reappointment.)

THE JUDICIARY

Morris S. Arnold, to be U.S. circuit judge.

Michael Boudin, to be U.S. circuit judge.

Jerome B. Simandle, to be U.S. district judge.

Richard G. Kopf, to be U.S. district judge.

DEPARTMENT OF DEFENSE

Col. James J. Sullivan, to be brigadier general;

G. Kim Wincup, to be an Assistant Secretary of the Air Force;

Gen. George L. Butler, to be general;

Rear Adm. John M. McConnell, to be vice admiral;

Gen. Hansford T. Johnson, to be general;

Lt. Gen. Charles A. Horner, to be general;

Lt. Gen. Robert D. Hammond, to be lieutenant general;

USA Reserve officers named for appointment in the Reserve of the U.S. Army in the grades of Major general and brigadier general;

Lt. Gen. William S. Flynn, to be lieutenant general;

Adm. Jerome L. Johnson, to be admiral;

Lt. Gen. Robert D. Beckel, to be lieutenant general;

Lt. Gen. Michael F. Spigelmire, to be lieutenant general;

Lt. Gen. August M. Cianciolo, to be lieutenant general;

Lt. Gen. Robert H. Ludwig, to be lieutenant general;

Lt. Gen. C. Norman Wood, to be lieutenant general;

Maj. Gen. John E. Jackson, Jr., to be lieutenant general;

Gen. Donald J. Kutyna, to be lieutenant general;

Lt. Gen. Vernon J. Knodra, to be lieutenant general;

Lt. Gen. Michael A. Nelson, to be lieutenant general;

Lt. Gen. Robert L. Rutherford, to be lieutenant general;

Maj. Gen. Malcolm B. Armstrong, to be lieutenant general;

Gen. John R. Galvin, to be general;

Maj. Gen. Joseph W. Ralston, to be lieutenant general;

Lt. Gen. William G. Pagonis, to be lieutenant general;

Vice Adm. Martin H. Daniell, Jr., to be commander, Pacific area; and

Rear Adm. Robert T. Nelson, to be vice commandant.

STATEMENT ON THE NOMINATION OF AIR FORCE MAJ. GEN. BUSTER GLOSSON

Mr. NUNN. Mr. President, I want to express my support for President Bush's nomination of Air Force Maj. Gen. Buster Glosson to the rank of lieutenant general and assignment to the position of Deputy Chief of Staff of the Air Force for Plans and Operations. This is one of the most critical senior leadership position in the Air Force, and I think General Glosson will do an excellent job in this assignment.

On behalf of the members and staff of the Armed Services Committee, I also want to take this opportunity to thank Gen. Buster Glosson for his outstanding service to our committee and to the U.S. Senate as Director of Air Force Legislative Liaison.

One year ago this month, General Glosson was completing a very successful assignment in Saudi Arabia as the Special Assistant to Lt. Gen. Charles Horner, the Air Force component commander under General Schwarzkopf during the Persian Gulf conflict. In that assignment, General Glosson played a key role in developing and coordinating the highly successful air campaign of Operation Desert Storm.

Following his Persian Gulf duty, General Glosson returned to Washing-

ton to become the Director of Air Force Legislative Liaison in May 1991. General Glosson was no stranger to those of us on Capitol Hill, because he served 2 years as Deputy Assistant Secretary of Defense for Legislative Affairs for 2 years before his assignment to U.S. Central Command.

We had high expectations for General Glosson when we learned he would be the Air Force's chief spokesman on Capitol Hill, and he exceeded our expectations. During the past year, his detailed knowledge of Air Force operations and his exceptional credibility and integrity have improved communications between the Armed Services Committee and the Air Force. Under General Glosson's strong leadership, the Air Force Legislative Liaison Office has continued its excellent reputation of providing timely and accurate information on Air Force issues to congressional offices, and assisting with the constituent casework so important to all of our offices.

Mr. President, I want to thank General Glosson for his service to the Senate and to the Nation. I congratulate him on his promotion and wish him continued success as he serves our Nation in positions of increasing responsibility.

STATEMENT ON THE NOMINATION OF JEROME B. SIMANDLE

Mr. LAUTENBERG. Mr. President, I rise in strong support for the nomination of Judge Jerome B. Simandle to become a U.S. district court judge for the District of New Jersey.

Judge Simandle has demonstrated a sincere and lasting commitment to public service and I am confident he will serve his community and our Nation with great distinction on the district court bench. I recommend him enthusiastically to my colleagues.

Born in Binghamton, NY, and now a resident of Moorestown, NJ, Judge Simandle graduated from Princeton in 1971. He received his law degree from the University of Pennsylvania in 1976 where he was an editor of the Law Review. Following law school, Simandle served as a clerk for U.S. District Court Judge John Gerry, currently the chief judge for the New Jersey district.

He then became an assistant U.S. attorney, first in Newark and then in the Trenton office where he became the attorney in charge in 1983. In that same year, he became a magistrate judge in the district court and was reappointed unanimously to another 8-year term in 1991.

Judge Simandle now aspires to confirmation to serve as a district court judge in the same courthouse where he has served the community most ably, first as a judicial clerk, then as an assistant U.S. attorney and, now, as a judge magistrate.

In each of these positions, Judge Simandle has served with distinction.

As an assistant U.S. attorney, Judge Simandle handled a wide range of civil litigation matters. He argued cases in both the district court and the U.S. Court of Appeals. His primary areas of activity were torts, civil rights, labor law, environmental law, and administrative law.

As a magistrate, Judge Simandle has performed effectively many of the duties that he will take on as a district court judge. He has developed experience in the wide variety of legal matters that come before the court, including criminal law. Judge Simandle has, by all accounts, demonstrated the judicial temperament he will need in his new position.

Particularly interesting to me as a member of the Senate's Environment and Public Works Committee, he has had extensive involvement representing the government in environmental cases including Superfund cases.

In addition, as a magistrate, Judge Simandle has continued his involvement in complex environmental cases and has participated in developing innovative techniques for managing and reducing the cost of difficult multiparty cases.

As the Federal courts increasingly hear cases involving important environmental issues, Judge Simandle's experience should prove especially helpful.

Mr. President, for too long the Camden Federal District Court has labored under a crushing workload with a depleted roster of judges available to conduct the court's business. Judge Gerry and his colleagues, as well as the citizens of southern New Jersey who look to the court to resolve disputes and secure justice, need and deserve swift action on this nomination.

Jerome Simandle will make an excellent addition to this court. He has received the highest rating from the American Bar Association.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

CONTINUATION IN GRADE OF THE DEPUTY SECURITY ADVISOR

Mr. FORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2569.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2569) entitled "An Act to amend title 10, United States Code, to make the Vice Chairman of the Joint Chiefs of Staff a member of the Joint Chiefs of Staff; to provide joint duty credit for certain service; and to provide for the temporary continuation of the current Deputy National Security Advisor in a flag officer grade in the Navy", do pass with the following amendments:

Page 2, strike out line 1, through page 5, line 8 inclusive.

Page 5, line 9, strike out "SEC. 3.", and insert in lieu thereof "SECTION 1."

Amend the title so as to read: "An Act to provide for the temporary continuation in office of the current Deputy Security Advisor in a flag officer grade in the Navy.".

Mr. FORD. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

REMOVING THE "LIFE OF THE PLANTING" EASEMENT REQUIREMENT UNDER THE CONSERVATION RESERVE PROGRAM

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2780 regarding removing the "life of the planting" easement requirement of the Conservation Reserve Program, introduced earlier today by Senator LEAHY.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2780) to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LEAHY. Mr. President, in the 1990 Food, Agriculture, Conservation, and Trade Act, Congress made several changes to the conservation reserve. One of these, the requirement that certain conservation plantings be protected with an easement covering their useful life, has not had the desired results. As a matter of fact, this provision has kept producers who want to establish grass filter strips from participating in the program. This is very unfortunate because grass filter strips are one of the best surface water quality protection practices available in the conservation reserve. It is for this reason that we are removing the requirement that these practices be protected for their useful life by an easement.

Mr. LUGAR. Mr. President, I concur with the statement of the chairman. The life of the planting easement requirement has caused the conservation reserve to lose much of its attractiveness to producers that want to establish the conservation practices covered by this requirement. My intention in passing this amendment is to see more enrollments by producers wanting to establish these covers.

Mr. President, I would like to inquire of the chairman if he intends for this provision to affect in any way the use of easements in the other programs in the conservation title of the 1990 Food, Agriculture, Conservation, and Trade Act?

Mr. LEAHY. Mr. President, I thank the Senator from Indiana for his question. I do not intend for this amendment to affect the use of easements in any of the other conservation programs. I believe that the problem created in the conservation reserve by this life of the plantings easement requirement is specific and unique to the conservation reserve. We have strong indications from the field that the Wetland Reserve Program will have substantial and adequate signup, even with the permanent easement requirement in that program. As we stated in the report accompanying the Senate's version of the 1990 Food, Agriculture, Conservation, and Trade Act, I believe that it is important that the Department make every effort to use easements in our efforts to protect restored wetlands. I do not intend that the passage of this amendment today should in any way alter the Department's current plans to use easements in the Wetland Reserve Program.

Mr. LUGAR. Mr. President, I want to thank the chairman for making that clear and I want to state that I concur in this intention.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 2780

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REMOVAL OF CERTAIN EASEMENT REQUIREMENTS UNDER CONSERVATION RESERVE PROGRAM.

(a) CONSERVATION RESERVE.—Section 1231(b)(4)(C) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(4)(C)) is amended by striking ", and made subject to an easement for the useful life of,".

(b) CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.—Section 1235A(a)(2) of such Act (16 U.S.C. 3835a(a)(2)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) EXTENSION OF CONTRACT.—With respect to a contract that is modified under this section that provides for the planting of hardwood trees, windbreaks, shelterbelts, or wildlife corridors, if the original term of the contract was less than 15 years, the owner or operator may extend the contract to a term of not to exceed 15 years.";

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

THE 50TH ANNIVERSARY OF THE BATTLE OF THE CORAL SEA

Mr. FORD. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of Senate Concurrent Resolution 122, regarding the 50th anniversary of the Battle of the Coral Sea, that the Senate then proceed to its immediate consideration; that the concurrent resolution be agreed to and that the motion to reconsider be laid upon the table, and the preamble also be agreed to.

The PRESIDING OFFICER. Is there objection to the immediate consideration of concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 122) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 122

Whereas in 1992 the United States and Australia are commemorating the 50th anniversary of the Battle of the Coral Sea, during which a joint American and Australian naval force first began to turn back the tide of aggression, thereby securing Australia from invasion and greatly enhancing allied morale and resolve;

Whereas the alliance between the United States and Australia during World War II was formalized in the 1951 Security Treaty commonly referred to as the "ANZUS Treaty", which provides that the United States and Australia will act to meet the common danger in the event of an armed attack in the Pacific against either country;

Whereas the alliance between the United States and Australia has been characterized by an extraordinary degree of cooperation that includes information sharing, combined exercises, joint training and educational programs, and joint facilities;

Whereas the relationship between the United States and Australia goes well beyond security cooperation, and is based on common values and beliefs, such as respect for international law, human rights, and the fundamental concepts underlying the democratic process;

Whereas this relationship is strengthened by a long tradition of friendship, as well as cultural and educational exchanges; and

Whereas the United States and Australia share a wide range of common interests in Asia and the Pacific, such as growth and liberalization of international trade, as well as regional cooperation on economic development, environmental protection, and the peaceful settlement of disputes: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That on the occasion of the 50th anniversary of the Battle of the Coral Sea, the Congress—

(1) pays tribute to the relationship between the United States and Australia, and looks forward to the continued growth and development of this relationship;

(2) reaffirms the importance of security cooperation between the United States and Australia and the importance of their mutual security commitments; and

(3) expressed its strong support for continued close cooperation between Australia and the United States on economic and security issues in Asia and the Pacific.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEES TO REPORT ON THURSDAY, MAY 28, FROM 11 A.M. UNTIL 3 P.M.

Mr. FORD. Mr. President, I ask unanimous consent that during the recess/adjournment of the Senate, the Senate committees may file reported legislative and executive calendar business on Thursday, May 28, from 11 a.m. until 3 p.m.

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

CHINESE STUDENT PROTECTION ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 457, S. 1216, a bill relating to the resident status of certain nonimmigrant aliens; that the committee substitute amendment be agreed to; that the bill be deemed read a third time and passed; that the motion to reconsider be laid upon the table, and that any statements in relation to this item appear at the appropriate place in the RECORD.

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

The committee amendment was agreed to.

Mr. GORTON. Mr. President, I urge my colleagues to pass the Chinese Student Protection Act. I introduced this legislation on June 4, 1991, the 2 year anniversary of the bloody massacre at Tiananmen Square. This bill would permit those covered by President Bush's 1989 Executive order, which stayed the deportation of Chinese Nationals in the United States at the time of the tragedy, to apply for permanent residency beginning July 1, 1993. The only condition under which those covered by the Executive order could not apply for permanent residency is if the President certifies before July 1, 1993, that it is safe for them to return to China.

For the last year, I have worked with both Republican and Democratic Senators to meet concerns that were expressed about this important legislation. It is my understanding that all objections have been met due to an extraordinary degree of bipartisan cooperation to move forward on this measure. Let me assure you that from

this Senator's viewpoint, every effort has been made to address the concerns of the administration while securing the safety and well-being of the thousands of Chinese students who will seek protection under this legislation. For the record, I would like to take this opportunity to repeat to my colleagues the significance of this measure and the desperate need for their support.

Mr. President, it has been nearly 3 years since the bloody travesty of Tiananmen Square. A thousand days have passed since that young man stood down a tank, but that powerful image of coverage and determination is forever in our minds. Certainly, the images and memories of the dissident students who fell to tyranny and dictatorship are painfully fresh in the minds of Chinese nationals who were in the United States at the time. A thousand years could pass, and the fear and the helplessness felt by those here could never be forgotten.

Mr. President, we have had one thousand days to adjust to the past injustice of Tiananmen Square. However, we have only half that time to avoid further injustice to those longing for democracy. On January 1 of 1994, the Executive order that protected the deportation of Chinese nationals expires, and unless this Senate acts now, those covered by the Executive order lose not only their hopes and dreams of United States residency, we jeopardize their very lives.

That is why I introduced S. 1216, the Chinese Student Protection Act. The measure intends to release the Chinese nationals covered by the 1989 Executive order from their current immigration limbo and provide them the option of applying for permanent residency here in the United States. Since introduction of this bill, several changes have been added to address concerns of both Chinese students and United States Immigration officials. Those changes include a provision to require those covered by the legislation to have been continuously residing in the United States since the Tiananmen massacre other than for brief, casual, and innocent absences. In addition, those covered could not have visited China over a period for more than 90 days.

A second change involves a provision to count those persons receiving permanent residency under new worldwide immigration levels as established by the Immigration Act of 1990. Additional provisions also address the need to count them under China's per country ceiling without adversely affecting ongoing immigration from China.

A third change applies standard immigration law exclusions to those covered by the Executive order. Those may include criminals, Communist party members, and those likely to become a public charge. Finally, the individuals covered by the Executive order will be permitted to apply immediately for permanent residency rather than wait 18 months under temporary residency as proposed under the original legislation.

These changes represent long, difficult hours of thoughtful debate to accommodate the safety concerns of Chinese students and legitimate United States immigration policy goals. Meanwhile, the thousands covered by the Executive order have waited patiently for action by the Congress. This bill responds to their desperate plea for a future in the United States of America that can now be answered by full Senate support of this measure. At that point, only one condition can prevent this legislation from having the intended consequences: certification by the President by July 1, 1993, that conditions in China are safe for the students return.

Mr. President, if recent news accounts are any indication, I seriously doubt that conditions have improved or soon will improve in China since tanks and artillery opened fire on unarmed civilians 3 years ago. According to the March 16, 1992, issue of Asia Watch, a Committee of Human Rights Watch, "by early March 1992, at least 20 students, workers, editors, and journalists who were active during the 1989 movement or its aftermath had been tried and sentenced by courts in Beijing and Xi'an." In addition, an April 16, 1992, New York Times article describes a hero of the student revolution who declares that many other dissidents are still imprisoned and tortured.

Perhaps the best indication of the continuing oppression is a recent declaration by Ren Jianxin, president of the Supreme People's Court at the Fifth Session of the Seventh National People's Congress in Beijing on March 28, 1992. He reaffirms the Chinese Government's commitment to "severely punish counterrevolutionary criminals who harmed national security." This statement is consistence with actions reported by Amnesty International on March 5, 1992, that "at least nine prodemocracy activists were arrested in Beijing by plainclothes security agents on Saturday, February 29."

Despite promises and rumors of reform by the Chinese Government, dissidents here in the United States understand the harsh reality that awaits them if they face forced deportation. The April 6, 1992, edition of Newsweek contains a story of exiles one of which, journalist and political scientist Yuan Zhiming, declares sadly "Some of those in jail are my friends. If they are in prison, we will be, too."

Mr. President, we have waited a thousand days, but we can wait no longer to alleviate these brave people from the fear that they face with deportation. Their patience and confidence in us is only surpassed by their love of freedom and desire to remain in the United States. We cannot afford to put their lives on hold any longer.

Once again, I commend the extraordinary bipartisan commitment on behalf of Senators and their staff to bring this bill to the floor. In particular, I appreciate the skillful work of Michael Myers on Senator's KENNEDY's immigration staff and my former staff member, Curtis Hom.

Finally, Mr. President, I would like to remind my colleagues that this bill represents another type of opportunity that we rarely enjoy these days. So often during this election year, our efforts on economic growth, health care reform, and the budget deficit have been frustrated by our inability to produce meaningful results. No doubt the numerous announcements of early retirements in both Chambers reflect the sense felt by many that we can no longer make a positive difference. However, the Chinese Student Protection Act is a welcome exception. We can make people's lives better today by taking a major step toward providing them permanent residency. This is a rare opportunity to make the positive difference we all wish to make.

Mr. President, I urge my colleagues to join me and support S. 1216, the Chinese Student Protection Act. In another thousand days, it will be too late for thousands of Chinese Nationals who wish to remain in America. Let us act now by passing this legislation to avoid a forced deportation and uncertain future of a desperate people.

Mr. KENNEDY. Mr. President, I can think of few more appropriate gestures in support of democracy in China than the Chinese Student Protection Act of 1992, sponsored by the Senator from Washington.

The students here have been at the forefront of international efforts to promote democratic reform in China. Many of them have placed themselves and their families at great risk because of their protests against the Tiananmen Square massacre and their continuing efforts to end the massive government crackdown which followed.

The administration has taken the step, through executive order, of allowing the students to remain in the United States only until January 1, 1994. Because their immigration status is so uncertain, it is necessary for Congress to act to provide the students, who have taken such great risks for their people, with a secure and permanent immigration status in the United States.

Only then will they be able to continue to openly pursue the cause of freedom without worrying that one day they may have to return to China before needed reforms have taken place.

Mr. President, I am also grateful for the important contributions of the ranking member of our Immigration Subcommittee, Senator SIMPSON. His suggestions for the legislation enabled it to move forward with broad support.

I am pleased to have been an original cosponsor of this important bill, and

join with the Senator from Washington in urging its immediate passage.

The bill (S. 1216) was deemed read a third time and passed, as follows:

S. 1216

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 "Chinese Student Protection Act of 1992".

SEC. 2. ADJUSTMENT TO LAWFUL PERMANENT RESIDENT STATUS OF CERTAIN NATIONALS OF THE PEOPLE'S REPUBLIC OF CHINA.

(a) IN GENERAL.—Subject to subsection (c)(1), whenever an alien described in subsection (b) applies for adjustment of status under section 245 of the Immigration and Nationality Act during the application period (as defined in subsection (e)) the following rules shall apply with respect to such adjustment:

(1) The alien shall be deemed to have had a petition approved under section 204(a) of such Act for classification under section 203(b)(3)(A)(i) of such Act.

(2) The application shall be considered without regard to whether an immigrant visa number is immediately available at the time the application is filed.

(3) In determining the alien's admissibility as an immigrant, and the alien's eligibility for an immigrant visa—

(A) paragraphs (5) and (7)(A) of section 212(a) and section 212(e) of such Act shall not apply; and

(B) the Attorney General may waive any other provision of section 212(a) (other than paragraph (2)(C) and subparagraph (A), (B), (C), or (E) of paragraph (3)) of such Act with respect to such adjustment for humanitarian purposes, for purposes of assuring family unity, or if otherwise in the public interest.

(4) The numerical level of section 202(a)(2) of such Act shall not apply.

(b) ALIENS COVERED.—For purposes of this section, an alien described in this subsection is an alien who—

(1) is a national of the People's Republic of China described in section 1 of Executive Order No. 12711 as in effect on April 11, 1990;

(2) has resided continuously in the United States since April 11, 1990 (other than brief, casual, and innocent absences); and

(3) was not physically present in the People's Republic of China for longer than 90 days after such date and before the date of the enactment of this Act.

(c) CONDITION; DISSEMINATION OF INFORMATION.—

(1) NOT APPLICABLE IF SAFE RETURN PERMITTED.—Subsection (a) shall not apply to any alien if the President has determined and certified to Congress, before the first day of the application period, that conditions in the People's Republic of China permit aliens described in subsection (b)(1) to return to that foreign state in safety.

(2) DISSEMINATION OF INFORMATION.—If the President has not made the certification described in paragraph (1) by the first day of the application period, the Attorney General shall, subject to the availability of appropriations, immediately broadly disseminate to aliens described in subsection (b)(1) information respecting the benefits available under this section. To the extent practicable, the Attorney General shall provide notice of these benefits to the last known mailing address of each such alien.

(d) OFFSET IN PER COUNTRY NUMERICAL LEVEL.—

(1) IN GENERAL.—The numerical level under section 202(a)(2) of the Immigration and Nationality Act applicable to natives of the People's Republic of China in each applicable fiscal year (as defined in paragraph (3)) shall be reduced by 1,000.

(2) ALLOTMENT IF SECTION 202(E) APPLIES.—If section 202(e) of the Immigration and Nationality Act is applied to the People's Republic of China in an applicable fiscal year, in applying such section—

(A) 300 immigrant visa numbers shall be deemed to have been previously issued to natives of that foreign state under section 203(b)(3)(A)(i) of such Act in that year, and

(B) 700 immigrant visa numbers shall be deemed to have been previously issued to natives of that foreign state under section 203(b)(5) of such Act in that year.

(3) APPLICABLE FISCAL YEAR.—

(A) IN GENERAL.—In this subsection, the term "applicable fiscal year" means each fiscal year during the period—

(i) beginning with the fiscal year in which the application period begins; and

(ii) ending with the first fiscal year by the end of which the cumulative number of aliens counted for all fiscal years under subparagraph (B) equals or exceeds the total number of aliens whose status has been adjusted under section 245 of the Immigration and Nationality Act pursuant to subsection (a).

(B) NUMBER COUNTED EACH YEAR.—The number counted under this subparagraph for a fiscal year (beginning during or after the application period) is 1,000, plus the number (if any) by which (i) the immigration level under section 202(a)(2) of the Immigration and Nationality Act for the People's Republic of China in the fiscal year (as reduced under this subsection), exceeds (ii) the number of aliens who were chargeable to such level in the year.

(e) APPLICATION PERIOD DEFINED.—In this section, the term "application period" means the 6-month period beginning July 1, 1993.

The title was amended so as to read "A bill to provide for the adjustment of status under the Immigration and Nationality Act of certain nationals of the People's Republic of China unless conditions permit their return in safety to that foreign state.".

UNITED STATES-HONG KONG POLICY ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 459, S. 1731, United States-Hong Kong Policy Act of 1992, that the committee substitute be agreed to, and the bill, as amended, be deemed read a third time and passed, and that the motion to reconsider be laid upon the table; that the title amendment be agreed to; further, that any statements relating to this matter be included in the RECORD at the appropriate place.

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

The committee amendment was agreed to.

The bill (S. 1731) was deemed read a third time and passed, as follows:

S. 1731

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 "United States-Hong Kong Policy Act of 1992".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The Congress recognizes that under the 1984 Sino-British Joint Declaration:

(A) The People's Republic of China and the United Kingdom of Great Britain and Northern Ireland have agreed that the People's Republic of China will resume the exercise of sovereignty on July 1, 1997. Until that time, the United Kingdom will be responsible for the administration of Hong Kong.

(B) The Hong Kong Special Administrative Region (SAR) of the PRC, beginning on July 1, 1997, will continue to enjoy a high degree of autonomy on all matters other than defense and foreign affairs.

(C) There is provision for implementation of a "one country, two systems" policy, under which Hong Kong will retain its current lifestyle and legal, social and economic systems until at least the year 2047.

(D) The legislature of the Hong Kong SAR will be constituted by elections, and the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, as applied to Hong Kong, shall remain in force.

(E) Provision is made for the continuation in force of agreements implemented as of June 30, 1997, and for the future Hong Kong SAR's ability to conclude new agreements either on its own or with the assistance of the Government of the People's Republic of China.

(2) The Congress declares its wish to see full implementation of the provisions of the Joint Declaration.

(3) The President of the United States has announced his support for the policies and decisions reflected in the Sino-British Declaration.

(4) Hong Kong plays an important role in today's regional and world economy. This role is reflected in strong economic, cultural, and other ties with the United States that give the United States a strong interest in the continued vitality, prosperity, and stability of Hong Kong.

(5) Support for democratization is a fundamental principle of United States foreign policy. As such, it naturally applies to United States policy toward Hong Kong. This will remain equally true after June 30, 1997.

(6) The human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong. A fully successful transition of sovereignty in Hong Kong must safeguard human rights in and of themselves. Human rights also serve as a basis for Hong Kong's continued economic prosperity.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) the term "Hong Kong" means, prior to July 1, 1997, the British Dependent Territory of Hong Kong, and on and after July 1, 1997, the Hong Kong Special Administration Region of the People's Republic of China;

(2) the term "Joint Declaration" means the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong, done at Beijing on December 19, 1984;

(3) the term "laws of the United States" includes any statute, rule, regulation, ordinance, order, or judicial rule of decision of the United States or any political subdivision thereof;

(4) the term "PRC" means the People's Republic of China; and

(5) the term "Hong Kong person" means—

(A) any natural person residing in Hong Kong; and

(B) any corporation, company, association, partnership, or other organization which is not an agency or other instrumentality of any foreign state (as defined in section 1603(a) of title 28, United States Code) and which is legally constituted under the laws and regulations of Hong Kong.

TITLE I—POLICY

SEC. 101. BILATERAL TIES BETWEEN THE UNITED STATES AND HONG KONG.

It is the sense of Congress that the following, based on provisions of the Joint Declaration, where applicable, should be the policy of the United States with respect to its bilateral relationship with Hong Kong:

(1) The United States should play an active role, before, on, and after July 1, 1997, in maintaining Hong Kong's confidence and prosperity, Hong Kong's role as an international financial center, and the mutually beneficial ties between the people of the United States and the people of Hong Kong.

(2) The United States should actively seek to establish and expand direct bilateral ties and agreements with Hong Kong in economic, trade, financial, monetary, aviation, shipping, communications, tourism, cultural, sport, and other appropriate areas.

(3) The United States should seek to maintain, after June 30, 1997, the United States consulate-general in Hong Kong, together with other official and semi-official organizations, such as the United States Information Agency American Library.

(4) The United States should invite Hong Kong to maintain, after June 30, 1997, its official and semi-official missions in the United States, such as the Hong Kong Economic & Trade Office, the Office of the Hong Kong Trade Development Council, and the Hong Kong Tourist Association. The United States should invite Hong Kong to open and maintain other official or semi-official missions.

(5) The United States should recognize passports and travel documents issued after June 30, 1997, by the Hong Kong Special Administrative Region.

(6) The PRC's resumption of the exercise of sovereignty over Hong Kong after June 30, 1997, should not affect treatment of Hong Kong residents who apply for visas to visit the United States.

SEC. 102. PARTICIPATION BY HONG KONG IN MULTILATERAL ORGANIZATIONS.

It is the sense of the Congress that the following, based on provisions of the Joint Declaration, where applicable, should be the policy of the United States with respect to participation by Hong Kong in multilateral organizations after June 30, 1997:

(1) The United States should support Hong Kong's participation in appropriate multilateral organizations that are open to nonstates and in all appropriate multilateral international conferences, agreements, and organizations, for which it is eligible under the organization's bylaws.

(2) The United States should continue to fulfill its obligations to Hong Kong under international agreements, so long as Hong Kong reciprocates, regardless of whether the PRC is a party to the particular international agreement, unless and until such obligations are modified or terminated according to specified procedures.

(3) The United States should respect Hong Kong's status as a separate customs territory, and as a contracting party to the General Agreement on Tariffs and Trade, whether or not the PRC participates in the latter organization.

SEC. 103. COMMERCE BETWEEN THE UNITED STATES AND HONG KONG.

It is the sense of the Congress that the following, based on the provisions of the Joint Declaration, where applicable, should continue to be the policy of the United States after June 30, 1997, with respect to commerce between the United States and Hong Kong:

(1) The United States should seek to maintain and expand economic and trade relations with Hong Kong and should continue to treat Hong Kong as a separate territory in economic and trade matters, such as import quotas and certificates of origin.

(2) The United States should continue to negotiate directly with Hong Kong to conclude bilateral economic agreements.

(3) The United States should continue to treat Hong Kong as a territory which is fully autonomous from the United Kingdom and, after June 30, 1997, should treat Hong Kong as a territory which is fully autonomous from the PRC with respect to economic and trade matters.

(4) The United States should continue to grant the products of Hong Kong nondiscriminatory trade treatment (commonly referred to as "most-favored-nation status") by virtue of Hong Kong's membership in the General Agreement on Tariffs and Trade (GATT).

(5) The United States should recognize certificates of origin for manufactured goods issued by the Hong Kong Special Administrative Region.

(6) The United States should continue to allow the United States dollar to be freely exchanged with the Hong Kong dollar.

(7) United States businesses should be encouraged to continue to operate in Hong Kong, in accordance with applicable United States and Hong Kong law.

(8) The United States should continue to support access by Hong Kong to sensitive technologies controlled under the agreement of the Multilateral Coordinating Committee for Export Controls (commonly referred to as "COCOM") for so long as the United States is satisfied that such technologies remain in Hong Kong.

(9) The United States should encourage Hong Kong to continue its efforts to develop a framework which provides adequate protection for intellectual property rights.

(10) The United States should negotiate directly with Hong Kong, in consultation with the PRC, a bilateral investment treaty.

SEC. 104. TRANSPORTATION.

It is the sense of the Congress that the following, based on the provisions of the Joint Declaration, where applicable, should be the policy of the United States after June 30, 1997, with respect to transportation from Hong Kong:

(1) Recognizing Hong Kong's position as an international transport center, the United States should continue to recognize ships and airplanes registered in Hong Kong and should negotiate air service agreements directly with Hong Kong.

(2) The United States should continue to recognize ships registered by Hong Kong after June 30, 1997.

(3) United States commercial ships, in accordance with applicable United States and Hong Kong law, should remain free to port in Hong Kong.

(4) The United States should continue to recognize airplanes registered by Hong Kong in accordance with applicable laws of the PRC.

(5) The United States should recognize licenses issued by the Hong Kong Special Administrative Region to Hong Kong airlines.

(6) The United States should recognize certificates issued by the Hong Kong Special Administrative Region to United States air carriers for air service involving travel to, from, or through Hong Kong and which does not involve travel to, from, or through other parts of the PRC.

(7) The United States should negotiate at the appropriate time directly with the Hong Kong Special Administrative Region, acting under authorization from the Government of the PRC, to renew or amend all air service agreements existing on June 30, 1997, and to conclude new air service agreements affecting all flights to, from, or through other parts of the PRC. The United States should negotiate at the appropriate time directly with the Government of the PRC to renew or amend all air service agreements existing on June 30, 1997, and to conclude new air service agreements affecting all flights which travel to, from, or through other parts of the PRC, whether or not the flight also travels to, from, or through Hong Kong.

SEC. 105. CULTURAL AND EDUCATIONAL EXCHANGES.

It is the sense of the Congress that the following based on the provisions of the Joint Declaration, where applicable, should be the policy of the United States after June 30, 1997, with respect to cultural and educational exchanges with Hong Kong:

(1) The United States should seek to maintain and expand United States-Hong Kong relations and exchanges in culture, education, science, and academic research. The United States should encourage American participation in bilateral exchanges with Hong Kong, both official and unofficial.

(2) The United States should actively seek to further United States-Hong Kong cultural relations and promote bilateral exchanges, including the negotiating and concluding of appropriate agreements in these matters.

(3) The Hong Kong Special Administrative Region should be accorded separate status as a full partner under the Fulbright Academic Exchange Program (apart from Great Britain before July 1, 1997, and apart from the PRC thereafter), with the establishment of a Fulbright Commission or functionally equivalent mechanism.

(4) The United States should actively encourage Hong Kong residents to visit the United States on nonimmigrant visas for such purposes as business, tourism, education, and scientific and academic research, in accordance with applicable United States and Hong Kong laws.

(5) Upon the request of the Legislative Council of Hong Kong, the Librarian of Congress, acting through the Congressional Research Service, should seek to expand educational and informational ties with the Council.

TITLE II—THE STATUS OF HONG KONG IN UNITED STATES LAW

SEC. 201. CONTINUED APPLICATION OF UNITED STATES LAW.

(a) IN GENERAL.—Notwithstanding any change in the exercise of sovereignty over Hong Kong, the laws of the United States shall continue to apply with respect to Hong Kong, on and after July 1, 1997, in the same manner as such laws were applied with respect to Hong Kong before such date unless otherwise expressly provided by law or by Presidential order under section 202.

(b) INTERNATIONAL AGREEMENTS.—For all purposes, including actions in any court in the United States, the Congress approves the

continuation in force on and after July 1, 1997, of all treaties and other international agreements, including multilateral conventions, entered into before such date between the United States and Hong Kong, or entered into before such date, between the United States and the United Kingdom and applied to Hong Kong, unless or until terminated in accordance with law.

SEC. 202. PRESIDENTIAL ORDER.

(a) PRESIDENTIAL DETERMINATION.—On or after July 1, 1997, whenever the President determines that Hong Kong is not sufficiently autonomous to justify treatment under a particular law of the United States, or any provision thereof, different from that accorded the state exercising sovereignty over Hong Kong, the President may issue an order suspending the application of section 201 to such law or provision of law.

(b) FACTOR FOR CONSIDERATION.—In making a determination under subsection (a) with respect to the application of a law of the United States, or any provision thereof, to Hong Kong, the President should consider the terms, obligations, and expectations expressed in the Joint Declaration with respect to Hong Kong.

(c) EFFECTIVE DATE.—Such Presidential order shall take effect upon publication in the Federal Register and shall specify the law or provision of law affected by the order.

SEC. 203. PROPERTY RIGHTS NOT AFFECTED.

The change in sovereignty over Hong Kong shall not affect ownership in any property, tangible or intangible, held in the United States by any Hong Kong person.

SEC. 204. RULES AND REGULATIONS.

The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act.

TITLE III—REPORTING PROVISIONS

SEC. 301. REPORTING REQUIREMENT.

Not later than 6 months after the date of enactment of this Act, and every 18 months thereafter, the Secretary of State shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on conditions in Hong Kong of interest to the United States. This report shall describe—

(1) significant developments in United States relations with Hong Kong, including a description of agreements that have entered into force between the United States and Hong Kong during the preceding 18-month period or, in the case of the initial report, during the period since the date of enactment of this Act;

(2) other matters, including developments related to the change in the exercise of sovereignty over Hong Kong, affecting United States interests in Hong Kong or United States relations with Hong Kong;

(3) the nature and extent of United States-Hong Kong cultural, education, scientific and academic exchanges, both official and unofficial;

(4) the development of democratic institutions in Hong Kong; and

(5) the nature and extent of Hong Kong's participation in multilateral forums.

SEC. 302. REPORT ON UNITED STATES-HONG KONG INTERNATIONAL AGREEMENTS.

(a) IN GENERAL.—Whenever the President determines—

(1) that Hong Kong is not legally competent to carry out its obligations under a treaty or other international agreement described in subsection (b) or to benefit from the rights specified in such treaty or agreement, or

(2) that the continuation of such obligations or rights is not appropriate under the circumstances,

then the President shall so report to the Speaker of the House of Representatives and the chairman and ranking minority member of the Committee on Foreign Relations of the Senate.

(b) INTERNATIONAL AGREEMENTS COVERED.—Subsection (a) applies to any treaty or other international agreement, including any multilateral convention, entered into between the United States and Hong Kong before June 30, 1997, or entered into between the United States and the United Kingdom and applied to Hong Kong before such date.

(c) CONTENTS OF REPORT.—Any report submitted under subsection (a) shall include a statement of the reasons for the President's determination under that subsection.

SEC. 303. SEPARATE PART OF COUNTRY REPORTS.

Whenever a report is transmitted to the Congress on a country-by-country basis there shall be incuded in such report, where applicable, a separate subreport on Hong Kong under the heading of the state that exercises sovereignty over Hong Kong. Such reports include, but are not limited to, reports transmitted under—

(1) sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961 (relating to human rights); and

(2) section 181 of the Trade Act of 1974 (relating to trade barriers).

The title was amended so as to read "A bill to establish the policy of the United States with respect to Hong Kong, and for other purposes.".

Mr. MCCONNELL. Mr. President, this legislation is extremely important to the future of Hong Kong and to United States political and economic interests in that region. Therefore, I want to take just a moment to explain how the United States-Hong Kong Policy Act of 1992 was developed and why I believe it should become law.

The United States-Hong Kong Policy Act establishes for the first time a comprehensive, coherent approach to formalizing our bilateral relationship with Hong Kong. The bill affirms that the United States will respect the autonomy promised to Hong Kong under the 1984 Sino-British Joint Declaration, and enables the United States to develop its bilateral relationship with Hong Kong to the fullest extent possible.

The United States-Hong Kong Policy Act is the result of two trips I've made to Hong Kong in the last 10 months. On those visits, I met with government officials, politicians, American and Hong Kong business people, and citizens of the territory. I came away from those meetings struck by the huge and growing American presence in Hong Kong, and by the stake we have in the future of the territory. I was also struck, however, with the complete lack of any policy in this country for dealing with the fact that in 1997, Hong Kong, the world's most pure example of free market capitalism, will be turned over to China, the world's largest communist regime.

Historically, the United States has been reluctant to involve itself in Hong Kong affairs because the territory was a dependent of the United Kingdom and because United States economic interests there were less compelling. There may have been a time when that policy was correct.

But times have changed. London is steadily disengaging from Hong Kong in anticipation of the colony's 1997 reversion to Chinese sovereignty. America's interests in Hong Kong have grown remarkably, both in terms of the global economy and emerging democratic institutions in Hong Kong. Our policy, Mr. President, must change to reflect these developments.

Over the past 10 years, our trading relationship with Hong Kong has grown tremendously. Since 1986, United States exports to Hong Kong have nearly doubled and last year, the territory purchased some 7 billion dollars' worth of American-made products. On a per capita basis, that is three times more than Japan bought from us in the same period. Hong Kong is the principal financial capital in Southeast Asia, and America's business presence in the territory has multiplied dramatically. Over 900 United States firms now maintain representative offices in Hong Kong and our banks have $99 billion in deposits there. Thirty-five thousand workers are employed by 158 United States-controlled factories in Hong Kong. Overall, the United States now has about $7 billion invested in Hong Kong. The number of Americans that call Hong Kong home has grown to 22,000, and over 600,000 Americans visit the territory annually.

The United States-Hong Kong Policy Act ensures that United States-Hong Kong economic relations will be maintained after 1997.

GROWTH OF DEMOCRACY

Indeed, America's economic interests in Hong Kong alone are reason enough for us to begin deepening and broadening our relationship in anticipation of 1997. However, the arguments for doing so go well beyond pure economics.

True democracy is finally gaining a tenuous foothold in Hong Kong. Last September, Hong Kong held the first-ever direct elections to the legislative council. Although a small step toward full democracy—and personally I would like to see more directly elected Legco members in the future—it is nonetheless a move in the right direction. After 1997, Hong Kong will likely be the only place in China with any democratic freedoms.

The United States-Hong Kong Policy Act puts Congress on record as supporting the continued development of democratic institutions in Hong Kong.

HONG KONG WILL BENEFIT FROM THIS BILL

In addition to protecting U.S. interests in Hong Kong, this bill will also help alleviate the considerable lack of confidence among residents of the territory.

Despite a sustained economic boom and emergence of democratic institutions, concern about post-1997 Chinese compliance with the joint declaration and the basic law, under which Hong Kong was promised a "high degree of autonomy" based on the principle of "one country, two systems," has caused confidence in the colony to ebb and flow. This pattern of uncertainty ill-serves the interests of China, Hong Kong, and the United States.

Clearly, the people of Hong Kong need reassurance that the United States and other nations are neither indifferent toward nor uninterested in their future after 1997. The United States-Hong Kong Policy Act provides that reassurance.

U.S. POLICY IS CURRENTLY UNCLEAR

United States policy for dealing with Hong Kong after 1997 is unclear. For example, how will exports of sensitive technology to Hong Kong, now governed by the Coordinating Committee on Export Controls, be treated after 1997? Access to such technologies is critical if Hong Kong is to maintain its economic viability, but the United States must also assure that such items do not wind up in the wrong hands. Also, Hong Kong now enjoys certain bilateral relations with the United States independent of China, such as MFN trade status. After 1997, will those relations be subject to the behavior of hardliners in Beijing?

We owe it to the people of Hong Kong to resolve questions like these before 1997. The United States-Hong Kong Policy Act begins the process of providing answers.

THE BILL

The bill is based on the 1984 Sino-British Joint Declaration, under which Britain agreed to transfer sovereignty over Hong Kong to China in 1997. Comprising eight articles and three lengthy annexes, the joint declaration very carefully details the political, economic and legal systems that Hong Kong is to have after 1997, and it spells out clearly the extent to the autonomy that the territory will enjoy.

The treaty makes clear that while China, as the sovereign state, will exercise responsibility for all defense and foreign affairs issues, Hong Kong will be responsible for its own internal affairs under the principle of "one country, two systems." Since Hong Kong's capitalist economy will remain separate from the mainland's Communist economy, the joint declaration allows Hong Kong to exercise substantial autonomy over economic and trade relations with foreign states.

Basically, the joint declaration authorizes Hong Kong to pursue independent bilateral relations in nine fields: economic, trade, financial, monetary, shipping, communications, tourism, culture and sport. Hong Kong will also retain more limited powers in aviation and education.

The United States-Hong Kong Policy Act follows the wording of the joint declaration and lays out policy guidelines in these fields. The bill is divided into five categories of relations: bilateral ties, participation by Hong Kong in multilateral organizations, commerce, transportation and cultural/educational exchanges. The bill includes a title which establishes the legal status of Hong Kong in United States law, ensuring that Hong Kong's status will not be affected by its transition to Chinese sovereignty. The bill also requires the Secretary of State to report to Congress on developments affecting United States interests in Hong Kong.

Let me make clear that this bill does not seek to rescue Hong Kong from China. Rather, it urges the United States to work with Hong Kong to the mutual benefit of Hong Kong, China, and the United States and to enable Hong Kong to exercise the full extent of permitted autonomy, in furtherance of China's own stated policies.

WHY THIS ACT IS NECESSARY

Hong Kong will be able to exercise the full extent of autonomy promised it under the joint declaration only with the cooperation of the international community. For example, the rights granted to Hong Kong under the joint declaration to negotiate commercial treaties or to participate in multilateral organizations are meaningless without the willing participation of countries such as the United States. On a more fundamental level, the more that the international community respects the autonomy of Hong Kong and the more weight it attaches to the joint declaration both before and after 1997, the more incentive there is for the PRC to pay similar respect and attention to the treaty's promises.

LEGISLATIVE HISTORY

I introduced the United States-Hong Kong Policy Act on September 20 of last year. Senators MURKOWSKI and SIMON were original cosponsors. Since then, 28 Senators, including the chairman and ranking Republican of the Foreign Relations Committee, have cosponsored the bill.

Last month, on April 2, the Subcommittee on East Asian and Pacific Affairs held hearings on the bill. On May 7, the Foreign Relations Committee, by unanimous vote, reported the bill out of committee.

REACTION TO THE UNITED STATES-HONG KONG POLICY ACT

The United States-Hong Kong Policy Act has received broad support from a diverse group of interested parties.

United States and Hong Kong business groups support it. Legislative council members in Hong Kong, from both ends of the political spectrum, support it. Human rights organizations, cultural exchange groups, and virtually every Hong Kong Chinese group in the United States have endorsed the bill. Several major newspapers, including the New York Times have commented favorably on the bill.

At last month's hearings, Assistant Secretary of State Richard Solomon testified, as did the American Chamber of Commerce in Hong Kong and three China scholars. All five witnesses expressed support for the bill. All five also expressed some concern with the reporting requirements in the bill. The administration also requested some technical modifications to the bill.

Since those hearings, we have held extensive discussions with the administration on the bill. The measure before us today represents the results of these talks, and of input I've received from various groups since introducing the bill.

CONCLUSION

Congress will, in all likelihood, soon begin once again to debate the issue of most-favored-nation trade status for the People's Republic of China. That has been, and I'm afraid will continue to be, a bitter, diversive debate. However, regardless of where one stands on United States policy toward China, two points have become apparent in the annual MFN debate: First, interests in Hong Kong have grown significantly; and second, the United States needs a Hong Kong policy that reflects those increased interests.

We are now at a point where we must clearly state our firm support for Hong Kong after the territory reverts to PRC control.

The underlying premise of the United States-Hong Kong Policy Act is that the more extensive and established United States-Hong Kong ties are before 1997, the more likely they will be maintained after 1997. A transparent legal framework will assure both sides that ties will not be affected by the change of sovereignty. And, the more that the United States respects the autonomy of Hong Kong while it remains under British rule, the less China will see such policies as an affront to PRC sovereignty after 1997. Finally, establishment of a clear policy will boost confidence in Hong Kong and stem emigration. It will show that the leader of the international community is willing to support Hong Kong now and after 1997.

Mr. President, I urge my colleagues to support this important piece of legislation.

AUTHORIZATION FOR PRODUCTION OF RECORDS

Mr. FORD. Mr. President, on behalf of Senator MITCHELL and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution of authorization of the production of the Senate records and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 302) to authorize the production of records by the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, the Attorney General has appointed Nicholas J. Bua to be a special counsel to investigate claims made by INSLAW, Inc., against the Department of Justice in connection with the Department's handling of a contract between the Department and INSLAW for the provision of computer software.

In order to assist him in his investigation, Special Counsel Bua has requested that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs provide him with documents relating to the subcommittee's previous investigation of the same matter. In 1989, the subcommittee published a study by its staff entitled, "Staff Study of Allegations Pertaining to the Department of Justice's Handling of a Contract with INSLAW, Inc." (S. Prt. No. 58, 101st Cong., 1st sess.).

In keeping with the Senate's customary practice with regard to similar requests, this resolution would authorize the chairman and ranking minority member of the subcommittee, acting jointly, to provide to the special counsel records of the subcommittee's investigation into the handling of the computer contract between INSLAW, Inc., and the Department of Justice.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 302) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 302

Whereas, the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs has conducted an investigation of allegations concerning the Department of Justice's handling of a contract between the Department and INSLAW, Inc., for computer software;

Whereas, Special Counsel Nicholas J. Bua, appointed by the Attorney General to investigate allegations made by INSLAW, Inc., against the Department of Justice, has requested access to records of the Subcommittee's investigation;

Whereas, by the privileges of the Senate of the Untied States and rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the chairman and ranking minority member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide to Special Counsel Nicholas J. Bua records of the subcommittee's investigation of allegations regarding the computer systems contract between the Department of Justice and INSLAW, Inc.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AUTHORIZING USE OF EAST FRONT PARKING LOT OF THE CAPITOL FOR A NASA EXHIBIT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Concurrent Resolution 123, regarding the use of the east front parking lot by NASA for an exhibit, submitted earlier today by Senator HEFLIN; that the concurrent resolution be agreed to, and that the motion to reconsider be laid upon the table, further that any statements appear in the RECORD at the appropriate place.

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

So the concurrent resolution (S. Con. Res. 123) was agreed to, as follows:

S. CON. RES. 123

Resolved by the Senate (the House of Representatives concurring), That the National Aeronautics and Space Administration is authorized to use the East Front parking lot of the Capitol for an exhibit during the period beginning on June 1, 1992 and ending June 5, 1992. The Architect of the Capitol and the Capitol Police Board shall take such action as may be necessary with respect to the physical preparations and security for the exhibit.

GOLDEN GATE NATIONAL RECREATION AREA ADDITION ACT

Mr. FORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 870.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 870) entitled "An Act to authorize inclusion of a tract of land in the Golden Gate National Recreation Area, California", do pass with the following amendment:

Stike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Golden Gate National Recreation Area Addition Act of 1992".

SEC. 2. ACQUISITION AND ADDITION TO GOLDEN GATE NATIONAL RECREATION AREA.

(a) ACQUISITION.—The Secretary of the Interior is authorized to acquire by donation or purchase with donated or appropriated funds approximately 1,232 acres of land in San Mateo County, California, known generally as the Phleger property, as generally depicted on the map entitled "1991 Addition to Golden Gate National Recreation Area (Phleger Estate)" and numbered GGNRA641/40062. The Federal share of the acquisition of the lands acquired pursuant to this Act may not exceed 50 percent of the purchase price of such lands.

(b) BOUNDARY REVISION.—(1) Section 2(a) of the Act entitled "An Act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes" (16 U.S.C. 460bb-1(a)) is amended by adding at the end the following: "The recreation area shall also include those lands acquired pursuant to the Golden Gate National Recreation Area Addition Act of 1992.".

(2) Upon acquisition of the land under subsection (a) and after publication of notice in the Federal Register, the Secretary shall—

(A) revise the boundary of Golden Gate National Recreation Area to reflect the inclusion of such land; and

(B) prepare and make available a map displaying such boundary revision in accordance with section 2(b) of such Act (16 U.S.C. 460bb-1(b)).

Mr. FORD. Mr. President, I move that the Senate concur in the House amendment to the Senate bill.

The motion was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

IMPLEMENTATION OF SETTLEMENT BETWEEN THE PUEBLO DE COCHITI AND THE CORPS OF ENGINEERS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 449, S. 2245, authorizing funds for the implementation of settlement agreements; that the bill be deemed read a third time, passed; that the motion to reconsider be laid upon the table; that any statements on this item appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, the requests are granted.

So the bill (S. 2245) was deemed read a third time, and passed, as follows:

S. 2245

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GENERAL AUTHORIZATION.

The Secretary of the Interior and the Secretary of the Army are authorized and directed to implement the settlement agreement negotiated under the authority of Public Law 100-202 by the Pueblo de Cochiti of New Mexico, a federally recognized Indian Tribe, and the United States Army Corps of Engineers, as set forth in the report of the Corps of Engineers entitled "Report on Investigations, Wet Field Solution", dated July 24, 1990, addressing seepage problems at the Cochiti Dam on tribal lands.

SEC. 2. DUTIES OF THE SECRETARY OF THE INTERIOR.

In accordance with the settlement agreement and pursuant to the trust relationship between the United States Government and

the Pueblo de Cochiti of New Mexico, upon completion of construction of the drainage system, the Secretary of the Interior, acting through the Bureau of Indian Affairs, shall be responsible for its maintenance, repair, and replacement, as provided in the settlement agreement.

SEC. 3. DUTIES OF THE SECRETARY OF THE ARMY.

In accordance with the settlement agreement, the Secretary of the Army is authorized and directed to construct the underground drainage system necessary to correct the high ground water problem at the Pueblo de Cochiti and to carry out all other provisions of the settlement agreement, except those specifically assigned to the Secretary of the Interior under the provisions of this Act.

SEC. 4. APPROPRIATIONS AUTHORIZED.

There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act, and the settlement agreement.

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

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

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1992—CONFERENCE REPORT

Mr. SASSER. Mr. President, I submit a report of the committee of conference on House Concurrent Resolution 287 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 287) setting forth the congressional budget for the United States Government for the fiscal years 1993, 1994, 1995, 1996, and 1997 having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 20, 1992.)

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

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

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

Mr. SASSER. Mr. President, I ask unanimous consent that the staff of the Committee on the Budget and its members be allowed to remain on the floor during Senate consideration of House Concurrent Resolution 287. I send to the desk a list of those staff.

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

Mr. SASSER. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during consideration of House Concurrent Resolution 287.

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

The time for debate on this conference report is limited to 10 hours equally divided.

Who yields time?

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

The PRESIDING OFFICER. The Senator may proceed.

Mr. SASSER. I thank the Chair.

Mr. President, the conference report that we bring back to the Senate today is a necessary compromise. It contains all of the deficit reductions that are achievable in this year of recession and what we hope is the aftermath of the recession. It effectively moderates between the House- and Senate-passed budget resolutions and it allows us to proceed with our legislative business under the discipline of the budget points of order.

Senate conferees reported this conference report out with bipartisan support, I am pleased to inform my colleagues; two of the three Republican conferees voted for it, including the distinguished ranking member of the Senate Budget Committee, Senator DOMENICI. All of the Democratic conferees joined with them.

Without belaboring the matter, let me briefly take Senators through the prominent features of the report.

On the subject of deficit reduction, it achieves $14 billion in budget authority savings. It reduces the deficit by nearly $10 billion in outlays for fiscal year 1993. And I do believe, Mr. President, that is about all that the economic system will bear at a time when the economy continues to be very soft and there is not clear and absolutely convincing evidence that the recession is now behind us.

It also, I think, makes an equitable split between the House and Senate cuts in defense. It is my view that the number in defense spending is still too high and in the view of a number of other Senators it is too low.

But what we have done in this particular instance is simply a compromise between the House defense number, which was lower than that of the Senate, and the Senate number.

It achieves $2 billion, this conference report does, in savings on the so-called mandatory or entitlement side. It achieves $200 million in international savings and it recommends efficiencies in general government.

Virtually every area of the budget is constrained and in my view that is the only suitable approach this year.

As all of my colleagues know, our military budget is one of the larger briars along the pathway to this conference report. Many of us would have liked, as I said earlier, more savings from the Pentagon. Some Senators wanted less. But the conference report is, in the final analysis, a compromise. It is a compromise that does begin at least in some small measure to respond to the radical change in the world, to the declining threat to our national security, and to the increased emphasis on our domestic economy. It gives us a reasonable budget authority, a ratio to the outlay figure, and a budget authority cut that prepares the way for the outyears.

Again, I'm not satisfied with it personally. I fought for larger and deeper cuts. But I think the number we have agreed to in conference represents a legitimate mediation between those who want to act quickly and those who would prefer greater caution.

On the other side is the contention over the so-called entitlements. We have not yet confronted the problem of mandatory spending growth. Frankly, we have not yet even begun to confront it. To do that, I think we are going to have to dig deeply into the health care crisis.

Senator DOMENICI I think did us a service by engaging the entitlement debate earlier this year. We had a good debate and in some ways we agree, but in the main we still disagree on some items. I think that sooner or later we all know we have to confront the complex and difficult problem of entitlement growth and underlying that, of course, is the growth of the cost of health care.

There may be Senators who want to vote against this conference report because, to repeat a phrase, it does not do enough. In my view, that approach leads inevitably to frustration and immobility. Recent budget history has proven as much.

But let me say to my colleagues that this budget resolution does not spend a single penny of taxpayers' money. If Senators at the appropriate time want to propose other reductions they can do so when the appropriations bills come through; they can propose reductions at that time. They can propose reductions when the authorization bills come through. And, frankly, I intend to propose some reductions when some of these authorizations and appropria-

tions bills come through here. It is an empty complaint that it does not do enough when there is real deficit reduction to be had.

In the name of not doing anything about the deficit, some would have us end up doing nothing at all and, of course, that makes no sense whatsoever.

Certainly more can be done and more should be done. But we must at least get the savings that are here in front of us today and not let these savings and these cuts elude us.

Finally, we must have budgetary discipline on the floor during consideration of appropriations bills and during consideration of the authorizing legislation that is coming at us this year.

As Senators know, budget points of order are vital to containing spending that is not offset or spending that is not paid for. We have to have points of order to enforce aggregates on the appropriations bills because without those we simply cannot maintain the spending discipline which is so essential.

For that reason I would say to my colleagues if you are interested in controlling spending, you will want to vote for this budget resolution and you will want to have it in place.

In that regard I would like to take just a moment to express my appreciation to the distinguished ranking member of the Budget Committee, Senator DOMENICI, former chairman. It is never easy to put together a budget resolution and I know that my friend from New Mexico is not altogether satisfied with this resolution just like I am not altogether satisfied with it.

It would be easier for him to turn his back on this conference report and just say a pox on it and let others take the responsibility for the legislation here. But my friend has a commitment to budgetary discipline and to the orderly operation of this institution, and for that I think he is to be commended. I appreciate his help on this measure.

Mr. President, Members of this body are well saturated with the budget. They have heard a lot about it. They have heard a lot about the budget process. They have heard more about the budget process than most of them want to hear. So I am not going to keep them here talking about this process or this conference report any longer than is absolutely imposed on us this evening.

The sum of this conference report is that this provides discipline, it cuts spending, and it reduces the deficit. And for those reasons, there is simply, I think, no sound argument for not supporting it. The institution needs it. We have to have it in place to enforce our spending discipline here. And I will urge, at the appropriate time, all of our colleagues to vote for it.

Mr. President, the distinguished ranking member is here. I know that he will have some words to say here this evening, so let me yield now and relinquish the floor to him.

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, I believe we ought to pass this resolution quickly. From looking around and talking to people around the Chamber and in the Halls, Mr. President, the only people that I talked to that want us to stay in long enough, they will not have to go to school tomorrow. They are beautiful young people. As much as I would like to accommodate them, I really hope that they go to school tomorrow.

So I would like to finish. We have had a very hard 3 or 4 days, not only on the floor but in just looking at schedules. Senators have had committee hearings in abundance, and we are getting ready and gearing up for the appropriation process for the year. I think the sooner we give the Congress the blueprint for expenditures in defense and domestic expenditures and international, the better off we will be.

I am not here in an effort to pull the wool over anyone's eyes. It is really devastating to stand before the Senate and say, "Let us vote for a budget resolution because it does better on the deficit than this year." I mean, you have to get better. The deficit was so bad this year that it was almost incredible. It will go down under this resolution, assuming the economy continues to improve, it will go down to $327 billion.

But, Mr. President, there are not very many Senators that really have a different game plan in terms of the deficit. There are some who would like a little less or maybe even a lot less in defense. Maybe some would like somewhat less in international. But for the most part, even those Senators would move that money from defense or international to domestic programs, or some would, looking at this, take some out of international and put it in defense.

Well, none of that would change the deficit. So if the deficit is the concern, I say to all Senators, hopefully, we can dispose of this quickly. I do not really think there ought to be a rollcall vote—and I usually like rollcall votes—because, frankly, I do not think anything has changed essentially in the budget resolution that we passed. So if there are Senators who voted "no" in the rollcall then, clearly they would vote "no" again, and we could record anyone that clearly wants their particular position noted beyond this by even letting their vote be shown as "no" or "yes," if they so desire.

But, frankly, for those on my side of the aisle that supported this budget resolution before, I hope you support it again because, essentially, it is not very different.

First of all, there is a difference in defense spending because the House had less and we had more, and we essentially split the difference. And I can say here, the Secretary of Defense today answered that while they and the administration would have preferred the higher number, they certainly do not urge anyone to vote against this for the agreed-upon compromise number, and they and the Congress will do the best they can with that number.

On the domestic side, frankly, we were slightly lower than the House, and we went up to them, accepting it is clear that there is an excess of budget authority—program authority—in the domestic accounts, we really cannot use it because you have to use it for some program to spend some money.

So what we have done in this resolution, we have put all of the budget authority that the 5-year agreement provided this year for domestic, which is more like the House number. But there is clear language, the appropriators agree, that $1 billion of that budget authority, which is what we tried to hold out, cannot be used for funding programs into the next year by putting that program authority in late in the year and thus using it for programs in the next year. And so, with that, the Senator from New Mexico agreed to compromise and have this resolution before us.

Mr. President, a few words about the reality of fiscal policy in our Nation. This is not real, but it is the best we are going to do this year. It is not real because its deficit is too high, and that is bad enough. But there is no plan to get it down in a manner that is believable by either the American people, American business, or American lending institutions and those who buy and sell negotiable instruments such as bonds, which feed our industry with capital or permit our industry to borrow to grow or buy down our debt and put that debt in the hands of individuals here or overseas. There is no commitment here.

Because, Mr. President, it is patently clear that the only way to get the deficit down is to day that the mandatory expenditures of this Government, exclusive of Social Security because it does pay for itself, have to be brought under control. Or maybe I would say it another way. Health care is in the wind. Everybody is saying let us reform it. Some are saying, let us make sure when we reform it that we cover more people and cover more things, more illnesses.

Well, Mr. President, whichever and how much and to whom we are going to extend this health care of the American health delivery system, the real fact is we cannot afford the system we have. Let me repeat it. We cannot afford the system we have. Anyone that looks at our budgets will conclude that the only way to get the Federal budget

under control, or, conversely, the only reason it is now out of control is because health care costs, the major ones that are in our budgets, are out of control. Medicaid, which does not cover even half of the poor in our country, is growing at 30 percent a year. We ought to cover more of the poor. But we cannot cover them with the current system. We have to do something different or the costs will cause this budget to be so far out of control in years to come that, frankly, this $327 billion for next year we would have to borrow from Ronald Reagan's "you ain't seen nothing yet," because some estimates say if you leave these things alone and just let them go, even if you reduce defense dramatically, you will have deficits in the neighborhood of $400 to $600 to even $800 billion in 7 or 8 years.

So, Mr. President, the way to start health care reform is to go out a couple of years in a budget and say, this is how much we have to spend and say to the reformers, change the programs enough, the delivery system enough, even if it is radical so as that we can deliver the health care in a reasonable manner covering things that we as a people think ought to be covered, but do it for a given amount of dollars.

Now, Mr. President, we did try something like that. Senator NUNN, Senator RUDMAN, Senator ROBB joined me and it was kind of short notice to the Senate. In fact, my colleague from New Mexico, the occupant of the Chair, voted with us that day. I am sure he still wants to say he did.

It is a very controversial issue. But we at least laid before the Senate an approach that said 2 years from now let us cap the mandatory expenditures and let us start down a road of getting those to all new people who are entitled to coverage—come in. But in a reasonable amount of time, let us get the program down to only an inflation add-on each year, and we still get the budget under control.

There are all kinds of variations, but you have to look at that amount of money that you must save in those mandatory programs and you either have to do it by savings there, savings elsewhere, or new taxes.

Frankly, that is not in this budget. This essentially is a budget that sets in place the numbers that were agreed upon 2½ years ago by the U.S. Congress as part of the 5-year budget agreement. Senators voted for that then—some did not. But essentially this is carrying that out.

If we need to tonight, and I hope we do not, we have done it in our prepared remarks and we have done it before, we can explain why the deficit is bigger than expected when that agreement was entered into. I can say essentially it is two things: We did not expect this long of a recession and, second, we had to put on budget all of the expenditures for the S&L bailout so the depositors would all get their money. And we get charged for it all, even though in years down the line we will sell the assets and recoup. We have to chart it all to the debit line now.

Mr. President, I congratulate the chairman on bringing this conference report to the Senate.

Budget resolutions are easy to vote against. I understand when this conference agreement was before the other Chamber earlier today no Republican voted in favor.

I can understand that sentiment. Quite frankly, and I know the chairman must agree with me, this budget resolution does not do much to control the Federal deficit.

To reiterate, as the chairman knows all too well, I along with Senators NUNN, ROBB, and RUDMAN attempted to amend this budget resolution when it was last before us by assuming a cap on mandatory spending.

That proposal would have had a significant impact on the Federal deficit. But it failed on a fair vote.

Having failed to cap mandatory spending programs—excluding Social Security, the resolution we passed back on April 10, was essentially the same as this conference agreement before us this evening.

I will, therefore, support the budget conference agreement with some reservations.

This is the first $1.5 trillion spending plan in the country's history. Spending is assumed to increase $45 billion between 1992 and 1993 under the blueprint, while revenues are assumed to increase $86 billion over the same time period.

Therefore, the deficit is assumed to decline under this budget resolution from about $370 billion this year to $327 billion next year.

I sure hope so. But as always, these estimates are based on an economic forecast that assumes the economy will continue to grow 3.6 percent next year.

ESTABLISHES PROCEDURAL DISCIPLINE

On the positive side, adoption of this conference agreement will allow the 1993 appropriation and authorization process to proceed in an orderly manner.

I know some of my colleagues may disagree: But adopting a budget resolution will provide some discipline and order for completing our work this year. This is made even more important this year. This is made even more important in this politically charged confusing election year, with a shortened legislative schedule.

Following the Memorial Day recess, with the adoption of this resolution, the Appropriations Committee can begin allocating the spending assumed therein and begin the orderly process of reporting its 13 regular 1993 appropriation bills.

Further, the Senate Armed Services Committee can begin its difficult task of reporting an authorization bill with the knowledge of the overall defense spending limits assumed in this resolution.

And finally on the positive side, this resolution continues the discipline of the much maligned 1990 budget agreement. The defense, international affairs, and domestic spending limits remain in tack.

But as is so often the case in conferences, the outcome never satisfies all the participants.

This conference agreement is no different.

COMPROMISE ON DEFENSE

Realistically, the only major issue in the conference was the aggregate level of defense spending for the upcoming fiscal year.

The President's request, the Senate and House passed budget resolutions all assumed significant reductions in defense spending.

However, the House would have reduced defense spending below the budget agreement's 1993 cap level by $14 billion—nearly $6 billion more than the President and Senate passed assumptions.

In the spirit of compromise, the conference simply split the difference. And obviously some, such as myself, would have preferred the higher number while others the lower.

But it is an acceptable number and one that I believe the President and the Armed Services Committees will find permits an orderly defense build down without harming our national security and permitting an orderly transition of our military men and women into nonmilitary jobs.

But I must remind the Senate and the White House, that to make the budget resolution's 1993 defense number real and avoid additional problems in the transition, the rescission bill just acted upon that reduces 1992 defense spending $7.2 billion in budget authority and $2.5 billion in outlays must become law.

Without the rescission bill, meeting the budget resolution's 1993 defense number could prove extremely difficult for the defense authorizers and appropriators when they begin their work following the Memorial Day recess.

DOES NOT ALLOW FOR DELAYED OBLIGATIONS

The conference agreement assumes funding for domestic discretionary programs at the 1993 cap level.

Here again a compromise was reached. The Senate-passed budget resolution assumed funding for discretionary spending $3.9 billion below the cap, the House assumed spending at the cap.

I reluctantly agreed to the higher House figure with strong wording in the resolution, that makes it clear that the appropriators will not simply use up their budget authority allocation by delaying obligations.

Last year the appropriations bills included delayed obligations to totaling nearly $4.1 billion.

The distinguished chairman of the Appropriations Committee agrees with me that delayed obligations should not be the order of the day, and that if the committee cannot use the allocated budget authority without relying on delayed obligations, the budget authority assumed in this budget resolution will not be used.

JOB STILL BIG

In closing, let me point out that this budget resolution assumes a defense spending path that is essentially the President's 5-year path.

Further, it assumes that over the next 5 years, the deficit will be reduced $12 billion more than the President's budget submission last January.

But even with these assumptions, the deficit over the next 5 years remains far too high. Even under this resolution the deficit averages well over $200 billion a year.

And there is language in this budget resolution that says the Senate will vote on a balanced-budget amendment on or before July 2.

What an auspicious time to be considering this budget resolution.

Let us not kid anybody. This budget resolution does nothing to seriously meet the goal of a balanced budget.

When we return from this Memorial Day recess we will begin the real fiscal policy debate of the 102d Congress—an amendment to the Constitution to balance the budget.

I want to again thank the chairman for his kind words and congratulate him for bringing a conference report back to the Senate. It is not easy. It is always an ordeal, and when you get one here on a budget it shows some diligent work and I am pleased to be a part of it, helping to get this here so this year we will spend up against this and we will not spend any more. We will not spend any more unless—unless we start deciding we are going to declare emergencies every 3 or 4 months.

Then, of course, if the President agrees, we do not have to pay for those kinds of things. We can add them to this deficit. I hope we do as little of that as possible and I hope, sooner rather than later—sooner rather than later—we will take a real opportunity to set the fiscal policy of the country straight.

I do admit it will take Presidential leadership, and it will take the candidates this year for President, as I see it. They ought to have to decide and tell the American people how they are going to fix this deficit, how they are going to recommend it, how they are going to lead us in an effort to do it.

It will not be done with these funny, fancy words, "waste, fraud, and abuse," $180 billion.

Those of us who work on this know if it was that easy we would have already done those things. That is not easy—one Senator's waste is another man's Tennessee Valley Authority. That is in somebody's list of waste, and so on for many, many things in the Federal budget.

So, Mr. President, with that I am very hopeful we can resolve this issue quickly. I, myself, hope we do not have to have a recorded vote. But if we do, then it seems to me we ought to get on with it as soon as possible.

I yield the floor at this time.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

CORRECTION TO SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS

Mr. SASSER. Mr. President, there is an inadvertent error here that needs to be corrected. The allocation of budget authority outlays in the joint statement of managers accompanying the conference report inadvertently allocates funds to the Senate Environment and Public Works Committee that should be allocated to the Senate Commerce, Science, and Transportation Committee.

This error does not affect the totals or functional allocations in the resolution, and I have discussed this matter with the distinguished ranking member of the Budget Committee. In order to correct that error on his and my behalf, I ask unanimous consent that two tables, to correct this error, be printed in the RECORD at this point and that these corrected tables be treated, for all purposes, as if they replaced the corresponding tables that appear in the statement of the managers.

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

The corrected tables follow:

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTIONS 302 AND 602 OF THE CONGRESSIONAL BUDGET ACT BUDGET YEAR TOTAL: 1993

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	753,429	770,938		
Agriculture, Nutrition, and Forestry	13,063	12,531	15,646	6,502
Armed Services	37,775	37,624		
Banking, Housing, and Urban Affairs	73,772	68,502		
Commerce, Science, and Transportation	2,484	130	512	509
Energy and Natural Resources	1,372	1,326	60	60
Environment and Public Works	23,869	2,076		
Finance	514,516	512,140	121,007	120,730
Foreign Relations	11,441	12,148		
Governmental Affairs	49,804	48,030	250	250
Judiciary	3,165	2,916	170	169
Labor and Human Resources	6,480	6,398	3,856	4,422
Rules and Administration	46	17		
Veterans Affairs	1,589	1,514	18,046	18,012
Select Indian Affairs	500	497		
Small Business	251	−251		
Not allocated to committees	−247,156	−237,936		
Total	1,246,400	1,238,600	159,547	150,654

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 602 OF THE CONGRESSIONAL BUDGET ACT 5 YR TOTAL: 1993–97

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	57,586	45,526	124,769	82,569
Armed Services	205,429	204,803		
Banking, Housing, and Urban Affairs	156,543	9,813		
Commerce, Science, and Transportation	13,087	960	2,921	2,904
Energy and Natural Resources	7,077	6,455	216	216
Environment and Public Works	121,181	9,683		
Finance	3,007,712	2,993,949	740,339	739,303
Foreign Relations	52,637	56,447		
Governmental Affairs	282,199	271,386	250	250
Judiciary	10,475	10,253	942	939
Labor and Human Resources	24,454	19,229	13,696	13,831
Rules and Administration	230	327		
Veterans Affairs	7,637	7,792	95,676	95,465
Select Indian Affairs	2,637	2,578		
Small Business	510	−1,174		

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

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. I yield such time to the Senator from Minnesota as he might consume.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I will just take a few moments because I have no desire to delay this process or to keep my colleagues here.

There is much I could say about the budget resolution, the substance of it, and I will not tonight. I think we have debated that. I just want to be clear that there are many people here I deeply respect and enjoy working with. I love my job. I love being here in the Senate. I am not trying to hold up the process. But I do feel very strongly that we should have a record vote.

I think that is what representative democracy is all about. We worked on this budget resolution. It is supposed to be real and important. It is supposed to be the document that lays out the blueprint, our priorities, where we spend our money.

I think each and every Senator ought to be personally accountable for the vote. I do not think it is good for the Senate to voice vote these kinds of questions. I did not think it was good for us to voice vote on a $25 billion infusion of capital on the RTC. And that is the only reason I am calling for a record vote. I just want to make that clear.

Mr. President, I would like to ask for the yeas and nays when I can.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. LAUTENBERG. Mr. President, I rise in strong opposition to the conference report on the budget resolution.

Mr. President, the American people are upset, angry, and frustrated. They fear for their own futures. And they fear for the future of our Nation.

They see unemployment lines stretching for blocks. Cities descending into chaos. Crime on the rise. Our roads and bridges crumbling. And more and more people without a home, living a day to day struggle on the streets.

Mr. President, it is time for a change. It's time for dramatic, fundamental change.

The status quo just will not cut it.

We simply have to shift the priorities of this Nation and attack these domestic problems head on.

Unfortunately, Mr. President, to many Americans, the current political system seems unable to produce the goods.

The American people see our national leadership as stuck in a rut. Unable to accept real change. Unable, for that matter, to act at all.

There are plenty of excuses, Mr. President. And some even have some validity.

Yes, it is tough to solve problems given the budget deficit.

Yes, it is hard to reach agreement when the President and the Congress are controlled by different parties.

Yes, there are still a few hot spots in the world to worry about.

But, Mr. President, the American people do not want to hear excuses. They want to see change, real change. They want us to fundamentally shift priorities and focus on America's needs and America's problems.

The message from the American people is this:

Just do it.

Do not talk about it. Do not hold a press conference about it.

Do not promise to do it.

Just do it. And do it now.

Unfortunately, Mr. President, if anyone needed evidence of the poverty of our national politics, this conference report could be exhibit 1.

This, Mr. President, is a status quo budget. Its priorities are the priorities of the past. Its vision of the future is a vision of yesterday.

In a nutshell, the budget resolution continues enormous Pentagon spending. And yet it turns its back on the needs here at home.

It is the 1980's all over again.

Mr. President, lets get some historical perspective on defense spending. According to the Budget Committee, the average peacetime level of defense spending during the cold war was 236.6 billion in 1993 dollars; $236.6 billion. The budget resolution before us proposes to spend about $290 billion on defense. In other words, we would be spending roughly $50 billion over the cold war levels.

And yet, in case someone forgot to notice, the cold war is over.

Our European allies and Japan are beating our pants off in the marketplace. Meanwhile, we continue to pay for a far reaching defense umbrella they can afford to pay for, and should pay for.

The huge military budgets of recent years are a luxury we cannot afford, Mr. President. Many of our military allies are our economic competitors. Let them pay for their own defense. Our fiscal constraints, and our needs here at home, are too great.

We need to invest more in our physical and human infrastructure. In our roads and bridges. In our cities. And in our children.

In fact, the litany of domestic needs is long. From health care to day care. From housing to environmental protection. From research and development to drug treatment.

Mr. President, we will never meet any of these needs if we continue to spend billions of dollars on outdated weapons systems, and on the security of our economic competitors.

We really do need to shake things up.

And this budget resolution does not do it. At bottom, it is just more of the same: wasteful defense spending and underinvestment in America. It is just unacceptable.

I should make it clear, Mr. President, that my criticism of this budget resolution is not in any way directed at the distinguished chairman of the Budget Committee, or any of the other conferees.

In fact, Senator SASSER has been a real leader in the effort to shift national priorities, and I thank him for that.

Unfortunately, Senator SASSER and the other Members of the Senate who understand the need for change, have been stymied. Stymied by this administration and its allies here in the Congress. The fact is, President Bush remains more committed to defense spending than to any other element of the budget. The Pentagon is his top priority, and the top priority of his colleagues here on the Hill. As long as that is true, the forces for change will continue to be outgunned. And the American people will continue to be the losers.

It is frustrating, Mr. President. It is not right. And it just makes you wonder.

What will it take before we reshape our Nation's priorities?

An even longer recession? A depression? Riots in all our cities?

Maybe so, Mr. President. Or maybe we will be lucky. Maybe all it will take is an election.

In any case, Mr. President, I stand here to say this: we can do better. We must do better. The American people are not going to put up with anything less.

Mr. BRADLEY. Mr. President, I rise in opposition to the Budget Resolution now before us. This budget simply continues the policies adopted in 1990—too much defense spending, no real entitlement reform, no allowances for needed investments in our people and no real long term deficit reduction.

The budget summit agreement of 1990 locked in budget choices for up to 5 years. In October 1990, I said that I did not believe those long-term choices were well thought out. I did not believe they reflected the priorities of American families, and I did not believe they gave sufficient flexibility to respond to crises as they emerge. Mr. President, I still believe this to be the case. This budget does not enable us to pursue our real priorities.

We all know that we need to reorder priorities. But it also seems that no one in this election year wants to make the tough choices that are necessary. If not this year, I hope that we will be in a position to return to fiscal sanity next year.

Mr. SANFORD. Mr. President, we are here today considering a budget resolution that will add $444 billion, nearly one-half trillion dollars, to the Federal debt in fiscal year 1993. The good news in this is that $444 billion is considerably less than what the President's budget proposed to add to the Federal debt. This resolution is $20 billion below the $464 billion the President proposed to add to the debt. This budget resolution more than meets the expectation presented earlier this year by the President, and I want to talk about this expectation factor briefly.

Mr. President, last month I sponsored a program developed by the Committee for a Responsible Federal Budget called an exercise in hard choices. North Carolina participants in this event were presented with a challenge to go beyond the minimum required by the 1990 budget agreement. The challenge was to balance the Federal Budget.

Most of the participants set balancing the Federal Budget as their goal and succeeded. Had they not been offered that goal—been presented with that expectation—they too may have added nearly one-half trillion dollars to the debt in fiscal year 1993.

Nothing at all now prevents the President from proposing a balanced budget—from presenting that goal, that challenge to Congress. If the President indeed presented a balanced budget, or even a realistic path to an honest balanced budget, Congress would follow his lead. History shows

that to be the case, and I think this is important.

I want to commend Congress for clearly displaying this budget resolution, the amount that will be added to the Federal debt because of this budget resolution. I wish the President would see the wisdom in providing these numbers in his budget proposals for the press to report and the public to see and understand. Instead the President has played games with deficit numbers that do not come close to reflecting annual increases in debt. I am very pleased that the House and Senate now provide this honest information in congressional budget resolutions and no longer tried to hide it.

Mr. President, I cannot support a budget resolution that is modeled on such a detrimental expectation to add nearly one-half trillion dollars to the debt in 1 year. I cannot support a budget resolution that adds more of the Federal debt in one year than was added during the collective administrations of Truman, Eisenhower, Kennedy, Johnson, and Nixon.

Mr. MITCHELL. Mr. President, I commend the distinguished chairman of the Budget Committee, Senator SASSER, and the ranking member of the Budget Committee, Senator DOMENICI, for their diligent efforts in moving forward in the budget process and for presenting to the Senate for consideration a conference report on the first budget resolution.

I encourage our colleagues to support the resolution. I believe that this is a fair and balanced resolution, one that deserves the support of the Senate. It is not one which I personally would have written in every respect, if I were the sole author.

But I believe that it is imperative that we act. As everyone in the Senate knows, we are not now acting on legislation. The budget resolution is not presented to the President pursuant to the Constitution for signature and enactment into law. It is an internal congressional document which establishes the aggregate levels of expenditure and which is essential to our proceeding to the appropriations process.

Mr. President, I think the most effective argument I can make now is that we want to end this legislative session as early as we can in October, as close to the end of the fiscal year as possible. The trigger which enables us to start the appropriations process is this resolution. If Senators want to be in session in October, want to be in session in November, of course they can retard the commencement of that process which would make it inevitable that we cannot meet our target of action prior to the end of the fiscal year. So we have to adopt a resolution before we go into recess, and I encourage my colleagues to join in supporting this resolution.

Mr. President, I yield to the distinguished Republican leader.

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Mr. DOLE. Mr. President, let me underscore what the majority leader said. Budget resolutions are always troublesome, not very popular, and you can find ways to vote for them or against them.

I think the majority leader has indicated this is not legislation but it will start the appropriations process. I think it is time we get on to the appropriations process. I intend to vote for the conference report. I am convinced that my colleague from New Mexico, Senator DOMENICI, and my colleague from Tennessee, Senator SASSER, have done the best job they could in conference. I want to get on with it.

I just ask the majority leader a question. If in fact the budget conference report is defeated, would it be the intention of the majority leader to move to reconsider and have that vote then tomorrow?

Mr. MITCHELL. Mr. President, that is my intention. We must adopt a budget resolution conference report prior to going on recess. So Senators should be aware that if this conference report is defeated, then I will enter a motion to reconsider and it seems to me then the only alternative we will have will be to discontinue Senate action for a period of time, either for the remainder of the evening and then attempt to come back tomorrow to adopt it at that time. We just have to adopt this conference report. If we do not adopt it tonight, we will be in session and voting tomorrow in an effort to adopt it then.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, if the majority leader will yield for just a minute, I want to commend the majority leader for taking that attitude because it is absolutely critical that this budget conference report be adopted. We are right up against the deadline. If it is not passed then we are in the posture of where we will not be able to move forward in the orderly course of business with the appropriations bills.

So the adoption of this budget conference report is a condition precedent to moving forward later on with the appropriations bill. So I want to commend the majority leader for taking the attitude that we have to adopt this before we leave it simply must be done.

Mr. MITCHELL. Mr. President, let me restate the situation so there can be no misunderstanding. If we adopt this conference report, which I hope we will, there will be no further votes this evening. The Senate will not be in session tomorrow and we will return to session on June 1; that is, we will recess or adjourn for the Memorial Day recess. If we cannot adopt this budget resolution this evening, then we will have to come back tomorrow and vote and try to adopt it at that time. So I hope my colleagues will consider that as they contemplate their votes on this matter.

Does the Senator from Minnesota still require that the yeas and nays be ordered?

Mr. WELLSTONE. Yes, and again I thank the majority leader. I do not wish to inconvenience other Senators. I do feel strongly we should have a recorded vote. I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the leaders yield back the remaining time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, when the Senate considered this concurrent resolution last month, the Senator from California [Mr. SEYMOUR] offered an amendment that was adopted to reduce discretionary funding for the legislative branch by 25 percent over the next 2 years.

As I believe the Senator knows, that was an assumption, it was not binding legislation. If the specific assumption were to take form as the Senator desires, that assumption would have to be incorporated into the legislative branch appropriations bill for fiscal year 1993 when it is considered later this year.

While the final conference agreement on the 1993 budget resolution did not specifically assume the Senator's savings in the legislative branch, it did nonetheless, include nearly $3.1 billion in unspecified efficiency and management domestic discretionary savings Government wide. Clearly, one option the Appropriations Committee may consider in meeting that unspecified savings assumptions could be reductions in the legislative branch funding.

I conclude that since the Senator's assumption was about $450 million in 1993 legislative branch savings, and since the budget resolution assumes unspecified savings of nearly $3.1 billion, then clearly the Senator's proposal may actually become necessary.

Mr. SEYMOUR. I appreciate the Senator's statement. This is a complex process. But I think I understand that while my specific amendment was not assumed in the final conference agreement, unspecified savings from Government management and efficiency far exceed what my amendment would have created.

So if the Appropriations Committee does not do something like my amendment in their bills later this year, they will have trouble meeting their targets. I, therefore, place the Appropriations Committee leadership on notice, that I will be happy to help them achieve their savings when the legislative branch appropriations bill is before us later this summer by offering my amendment again.

Mr. DOMENICI. Mr. President, the fiscal year 1993 budget resolution in-

cludes an adjustment under the discretionary cap totals to account for estimating differences between OMB and CBO. A similar adjustment was employed in the fiscal year 1992 budget resolution and included in the CBO scoring of fiscal year 1992 appropriations bills.

This adjustment is necessary to provide consistency between OMB and CBO scorings of appropriations bills. The proposed adjustment totals $1.85 billion in outlays—$1.3 billion for defense, $0.25 billion for international, and $0.3 billion for domestic.

Basically, if OMB and CBO were to score the President's request, the CBO scoring would be almost $2 billion higher, due to technical estimating differences for spendout rates and outlays prior.

Because the Budget Enforcement Act discretionary sequester provisions mandate OMB scoring, CBO scoring is essentially irrelevant in determining whether or not a bill breaches the discretionary ceilings.

However, because of the need for timely scorekeeping information for consideration of appropriations bills, we in the Congress cannot always wait for OMB scoring. The proposed adjustment allows the Budget and Appropriations Committees to use CBO scoring as a proxy for OMB.

For example, this adjustment will allow us to fund up to $291 billion in defense discretionary outlays, very close to the $292 billion originally requested by the President.

Once the fiscal year 1993 budget resolution is agreed to, CBO uses the economic and technical assumptions contained therein to set up the scorekeeping base for the fiscal year. The adjustment will be distributed by category among the appropriations subcommittees.

TREATMENT OF MEDICARE HOSPITAL INSURANCE

The conference report on the budget resolution makes no changes in the treatment of Medicare hospital insurance under our budget enforcement rules.

This is consistent with the intent of the 1990 budget agreement and reflects the reality of our fiscal situation. As the majority leader and others have noted, if we are ever to get control of the Federal budget deficit, we must slow the growth of health care costs, including Medicare costs. Medicare is part of our health care cost problems, and it must be part of a comprehensive solution. Attempts to isolate the Medicare Program will only hinder efforts to enact meaningful reforms for health care cost control.

I would note that many on the other side of the aisle advocate single-payer health reform plans which typically proposed subsuming Medicare in a larger national health insurance plan. Breaking Medicare off from other Federal health programs will only make it more difficult to consider such an approach.

MAXIMUM DEFICIT AMOUNT AND AGGREGATES

Section 10 of this conference report on the budget resolution provides that an appropriations bill will not be subject to a section 311 point of order or a section 605 point of order if the Appropriations Committee lives within its allocation. Although I understand the concern that the Appropriations Committee should not be subject to the failure of other committees to achieve savings, I think the Congress should adopt binding levels for revenues, outlays, and deficits without these types of exemptions. While I support this resolution, I find this provision troubling. It should not serve as a model for future budget resolutions.

The Senate-passed budget resolution closed an inadvertent loophole in the maximum deficit amount, which currently allows legislation to exceed the maximum deficit amount with a simple majority waiver. The Senate resolution would have required a 60-vote margin as was intended. It is unfortunate the conferees did not include this provision in the final resolution particularly viewing the concern about deficit spending.

Mr. President, I would like to say for the Members on our side, Senator DOLE indicated on the previous resolution before we went to conference that he supports this. I can report the administration today told us they support the defense numbers. We went between the House and the Senate almost halfway. The numbers are, as Secretary Cheney said, satisfactory. They would prefer others but these are satisfactory. For those who are worried about deficits and deficits have not changed, because when we adjust among the accounts, it is about where it was. I hope my colleagues support the conference report. I yield back my time.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. SASSER. I yield the distinguished President pro tempore such time as he may consume.

Mr. BYRD. Mr. President, it is imperative that this conference report be adopted. If it is adopted, the staff of the Appropriations Committee can begin its work during the ensuing week. First, we have to make allocations for the subcommittees. This takes time.

Now if the conference report is not adopted, this means that the Senate cannot proceed with appropriations bill, but that the House in due time can and that when the Senate does bring up appropriations bills, if there has not been a conference report adopted, we can find ourselves subject to 60 vote points of order when we bring up the appropriations bill in certain instances. So I implore my colleagues to vote for the conference report.

Let us get on with our work, the work that has to be done. The American people expect us to do it. The bills that have to pass before we go home are appropriations bills. But this is a major roadblock to the Appropriations Committee if we fail to adopt this conference report.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOLE. I yield back my time.

Mr. SASSER. Mr. President, I yield back all time on behalf of the majority.

The PRESIDING OFFICER. Since all time is yielded back, the question is on agreeing to the conference report to House Concurrent Resolution 287. 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], the Senator from Arizona [Mr. DECONCINI], the Senator from Illinois [Mr. DIXON], the Senator from Hawaii [Mr. INOUYE], and the Senator from Rhode Island [Mr. PELL], are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL], would vote "aye."

I further announce that, if present and voting, the Senator from Arizona [Mr. DECONCINI], would vote "no."

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE] and the Senator from Utah [Mr. JEFFORDS], are necessarily absent.

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

The result was announced—yeas 52, nays 41, as follows:

[Rollcall Vote No. 110 Leg.]

YEAS—52

Adams	Domenici	Mitchell
Akaka	Exon	Moynihan
Baucus	Ford	Packwood
Biden	Fowler	Pryor
Bond	Glenn	Reid
Boren	Gore	Riegle
Breaux	Graham	Rockefeller
Bryan	Grassley	Rudman
Bumpers	Hatfield	Sarbanes
Burdick	Hollings	Sasser
Byrd	Johnston	Simpson
Cohen	Kassebaum	Specter
Cranston	Kennedy	Stevens
D'Amato	Leahy	Thurmond
Danforth	Levin	Wirth
Daschle	Lieberman	Wofford
Dodd	Lugar	
Dole	Mikulski	

NAYS—41

Bingaman	Heflin	Nunn
Bradley	Helms	Pressler
Brown	Kasten	Robb
Burns	Kerrey	Roth
Coats	Kerry	Sanford
Cochran	Kohl	Seymour
Conrad	Lautenberg	Shelby
Craig	Lott	Simon
Durenberger	Mack	Smith
Garn	McCain	Symms
Gorton	McConnell	Wallop
Gramm	Metzenbaum	Warner
Harkin	Murkowski	Wellstone
Hatch	Nickles	

NOT VOTING—7

Bentsen	Dixon	Pell
Chafee	Inouye	
DeConcini	Jeffords	

So the conference report was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, there will be no further votes this evening. The Senate will not be in session tomorrow, and the Senate will return to session following the Memorial Day recess on Monday, June 1.

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. STEVENS. 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 Alaska is recognized.

SENATE FAMILY

Mr. STEVENS. Mr. President, recently almost all Senators and spouses joined together for what I call the Senate family dinner. At that dinner the remarks of the distinguished majority leader, Senator MITCHELL, were such that I think they deserve a wider audience. Mindful of the effect on our families of the comments made about Congress, Senator MITCHELL gave us a historical perspective, which I feel helped ease the concerns of our loved ones and the sadness really that some of them feel about the criticism that is lodged against Congress.

In addition, his words serve to reeducate those who have forgotten and, may I hope, educate those who never knew that the separation of powers and an independent Congress are essential to all of us, to all Americans, to assure the preservation of the freedoms that we all hold so dear.

Mr. President, I think that Senator MITCHELL's statement to the Senate family should be printed in the RECORD at this point. I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT OF SENATE MAJORITY LEADER GEORGE J. MITCHELL, SENATE FAMILY DINNER, 1992

Congress has been the focus of intense criticism in recent months.

But that's nothing new. Attacks on Congress have a long history. More than a hundred years ago Mark Twain said that if Congress had been present when God said, "Let there be light," mankind would still be in the dark.

And it must be said, in all candor, that some criticism of Congress has been well-deserved. Like all human institutions, Congress is far from perfect.

From today's turmoil, many Americans look back in history and imagine a time when there were no internal divisions. Most cherish the view that during World War II—a time when the Nation was unified in the fight against fascism—the Nation pulled together, and cheerfully shared sacrifice and hardship.

But history tells us otherwise. In reality, by 1942 and throughout the War, the Congress was under intense attack for the wartime hardships.

The national Jaycees organized a tongue-in-cheek, old-clothing drive for the impoverished Members of Congress, encouraging Americans to send discarded clothes and worn-out shoes to help out the penurious Members of this body. "Bundles for Congress" was the 1940s equivalent of today's radio talk shows.

Members of Congress were touchy and defensive. Speaker Rayburn said he was "damned tired of having Congress made the goat for everything." Senator Walter George said he was tired of "indiscriminate sniping and yowling."

Despite enormous changes in the world, some things haven't changed much. It's still fashionable to criticize Congress. The criticism so resonates with the American people that some members of Congress are themselves among leading voices raised in disparagement of this institution.

But it's important to keep all of this in perspective. There never was a time in American history when the Congress was a revered institution. Americans, members of the first truly egalitarian society, have always been skeptical of those who are set apart, whether by wealth, by election, or for any other reason.

That's a good thing; a healthy thing. It keeps our feet on the ground.

But when skepticism turns to cynicism, as it lately has, we risk undermining democracy.

Every system of government, by definition, has an executive. Throughout most of human history, that's all most governments have had: a dominant executive, usually in the form of an unelected monarch.

Individual freedom, the liberty that we Americans have come to take for granted, largely came about when independent legislatures came into existence.

Across the sweep of human history, the institution most responsible for the preservation of individual liberty has been the independent legislature.

The men who wrote the Constitution had as their central objective the prevention of tyranny in America.

They had lived under a British King. They did not want there ever to be an American King.

They were brilliantly successful. In two centuries, we've had 41 presidents and no kings.

The Founders achieved their goal through the simple device of separating power, dispersing it throughout the system, making it tough to get things done because they wanted to prevent bad things from being done. In the process, of course, they made it tough to get good things done, too. And so the legislature in this, as in other democracies, often looks chaotic, often appears disorganized, often earns the criticism it gets.

But I submit that but for the independence of the British Parliament and the American Congress, human beings in this and other countries would not have the degree of individual liberty they now have.

I'm proud to be a Member of the United States Senate.

It's a great honor, the greatest of my life. And I'm proud to serve with each of you.

I'd like to close with the eloquent words of a great President, Theodore Roosevelt, that I think are relevant today.

He said, "It's not the critic who counts, not the man who points out how the strong man stumbled, or the doer of deeds who could have done them better.

"The credit belongs to the man who is actually in the arena; whose face is marred by the dust and sweat and blood; who strives valiantly; who errs and comes up short again and again . . . who knows the great enthusiasms, the great devotions and spends himself in a worthy cause; who, at the best, knows in the end the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory or defeat."

To you, the men and women in the arena, I say thank you, may God bless each of you and your families.

The PRESIDING OFFICER. The Senator from Mississippi.

WALSH FIASCO DRAGS ON

Mr. COCHRAN. Mr. President, yesterday the Memphis Commercial Appeal printed an editorial on the subject entitled "Walsh Fiasco Drags On." The subject is the Lawrence Walsh investigation of the so-called Iran-Contra affairs. The writer characterized the investigation as replete with politics, intimidation, and unfairness.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

[From the Memphis Commercial Appeal, May 20, 1992]

WALSH FIASCO DRAGS ON

If special prosecutor Lawrence Walsh's investigation of the Iran-Contra intrigue were a softball game, it would have been called off long ago under the "mercy rule"—the regulation that comes into effect when one side is hopelessly behind.

So far, Walsh's six-year, $30 million probe has put exactly one person behind bars. America can sleep again now that the dreaded Thomas Clines is doing 16 months.

Just when it looked like the Walsh inquiry was over—the federal Iran-Contra grand jury disbanded last week—some hard chargers on Walsh's staff persuaded him to threaten former Defense Secretary Caspar Weinberger with prosecution for allegedly lying to Congress. Walsh reportedly offered Weinberger immunity if he would incriminate his old boss, Ronald Reagan. Weinberger stood pat. So far, no indictment.

The Walsh team's unsavory attempt to "sweat" Weinberger into turning stoolie, as

though the former Cabinet secretary were some dry-lipped flunky in a burglary ring, highlights many abuses of the Iran-Contra probe:

Politics. Some might think that supposedly getting the goods on an ex-Defense secretary would be a prosecutorial coup. But a president's head mounted over their fireplace is evidently the grand object of Walsh & Co.

Intimidation. Bottomlessly funded special prosecutors can wage long court battles. Not so their targets. Only national fundraising efforts met the legal expenses of national security officials Oliver North and John Poindexter, both convicted but cleared on appeal. CIA employee Joseph Fernandez ran up $1.8 million in lawyer bills fighting a Walsh indictment that went nowhere. Innocence is no protection against litigious ruin.

Unfairness. Weinberger opposed swapping arms for Iranian-held hostages, but this didn't spare him from Walsh's ultimatum. Some Weinberger letters in the Library of Congress, Walsh staffers allege, appear to contradict his testimony to Congress that he was not party to Iran-Contra machinations. But the staffers had to lobby Walsh to lean on Weinberger, suggesting that these letters are no smoking gun.

The details of Iran-Contra are grist for the historian, not the prosecutor, policeman or jailer. It's time for the Walsh fishing expedition to return to shore.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate resumes consideration of Calendar No. 333, S. 1504, a bill to authorize appropriations for public broadcasting, it be considered under the following time limitations:

Two hours on the bill, including the committee substitute amendment; that the following amendments, in addition to the committee-reported substitute, be in order in the first degree under the time limitation indicated and not subject to second-degree amendments; with the only other amendments in order being relevant to the bill or the committee substitute amendment, as amended, or, if in the second degree, relevant to the amendment to which they are offered:

Ten minutes on the managers' substitute amendment that will be offered and agreed to prior to any other amendment, to incorporate certain provisions of the House bill (H.R. 2977); with the provision that following the adoption of this substitute amendment, the reported substitute as thus amended be treated as original text for the purpose of further amendment;

Ten minutes on the managers' amendment on broad terms and accountability;

Ninety minutes on a Helms amendment to freeze or reduce the funding levels of the bill;

One hour on a Dole amendment with respect to funding for the Independent Television Service [ITVS];

Ten minutes on a Byrd amendment on indecency;

Five minutes on a Bingaman amendment on a report on the establishment of a ready-to-learn channel for preschool children;

Five minutes on a Pressler amendment on a report on using public broadcasting satellite for distance learning;

Thirty minutes on a McConnell amendment—requiring that TV programs funded by the CPB, include with the credits the statement that the CPB "is a private nonprofit corporation created by Congress," or similar language;

That all limitations on time for debate be equally divided and controlled in the usual form; that no motions to recommit be in order; and that following third reading of the bill, all of the following occur without any action or debate: the Commerce Committee be discharged from further consideration of H.R. 2977, the House companion bill, and the Senate proceed to its immediate consideration; that all after the enacting clause be stricken and the text of S. 1504, as amended, be inserted in lieu thereof; the bill be read for the third time, and the Senate proceed to vote on passage of H.R. 2977, as amended; and, that upon disposition of H.R. 2977, S. 1504 be returned to the calendar.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DOLE. No objection.

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

SAFE MEDICAL DEVICES ACT OF 1990

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 2783, a bill introduced earlier today by Senators KENNEDY and HATCH regarding the implementation of the Safe Medical Devices Act of 1990.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2783) to amend the Federal Food, Drug, and Cosmetic Act with respect to medical devices and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

There being no objection, the Senate proceeded to consider the bill.

Mr. KENNEDY. Mr. President, the Medical Device Amendments of 1992 represent several modifications that Senator HATCH and I have developed to facilitate better implementation of the Safe Medical Devices Act of 1990. These modifications have been developed in consultation with the administration, the affected industries, and consumer representatives. Senator HATCH and I have agreed to the following statement of explanation as to the legislative intent of the bill:

STATEMENT ON THE MEDICAL DEVICE AMENDMENTS OF 1992

Section 1. Short Title and Reference.

Section 1 states that the short title is the "Medical Device Amendments of 1992."

Section 2. Effective Date and Regulations to Implement Section 519(e).

Section 2 pertains to the timetable for issuing final regulations and the effective date for final regulations for section 519(e) of the Federal Food, Drug and Cosmetic Act ("FFDC Act"). Section 519(e) was added by section 3(b) of the Safe Medical Devices Act of 1990, Pub. L. 101-629 ("SMDA"). The SMDA required the Food and Drug Administration ("FDA") to issue proposed regulations within nine months of the date of enactment (August 28, 1991), and final regulations nine months later (May 28, 1992). It also provides that if the agency misses the deadline for the final regulations, the proposed regulations will go into effect and become the final regulations, with the statute to take effect immediately.

The FDA issued the proposed regulations to implement section 519(e) on March 27, 1992. Even though the deadline for the final regulations is May 28, 1992, the agency provided a 60-day comment period. Thus the comment period will close one day before the final regulations are due to be issued. The agency has informed the Congress that it does not intend to issue the final regulations by the May 28 deadline.

Section 2 would extend the deadline to issue final regulations by 6 months, or until November 28, 1992. The agency has indicated that this extension will allow sufficient time to issue the final regulations. However, if the final regulations are not issued by November 28, 1992, then Section 2 provides that the proposed regulations will become the final regulations on November 29, 1992. The FDA is directed to publish promptly in the Federal Register notice of the new status of the proposed regulations.

Section 2 also provides that the final regulations will go into effect 9 months after they are published or no later than August 29, 1993 (9 months after November 29, 1992). This date may not be extended by the FDA under any circumstances.

In some cases, device manufacturers may need to obtain a section 510(k) clearance or an approval of a supplemental device application prior to initiating tracking of devices. This could occur where an effective tracking system required new packaging (such as single packaging instead of bulk packaging) or an alteration in processing (such as the sterilization of the product). It is expected that the FDA will expedite decisions on such clearance applications so that manufacturers can have tracking systems in place by the effective date of the regulations.

Section 3. Postmarket Surveillance.

Section 3 makes failure to comply with a requirement imposed by section 522 of the FFDC Act (Postmarket Surveillance) a prohibited act subject to criminal and civil penalties. Section 3 also makes any device product misbranded if there was a failure or refusal to comply with a requirement under section 522 with respect to the device.

Section 4. Repair, Replacement, or Refund.

Section 518(b) of the FFDC Act provides the circumstances under which the FDA may order a manufacturer, importer or distributor to repair a device, replace it, or refund the purchase price to the consumer. Under subsection (b)(1)(A)(ii), the Secretary must determine that there are reasonable grounds to believe that the device was not properly designed and manufactured with reference to

the state of the art as it existed at the time of its design and manufacture.

There is some concern that this provision could not be applied to a device that was improperly designed (but properly manufactured), or improperly manufactured (but properly designed). Such an interpretation makes no sense, and the amendment would make it clear that clause (ii) may be satisfied by a showing of improper design or manufacturer.

Section 5. Reporting.

Section 5 amends section 519 of the FFDC Act, which requires manufacturers, distributors and certain users of devices to report adverse device experiences to the FDA. The Medical Device Amendments of 1976 added section 519(a) to require manufacturers, importers and distributors to make certain reports to the FDA. In 1984, the agency issued regulations to implement section 519(a) which, among other things, require manufacturers and importers to report information that "reasonably suggests that one of its marketed devices may have caused or contributed to serious injury or death." 21 C.F.R. 803.1(1991). Although the 1984 regulations did not cover distributors, the Safe Medical Devices Act Amendments of 1990 added section 519(a)(6) which directs the FDA to issue regulations that require reporting by distributors.

Section 519(b) covers user reporting and requires devices users (such as hospitals) to report to the FDA or the device manufacturer information that "reasonably suggests that there is a probability that a device has caused or contributed" to a death, serious illness, or serious injury. In proposed regulations that the agency published on November 26, 1991, the agency proposed to use the statutory standard for device users for both users and manufacturers. 56 Fed. Reg. 60024.

Section 5(a) would adopt a single standard that would determine when injuries caused by devices must be reported to FDA. Under Section 5(a), where information "reasonably suggests that a marketed device may have caused or contributed to serious injury or death," the manufacturer, importer or user would be required to report to the FDA.

Section 5(a) also provides a new definition of the types of injuries or illnesses that must be reported. The agency's regulations require reporting of "serious injuries" which are defined to mean injuries that are "life threatening," that could result "in permanent impairment of a body function or permanent damage to a body structure," or that "necessitate medical or surgical intervention" to prevent such impairment or damage. 21 C.F.R. 803.1(h)(1991). Section 519(b)(5)(6) includes a similar definition for the types of injuries that must be reported by medical device users, although it states that the injury must necessitate "immediate" medical or surgical intervention. The regulations applicable to manufacturers and importers (but not the statutory definition applicable to users) go beyond the provisions described above and require the reporting of injuries that necessitate medical or surgical intervention to "relieve unanticipated temporary impairment of a body function or unanticipated temporary damage to a body structure." 21 C.F.R. 803.1(h)(1991). In the proposed revisions to its regulations regarding manufacturer reporting, the FDA has deleted the requirement for reporting of unanticipated temporary impairment or damage. 56 Fed. Reg. 60025, 60033 (November 26, 1991).

Section 5(a) adopts a single definition for "serious injury." This definition applies to device manufacturers, importers, distributors and users. It requires reporting of an injury that is "(A) life threatening, (B) results in permanent impairment of a body function or permanent damage to a body structure, or (C) necessitates medical or surgical intervention to preclude permanent impairment of a body function or permanent damage to a body structure." This definition differs from the current definition of "serious injury" that is applicable to device users since the immediacy requirement in Section 519(b)(5)(B) has been dropped.

In addition, language directing the FDA to require reporting of other significant adverse experiences that it identifies in regulations has been added to both section 519(a) (manufacturer, importer and distributor reporting) and section 519(b) (user reporting).

These amendments are not intended to mandate that the FDA adopt the requirements of its current regulations, 21 C.F.R. 803.1, 803.3(h) (1991), for manufacturers. However, the amendments do give the agency the discretion to identify adverse device experiences that must be reported. While this language is not limited to injuries, examples of injuries that might not qualify under the definition of "serious injury" but which the agency could require to be reported are: concussions or fractures (which could be caused by a defect in a stretcher, hospital bed or platform for a MRI system), burns, temporary paralysis, temporary loss of sight, temporary loss of hearing, or temporary loss of smell.

Section 519(b), which is applicable to user reporting uses the term "serious illness" in addition to serious injury to describe the events that must be reported. Although the term "serious illness" is not used in section 519(a), the agency's proposed regulations issued on November 26, 1991, would require manufacturers to report serious illnesses in addition to serious injuries. While the term "injury" probably covers any illness that could be caused by a device, the bill is not in any way intended to limit the agency's authority to require reporting of serious illnesses by manufacturers of devices.

Section 6. Technicals.

Section 6 makes a number of changes to correct a number of technical errors in current law. The changes are as follows.

(a) In the definition of device in section 201, "any of its principal" is stricken and "its primary" is substituted to make the section read consistently. No substantive change is intended.

(b) References throughout the FFDC Act to Department of Health, Education and Welfare are changed to Department of Health and Human Services, and the term "Commissioner" is defined as the "Commissioner of Food and Drugs."

(c) Certain incorrect references in section 304(d)(1) are corrected.

(d) In section 503(g)(3) the word "clearance" is substituted for "approval" so that the definition of "market clearance" in section 503(g)(4)(B) applies.

(e) In section 513(f)(3), incorrect designations of three subparagraphs are corrected and the word "section" is added before "510(k)."

(f) An incorrect citation in section 517(a)(10) is corrected.

(g) Several incorrect citations in the Safe Medical Devices Act of 1990 are corrected.

Mr. HATCH. Mr. President, I rise in support of the Medical Device Amendments of 1992.

I thank the distinguished Senator from Massachusetts for his leadership on these amendments.

First, this bill allow for a more orderly and well-considered rulemaking process for the medical device tracking rules. By enacting a November deadline for assurance of final rules, we will make certain that FDA can consider carefully the comments received about the proposed rule.

Second, this bill makes clear that manufacturers of potentially problem devices must construct a protocol within 30 days of notice from FDA; this will assist in obtaining adequate postmarketing surveillance.

In addition, this bill makes improvements in the threshold level of reportable serious injuries. The new provision of section 5(a) adopts a single standard for medical device reporting and represents an improvement over the current bifurcated system. We can expect that under this new law that only those events of public health significance will be reported.

In summary, I believe that this bill is consistent with the public health and will relieve undue hardship in the current regulatory framework.

Mr. DURENBERGER. Mr. President, I rise today in support of the Medical Device Amendments of 1992. This bill addresses a pressing concern of both device manufacturers and the Food and Drug Administration.

On November 28, 1990, the Safe Medical Devices Act of 1990 was enacted. It amended the Food, Drug and Cosmetic Act to include a provision requiring each device manufacturer to establish a device tracking system for a number of implanted devices and home use medical equipment.

Device tracking can be an important consumer protection tool. A tracking system allows for the collection and maintenance of records regarding the location of distributed devices or if patient notification is necessary. This information can be lifesaving if and when defects or side effects are subsequently uncovered.

The FDA was required to propose regulations to implement the device tracking provisions by August 28, 1991, and to issue final regulations by May 28, 1992. Under the law, if the FDA had not issued final regulations by that date, the proposed regulations would become final.

Mr. President, the FDA did not issue proposed regulations until March 27, 1992, which left only 2 months until the congressionally mandated finalization of the rule would take place.

Mr. President, if is unfortunate that FDA was unable to comply with the clear time frame under the law. However, FDA's failure should not be allowed to penalize the device manufacturers or to produce bad public policy. The industry cannot possibly comply with the regulation in the time permitted. Additionally, the proposed regulation needs significant refinement. Public policy and ultimately public

health will be improved through careful attention to the comments from all interested parties.

Mr. President, thanks to the responsiveness of my distinguished colleagues on both sides of the aisle and in both Houses of Congress, we have put together a legislative proposal to address this problem. The bill allows a 6-month extension until the final rule is due, and a 9-month extension to allow time for manufacturers to retool their plants to comply with the law. The FDA and the industry are both confident that this delay will improve public policy without compromising public health. I hope this legislation can be passed by the Senate by unanimous consent.

The PRESIDING OFFICER. If there are no amendments to be proposed, the bill is deemed read the third time and passed.

So, the bill (S. 2783) was deemed read the third time and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Medical Device Amendments of 1992".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. EFFECTIVE DATE AND REGULATIONS TO IMPLEMENT DEVICE TRACKING.

(a) AMENDMENT.—Section 3 of the Safe Medical Devices Act of 1990 (21 U.S.C. 360i note) is amended—

(1) in subsection (b)(3), by striking out "upon the effective date" and inserting in lieu thereof "upon the expiration of 9 months after the issuance";

(2) in subsection (c)(2)—

(A) by striking out "and 519(e)" the first place it occurs; and

(B) by striking out "and 519(e) of such Act are" and inserting in lieu thereof "of such Act is"; and

(3) by adding at the end of subsection (c) the following:

"(3) Not later than November 28, 1992, the Secretary shall issue final regulations to implement section 519(e) of the Federal Food, Drug, and Cosmetic Act. If the Secretary does not promulgate such final regulations by November 28, 1992, the Congress finds that there is good cause for the proposed regulations to be considered as the final regulations without response to comment because the implementation of section 519(e) of such Act is essential to protect the health of patients who use devices. In such event, the proposed regulations issued under paragraph (1) shall become the issued final regulations on November 29, 1992. There shall be promptly published in the Federal Register notice of the new status of the proposed regulations.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as of May 27, 1992 and any rule to implement section 519(e) of the Federal Food, Drug, and Cosmetic Act proposed under section 3(c)(2) of the Safe Medical Devices Act of 1990 shall revert to its proposed status as of such date.

SEC. 3. POSTMARKET SURVEILLANCE.

(a) PROHIBITED ACT.—

(1) IN GENERAL.—Section 301(q)(1) (21 U.S.C. 331(q)(1)) is amended—

(A) by striking out "or (B)" and inserting in lieu thereof "(B)"; and

(B) by inserting before the period a comma and "or (C) comply with a requirement under section 522".

(2) MISBRANDED DEVICES.—Section 502(t) (21 U.S.C. 352(t)) is amended—

(A) by striking out "or (2)" and inserting in lieu thereof "(2)"; and

(B) by inserting before the period a comma and "or (3) to comply with a requirement under section 522".

(b) APPROVAL.—Section 522(b) (21 U.S.C. 360l(b)) is amended—

(1) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(2) by inserting a comma after "commerce"; and

(3) by adding after the first sentence the following: "Each manufacturer required to conduct a surveillance of a device under subsection (a)(2) shall, within 30 days after receiving notice that the manufacturer is required to conduct such surveillance, submit, for the approval of the Secretary, a protocol for the required surveillance.".

SEC. 4. REPAIR, REPLACEMENT, OR REFUND.

Section 518(b)(1)(A)(ii) (21 U.S.C. 360h(b)(1)(A)(ii)) is amended by striking out "and" each place it occurs and inserting in lieu thereof "or".

SEC. 5. REPORTING.

(a) AMENDMENTS.—Section 519 (21 U.S.C. 360i) is amended—

(1) by redesignating paragraphs (1) through (6) of subsection (a) as paragraphs (4) through (9), respectively, and by inserting before paragraph (4) (as so redesignated) the following:

"(1) shall require a device manufacturer or importer to report to the Secretary whenever the manufacturer or importer receives or otherwise becomes aware of information that reasonably suggests that one of its marketed devices—

"(A) may have caused or contributed to a death or serious injury, or

"(B) has malfunctioned and that such device or a similar device marketed by the manufacturer or importer would be likely to cause or contribute to a death or serious injury if the malfunction were to recur;

"(2) shall define the term 'serious injury' to mean an injury that—

"(A) is life threatening,

"(B) results in permanent impairment of a body function or permanent damage to a body structure, or

"(C) necessitates medical or surgical intervention to preclude permanent impairment of a body function or permanent damage to a body structure;

"(3) shall require reporting of other significant adverse device experiences as determined by the Secretary to be necessary to be reported;"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking out "there is a probability that a device has" each place it occurs and inserting in lieu thereof "a device has or may have";

(B) in paragraph (1)(B)—

(i) by striking out "aware of information" and inserting in lieu thereof "aware of—

"(i) information"; and

(ii) by striking out "facility, the facility" and inserting in lieu thereof: "facility, or

"(ii) other significant adverse device experiences as determined by the Secretary by regulation to be necessary to be reported,

the facility";

and

(C) in paragraph (5)(B)(iii), by striking out "immediate".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect—

(1) 1 year after the date of the enactment of this Act; or

(2) on the effective date of regulations of the Secretary to implement such amendments,

whichever occurs first.

SEC. 6. TECHNICALS.

(a) SECTION 201.—Section 201 (21 U.S.C. 321) is amended—

(1) in subsection (h), by striking out "any of its principal" and inserting in lieu thereof "its primary"; and

(2) by adding at the end the following:

"(ff) The term 'Commissioner' means the Commissioner of Food and Drugs.".

(b) REFERENCE.—

(1) Subsections (c) and (d) of sections 201, subsections (a), (d), (h), (i), (l), (m), and (o) of section 408, subsections (a) and (b) of 536, section 701(b), and subsections (a) and (b) of section 801 (21 U.S.C. 321 (c) and (d), 346a (a), (d), (h), (i), (l), (m), and (o), 360mm (a) and (b), 371(b), and 381 (a) and (b)) and section 351(c) of the Public Health Service Act (42 U.S.C. 262(c)) are each amended by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services".

(2) Section 201(y), section 506(a), section 507(a), section 702(c), section 702A, and section 706(b)(5)(C)(i) (21 U.S.C. 321(y), 356(a), 357(a), 372(c), 372a, and 376(b)(5)(C)(i)) are each amended by striking out "of Health, Education, and Welfare" each place it appears.

(c) SECTION 304.—Section 304(d)(1) (21 U.S.C. 334(d)(1)) is amended—

(1) by striking out "801(d)" each place it occurs and inserting in lieu thereof "801(e)"; and

(2) by striking out "clauses" and inserting in lieu thereof "paragraphs".

(d) SECTION 503.—Section 503(g)(3) (21 U.S.C. 353(g)(3)) is amended by striking out "approval" and inserting in lieu thereof "clearance".

(e) SECTION 513.—Section 513(f)(3) (21 U.S.C. 360c(f)(3)) is amended by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and by striking out "the 510(k)" and inserting in lieu thereof "the section 510(k)".

(f) SECTION 517.—Section 517(a)(10) (21 U.S.C. 360g(a)(10)) is amended by striking out "520(c)(4)(B)" and inserting in lieu thereof "520(h)(4)(B)".

(g) SAFE MEDICAL DEVICES ACT OF 1990.—Section 18(b) of the Safe Medical Devices Act of 1990 is amended—

(1) by striking out "(b)(4)(B)" and inserting in lieu thereof "(b)";

(2) in paragraph (1), by striking out "(3)" and inserting in lieu thereof "(4)"; and

(3) in paragraph (2), by striking out "(4)" and inserting in lieu thereof "(5)".

Mr. MITCHELL. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:48 p.m., a message from the House of Representatives, delivered by Mr. Hayes, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4990) rescinding certain budget authority, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 320. A concurrent resolution declaring the ratification of the proposed amendment to the Constitution relating to compensation for Representatives and Senators.

At 3:08 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 287) setting forth the congressional budget for the U.S. Government for the fiscal years 1993, 1994, 1995, 1996, and 1997.

The message also announced that the House has passed the bill (S. 2569) to amend title 10, United States Code, to make the Vice Chairman of the Joint Chiefs of Staff a member of the Joint Chiefs of Staff; to provide joint duty credit for certain service; and to provide for the temporary continuation of the current Deputy National Security Advisor in a flag officer grade in the Navy; with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 323. A concurrent resolution providing for an adjournment of the House from Thursday, May 21, 1992 to Tuesday, May 26, 1992 and an adjournment or recess of the Senate from Thursday, May 21, 1992 or Friday, May 22, 1992 until Monday, June 1, 1992.

MEASURES REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 320. A concurrent resolution declaring the ratification of the proposed amendment to the Constitution relating to compensation for Representatives and Senators; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment:

S. 1439. A bill to authorize and direct the Secretary of Interior to convey certain lands in Livingston Parish, Louisiana (Rept. No. 102–284).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

H.R. 1642. A bill to establish in the State of Texas the Palo Alto Battlefield National Historic Site, and for other purposes (Rept. No. 102–285).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 2062. A bill to amend section 1977A of the Revised Statutes to equalize the remedies available to all victims of intentional employment discrimination, and for other purposes (Rept. No. 102–286).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

G. Kim Wincup, to be an Assistant Secretary of the Air Force;

The following-named officer for appointment to the grade of vice admiral while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be vice admiral

Rear Adm. (1h) John M. McConnell, [redacted] U.S. Navy.

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Charles A. Horner, [redacted] U.S. Air Force.

The following-named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, Section 601:

To be general

Gen. Hansford T. Johnson, [redacted] U.S. Air Force.

The following-named officer for reappointment to the grade of general while assigned to a position of importance and responsibility under Title 10, United States Code, section 601:

To be general

Gen. George L. Butler, [redacted] U.S. Air Force.

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 7, April 28, May 6, and May 13, 1992, at the end of the Senate proceedings.)

*Lt. Gen. Robert D. Hammond, USA to be placed on the retired list in the grade of lieutenant general (Reference No. 937)

*In the Army Reserve there are 22 appointments to the grade of major general and below (list begins with William C. Cockerham (Reference No. 952)

*Lt. Gen. William S. Flynn, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 963)

*Adm. Jerome L. Johnson, USN, to be placed on the retired list in the grade of admiral (Reference No. 995)

*Lt. Gen. Robert D. Beckel, USAF, for appointment to the grade of lieutenant general of the retired list (Reference No. 1018).

*Lt. Gen. Michael F. Spigelmire, USA, to be placed on the retired list in the grade of lieutenant general (Reference No. 1021)

*Lt. Gen. August M. Cianciolo, USA, to be placed on the retired list on the grade of lieutenant general (Reference No. 1034)

**In the Air Force there is one promotion to the grade of lieutenant colonel (William B. Beazley) (Reference No. 1039)

**In the Army Reserve there are 33 promotions to the grade of colonel and below (list begins with Sidney C. Francisco) (Reference No. 1040)

**In the Army Reserve there are 75 promotions to the grade of colonel and below (list begins with Ernest F. Bivona) (Reference No. 1041)

*Lt. Gen. Robert H. Ludwig, USAF, for appointment to the grade of lieutenant general on the retired list (Reference No. 1059)

*Lt. Gen. C. Norman Wood, USAF, for appointment to the grade of lieutenant general on the retired list (Reference No. 1060)

*Lt. Gen. Maj. Gen. John E. Jackson, Jr., USAF, to be lieutenant general (Reference No. 1061)

*Gen. Donald J. Kutyna, USAF, to be placed on the retired list in the grade of general (Reference No. 1083)

*Lt. Gen. Vernon J. Kondra, USAF, to be placed on the retired list in the grade of lieutenant general (Reference No. 1085)

*Lt. Gen. Michael A. Nelson, USAF, for reappointment to the grade of lieutenant general (Reference No. 1087)

*Lt. Gen. Robert L. Rutherford, USAF, for reappointment to the grade of lieutenant general (Reference No. 1088)

*Maj. Gen. Malcolm B. Armstrong, USAF, to be lieutenant general (Reference No. 1089)

*Gen. John R. Galvin, USA, to be placed on the retired list in the grade of general (Reference No. 1094)

**In the Air Force there are 31 appointments to the grade of colonel and below (list begins with Robert T. Kindley) (Reference No. 1104)

**In the Army Reserve there are 7 appointments to the grade of lieutenant colonel (list begins with William F. Davitt, III) (Reference No. 1106)

**In the Navy there are 20 appointments to the grade of lieutenant and below (list begins with William K. Davis) (Reference No. 1107)

**In the Army there are 70 promotions to the grade of major (list begins with Mark S. Ackerman) (Reference No.1108)

*Maj. Gen. Joseph W. Ralston, USAF, to be lieutenant general (Reference No. 1114)

**In the Air Force Reserve there are 28 promotions to the grade of lieutenant colonel (list begins with Daniel W. Beck) (Reference No. 1131)

*Lt. Gen. William G. Pagonis, USA, for reappointment to the grade of lieutenant general (Reference No. 1143)

*Col. James J. Sullivan, USAR, to be brigadier general (Reference No. 1144)

**In the Air Force there are 1,079 appointments to the grade of second lieutenant (list begins with James T. Abernethy, Jr.) (Reference No. 1153)

Total: 1,384.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. BIDEN, from the Committee on the Judiciary:

Morris S. Arnold, of Arkansas, to be U.S. Circuit Judge for the Eighth Circuit;

Michael Boudin, of Massachusetts, to be U.S. Circuit Judge for the First Circuit;

Jerome B. Simandle, of New Jersey, to be U.S. District Judge for the District of New Jersey; and

Richard G. Kopf, of Nebraska, to be U.S. District Judge for the District of Nebraska.

By Mr. PELL, from the Committee on Foreign Relations:

Treaty Doc. 102-16. Treaty With Jamaica on Mutual Legal Assistance in Criminal Matters (Exec. Rept. No. 102-32);

Treaty Doc. 102-18. Treaty With Argentina on Mutual Legal Assistance in Criminal Matters (Exec. Rept. No. 102-33);

Treaty Doc. 102-19. Treaty With Uruguay on Mutual Legal Assistance in Criminal Matters (Exec. Rept. No. 102-34); and

Treaty Doc. 102-21. Treaty With Spain on Mutual Legal Assistance in Criminal Matters (Exec. Rept. No. 102-35).

TEXTS OF REPORTED RESOLUTIONS OF ADVICE AND CONSENT TO RATIFICATION

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the Government of the United States of America and the Government of Jamaica on Mutual Legal Assistance in Criminal Matters, signed at Kingston on July 7, 1989. The Senate's advice and consent is subject to the following two provisos, which shall not be included in the instrument of ratification to be signed by the President:

Nothing in this treaty requires or authorizes legislation, or other action, by the United States of America prohibited by the Constitution of the United States as interpreted by the United States.

Pursuant to the rights of the United States under this treaty to deny requests which prejudice its essential public policy or interest, the United States shall deny a request for assistance when the Central Authority, after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior government official who will have access to information to be provided under this treaty is engaged in or facilitates the production or distribution of illegal drugs.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the Government of the United States of America and the Government of the Republic of Argentina on Mutual Legal Assistance in Criminal Matters, signed at Buenos Aires on December 4, 1990. The Senate's advice and consent is subject to the following two provisos, which shall not be included in the instrument of ratification to be signed by the President:

Nothing in this treaty requires or authorizes legislation, or other action, by the United States of America prohibited by the Constitution of the United States as interpreted by the United States.

Pursuant to the rights of the United States under this treaty to deny requests which prejudice its essential public policy or interest, the United States shall deny a request for assistance when the Central Authority, after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior government official who will have access to information to be provided under this treaty is engaged in or facilitates the production or distribution of illegal drugs.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the Government of the United States of America and the Government of the Oriental Republic of Uruguay on Mutual Legal Assistance in Criminal Matters, signed at Montevideo on May 6, 1991. The Senate's advice and consent is subject to the following two provisos, which shall not be included in the instrument of ratification to be signed by the President:

Nothing in this treaty requires or authorizes legislation, or other action, by the United States of America prohibited by the Constitution of the United States as interpreted by the United States.

Pursuant to the rights of the United States under this treaty to deny requests which prejudice its essential public policy or interest, the United States shall deny a request for assistance when the Central Authority, after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior government official who will have access to information to be provided under this treaty is engaged in or facilitates the production or distribution of illegal drugs.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty on Mutual Legal Assistance in Criminal Matters between the United States of America and the Kingdom of Spain, signed at Washington on November 20, 1990. The Senate's advice and consent is subject to the following two provisos, which shall not be included in the instrument of ratification to be signed by the President:

Nothing in this treaty requires or authorizes legislation, or other action, by the United States of America prohibited by the Constitution of the United States as interpreted by the United States.

Pursuant to the rights of the United States under this treaty to deny requests which prejudice its essential public policy or interest, the United States shall deny a request for assistance when the Central Authority, after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior government official who will have access to information to be provided under this treaty is engaged in or facilitates the production or distribution of illegal drugs.

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. GORTON (for himself, Mr. CRAIG, Mr. STEVENS, Mr. WALLOP, and Mr. SYMMS):

S. 2762. A bill to assure the preservation of the northern spotted owl and the stability of communities dependent on the resources of the public lands in Oregon, Washington, and northern California, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ROTH (for himself and Mr. ROCKEFELLER):

S. 2763. A bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy; to the Committee on Governmental Affairs.

By Mr. DASCHLE (for himself, Mr. LEVIN, and Mr. JOHNSTON):

S. 2764. A bill to revive and strengthen the "Super 301" authority of the United States Trade Representative to eliminate unfair trade barriers, and for other purposes; to the Committee on Finance.

By Mr. GORTON:

S. 2765. A bill to authorize the Secretary of the Interior to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEVIN (for himself, Mr. COHEN, and Mr. KOHL):

S. 2766. A bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. STEVENS:

S. 2767. A bill to authorize a certificate of documentation for the research vessel Brown Bear; to the Committee on Commerce, Science, and Transportation.

S. 2768. A bill to authorize a certificate of documentation for the fish processing vessel Yupik Star; to the Committee on Commerce, Science, and Transportation.

By Mr. D'AMATO (for himself, Mr. MCCAIN, Mr. SMITH, and Mr. STEVENS):

S. 2769. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for economic growth and affordable housing, and for other purposes; to the Committee on Finance.

By Mr. STEVENS (by request):

S. 2770. A bill to amend title III of the Marine Protection, Research, and Securities Act of 1972, as amended, to authorize appropriations for fiscal years 1993 through 1996, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. WIRTH:

S. 2771. A bill to provide for the transfer of certain public lands located in Clear Creek

County, Colorado, to the United States Forest Service, the State of Colorado, and certain local governments in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MACK:

S. 2772. A bill to treat a protest filed with respect to the liquidation of certain entries as filed within the time required under the Tariff Act of 1930; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. BOREN, Mr. BAUCUS, Mr. BREAUX, Mr. CHAFEE, Mr. DASCHLE, Mr. DURENBERGER, Mr. GRASSLEY, Mr. HATCH, Mr. MOYNIHAN, Mr. RIEGLE, and Mr. ROCKEFELLER):

S. 2773. A bill to amend the Internal Revenue Code of 1986 to extend certain expiring tax provisions, and for other purposes; to the Committee on Finance.

By Mr. HOLLINGS (for himself, Mr. ROCKEFELLER, Mr. BURNS, Mr. REID, Mr. DASCHLE, Mr. FORD, Mr. BRYAN, Mr. SHELBY, Mr. DOLE, Mr. EXON, Mr. BAUCUS, Mr. THURMOND, Mr. LOTT, Mr. BREAUX, Mr. KERREY, and Mr. MITCHELL):

S. 2774. A bill to authorize appropriations to the National Aeronautics and Space Administration for an Experimental Program to Stimulate Competitive Research on Space and Aeronautics; to the Committee on Commerce, Science, and Transportation.

By Mr. LUGAR (for himself and Mr. COATS):

S. 2775. A bill to designate the Federal building and United States courthouse located at 204 South Main Street in South Bend, Indiana, as the Robert A. Grant Federal Building and United States Courthouse; to the Committee on Environment and Public Works.

By Mr. BRYAN (for himself and Mr. BOND):

S. 2776. A bill to amend the Fair Credit Reporting Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BRADLEY:

S. 2777. A bill to finance an educational exchange program with the independent states of the former Soviet Union and the Baltic states, to authorize the admission to the United States of certain scientists of the former Soviet Union and Baltic states as employment-based immigrants under the Immigration and Nationality Act, and for other purposes; to the Committee on Foreign Relations.

By Mr. JEFFORDS (for himself, Mr. LEAHY, and Mr. MOYNIHAN):

S. 2778. A bill to require the Secretary of the Interior to conduct a study to assess the suitability and feasibility of establishing a heritage corridor composed of certain sites located in the Upper Hudson River Valley, in the Champlain Valley, and in the area around Lake George, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. MCCAIN):

S. 2779. A bill to amend title 10, United States Code, to provide that enlisted members of the Armed Forces who have completed 18, but less than 20, years of active duty shall be treated in the same manner as officers with respect to retention on active duty until becoming eligible for retired pay; to the Committee on Armed Services.

By Mr. LEAHY:

S. 2780. A bill to amend the Food Security Act of 1985 to remove certain easement requirements under the conservation reserve program, and for other purposes; considered and passed.

By Mr. GLENN:

S. 2781. A bill to amend the Solid Waste Disposal Act to require preparation of rural community impact statement prior to the issuance of a permit for the construction of an off site hazardous waste treatment, storage, or disposal facility in a rural area; to the Committee on Environment and Public Works.

By Mr. EXON:

S. 2782. A bill to amend the Internal Revenue Code of 1986 to repeal the luxury tax on passenger vehicles; to the Committee on Finance.

By Mr. KENNEDY (for himself and Mr. HATCH):

S. 2783. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to medical devices, and for other purposes; considered and passed.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 2784. A bill to amend part A of title IV of the Social Security Act to remove barriers and disincentives in the program of aid to families with dependent children so as to improve educational and business opportunities for recipients; to the Committee on Finance.

By Mr. THURMOND:

S. 2785. A bill to make a technical amendment to the False Claims Act; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 2786. A bill to designate a national marine sanctuary in the Hawaiian Islands for the protection of humpback whales and their habitat; to the Committee on Commerce, Science, and Transportation.

By Mr. SANFORD (for himself, Mr. GARN, and Mr. DIXON):

S. 2787. A bill to permit national banks to underwrite municipal revenue bonds; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KERRY (for himself, Mr. HOLLINGS, and Mr. STEVENS):

S. 2788. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for fiscal years 1993 through 1995, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2789. A bill to encourage the growth and development of commercial space activities in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. KASSEBAUM:

S. 2790. A bill to establish a boot camp program for juvenile delinquents, provide grants for State and local law enforcement, and authorize additional appropriations for the Head Start Program; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 2791. A bill for the relief of Martha Frith; to the Committee on the Judiciary.

By Mr. KOHL:

S. 2792. A bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice amd Delinquency Prevention Act of 1974; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. SPECTER, Mr. DECONCINI, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. SIMPSON, Mr. THURMOND, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. BOREN, Mr. BRYAN, Mr. CONRAD, Mr. DIXON, Mr. GLENN, Mr. HEFLIN, Mr. METZENBAUM, Mr. REID, Mr. SARBANES, Mr. SHELBY, Mr. WELLSTONE, Mr. BURNS, Mr. COHEN, Mr. D'AMATO, Mr. KASTEN, Mr. MACK, and Mr. SEYMOUR):

S.J. Res. 309. A joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. GRASSLEY, Mr. ADAMS, Mr. AKAKA, Mr. BIDEN, Mr. BOREN, Mr. BRADLEY, Mr. BROWN, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DIXON, Mr. DODD, Mr. DOLE, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRAHAM, Mr. HATCH, Mr. HEFLIN, Mr. HOLLINGS, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MACK, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NUNN, Mr. PELL, Mr. PRESSLER, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SIMON, Mr. SPECTER, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 310. A joint resolution to designate August 1, 1992, as "Helsinki Human Rights Day"; to the Committee on the Judiciary.

By Mr. SEYMOUR (for himself, Mr. SANFORD, Mr. PELL, Mr. BOND, Mr. COCHRAN, Mr. PACKWOOD, Mrs. KASSEBAUM, and Mr. GORTON):

S.J. Res. 311. A joint resolution designating February 21, 1993, through February 27, 1993, as "American Wine Appreciation Week", and for other purposes; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD (for Mr. MITCHELL (for himself and Mr. DOLE)):

S. Res. 302. A resolution to authorize the production of records by the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. LEAHY):

S. Res. 303. A resolution to express the sense of the Senate that the Secretary of Agriculture should conduct a study of options for implementing universal-type school lunch and breakfast programs; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEFLIN:

S. Con. Res. 123. A concurrent resolution authorizing the use of the East Front parking lot of the Capitol for an exhibit by NASA during the period beginning on June 1, 1992 and ending June 5, 1992; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself, Mr. CRAIG, Mr. STEVENS, and Mr. WALLOP):

S. 2762. A bill to assure the preservation of the northern spotted owl and the stability of communities dependent on the resources of the public lands in Oregon, Washington, and northern California, and for other purposes; to the Committee on Environment and Public Works.

NORTHERN SPOTTED OWL PRESERVATION AND NORTHWEST ECONOMIC STABILIZATION ACT

Mr. GORTON. Mr. President, the debate over establishing a balance between the northern spotted owl and the economies of the timber communities of the Pacific Northwest have dominated Northwest news since 1989. Finding that balance has proven an elusive goal. Last week Secretary of the Interior, Manuel Lujan, presented us with the opportunity to achieve a sensible balance. Today I introduce legislation that will implement the Secretary's proposal.

The Secretary was required to develop a recovery plan for the northern spotted owl by the strict mandates of the Endangered Species Act, and he has done so. National environmental groups, of course, will challenge even that recovery plan because it does not tie up enough land and deprive timber communities of a sufficient number of thousands of jobs.

Secretary Lujan has chosen also to present an alternative to Congress, the preservation plan for the northern spotted owl. In developing this alternative, it was the Secretary's stated goal to consider economic as well as biological considerations. The Secretary acknowledged that this alternative does not meet the standards of the Endangered Species Act and will, therefore, have to be passed by Congress in order to be implemented. It will not be up to us to make an informed, compassionate decision that will consider the needs of people as well as owls.

Consider first the parameters and consequences of each plan. The recovery plan mandated by the Endangered Species Act is a replica of the Thomas report of 1989, also known as the report of the Interagency Scientific Committee. The Thomas report proposed to lock up more than 8 million acres of prime forest land in the States of California, Oregon, and Washington. The goal of the Thomas report was to increase the number of owl pairs to 1,759 and then stabilize that population. Because the goal of the recovery plan under the Endangered Species Act was also to increase the population of the species and ultimately to delist it, the recovery plan closely followed the recommendations of the Thomas report.

When the Thomas report was released, the Washington State Employment Security Department estimated that it would result in the loss of 18,000 jobs in Washington State. A recent report from Washington State estimates that employment losses will range from 19,700 to 21,900. The Secretary of the Interior estimates that the recovery plan will cost a projected 32,000 timber-related jobs throughout the region. I believe that estimate to be too low.

In any case, the Thomas report calls for the destruction of economic opportunity for thousands of lives and families. When one stops to consider that this destruction of rural communities will be carried out with the modest purpose of increasing the number of northern spotted owls from the current number of 3,500 known owl pairs, the recovery plan loses any connection with rationality. The disastrous effect of the recovery plan on people in timber communities will be incalculable until some has perfected a quantitative measure for grief and despair.

Thankfully, the Secretary has offered an alternative. His preservation plan will save more than half—17,000—of the projected job losses resulting from the recovery plan. The method used in this preservation plan for reducing lost economic impacts is called range contraction.

The preservation plan is predicated on the belief of scientists that the owl's best habitat range follows in large measure the spine of the southern Cascade range which, in Washington State, would be the Gifford Pinchot National Forest. Of the 3,500 known pairs of owls that have been identified, the vast majority can be found there.

The Secretary's preservation plan proposes that we concentrate our efforts there, rather than on the Olympic National Forest, or in the Mount Baker-Snoqualmie National Forest north of Interstate 90 which, between the two, are the home to only approximately 80 owl pairs.

This preservation plan will ensure the owl's survival over the next century, though not an expansion of its numbers. In other words, the owl will not go extinct over the next 100 years. The biologists on the original recovery team were asked to assess the likelihood of extinction under this alternative. They responded.

> The probability that the northern spotted owl would become extinct across the range in 100 years under this alternative is low, meaning that it is highly unlikely that extinction would occur within this period.

The biologists made another statement that I want to address:

> However, there is high likelihood that conditions would have been established within 100 years that would ultimately result in extinction or near-complete extirpation.

The biologists have, unfortunately, mixed apples and oranges. The first sentence deals with the probability of extinction. The biologists say that it is low. The second sentence the subject matter switches to changes in conditions, and biologists tell us that there is a high likelihood that conditions will change so that the owl will ultimately go extinct. Among the conditions the biologists cite as potentially forcing the owl to extinction are volcanic eruptions, wildfires, and competition with other species. These conditions cannot be avoided whether we lock up 2.8 million acres or 50 million acres.

If we follow this absurd standard, the owl will go extinct under any scenario. Nevertheless, the biologists have said emphatically that "it is highly unlikely that extinction would occur within this 100-year period."

All of this tells me that we must manage the resource carefully during these next 100 years. That is why today I introduce the Northern Spotted Owl Preservation and Northwest Economic Stabilization Act of 1992, a proposal that will go three steps beyond the preservation plan. First, I propose that the protections of the Endangered Species Act that prohibit intentional injury to spotted owls apply outside the protected areas along the spine of the Cascades. Without such protection, it could be open season on northern spotted owls.

Second, I propose spotted owl protection zones and State, private, and Federal lands outside the protected areas, not to exceed 100 acres around each spotted owl nest. That will reduce the current size of spotted owl circles from nearly 3,000 acres to not more than 100 acres on those lands, while still protecting spotted owl habitat.

Third, this bill requires the Forest Service to use high quality forestry standards on the Olympic and Mount Baker—Snoqualmie National Forests. High quality forestry avoids large, unsightly clearcuts, allows for continued harvesting of timber through periodic thinning and pruning, and will actually allow foresters to grow spotted owl habitat over the long term.

Mr. President, I take a giant step toward compromise with this legislation. The people of timber towns in the Pacific Northwest do not get all that they want. They will still lose 15,000 valuable jobs. This legislation will end massive, unsightly clearcuts on the Olympic and Mount Baker-Snoqualmie National Forests. I propose that we ratify a preservation plan that locks up 2.8 million acres for a single species, in addition to the millions of acres set aside in national parks and wilderness areas. Is it too much to ask that the other side do the same and come halfway, or is there absolutely no middle ground? Today, I offer the Secretary's preservation plan as a sensible definition of balance and common sense, in order to find a middle ground in this controversy. This plan calls for tremendous sacrifice by the forgotten people of our timber communities. A reasonable resolution will require some reason from the other side.

Today, informed debate on the Secretary's alternative plan has been obscured by several myths about the Pa-

cific Northwest and its abundant supply of renewable timber. These myths have a single objective: Denial. These myths are perpetuated for the single purpose of denying the fact that decisions to set aside millions of acres of prime forest land in the Pacific Northwest, as mandated by a strict adherence to the Endangered Species Act, will cause massive human pain and suffering.

The first myth is that setting aside 8 million acres for spotted owl protection will not cause human suffering since most timber jobs will be lost due to automation anyway.

Wrong.

Prof. Brian Greber, a forest economist at Oregon State University, concludes that mill automation has actually saved jobs in the Pacific Northwest. Technological improvements have made many mills more competitive and, thus, allowed them to survive. According to Professor Greber:

> Many of the large gains in labor productivity related to materials handling and refined labor force management were extracted in the 1980s. In addition, the concentration in more efficient mills already has "shaken-out" many of the inefficient producers. * * * Beyond the 1990's there is little doubt that labor productivity per unit of output from the mills will continue to increase.

The automation of the 1980's was an economic necessity—but, in any case, the process has been completed.

The second myth is that massive spotted owl set-asides are the only means left to save the last stands of old growth forest.

If you will, imagine a football field covered by timber as a representation of the slightly more than 10 million acres of forests—or 1 million acres for every 10 yards on the field—that were owned by the Federal Government in Washington State in 1930. During that decade, nearly 3 million acres—or 30 yards of the field—were permanently set aside for national recreation areas and parks. Four decades later, an additional million acres—or 10 yards of the field—were designated as Federal wilderness areas. Mid-field was crossed in the same decade when 3.1 million acres—or 30 more yards—were set aside by the National Forest Management Act of 1976. Almost another million acres designated for management uses other than timber production took 10 more yards. In four decades, preservationists had excluded almost 80 percent of the field from timber harvest.

Twelve more yards were won by invoking the northern spotted owl. That left approximately 1 million acres of federally managed forests—or 10 yards of the football field—for thousands of timberworkers to sustain their families and communities, while providing high-demand products from a renewable recyclable resource.

With this bill, we ask for 5 or 6 yards back. The history of Federal land management in Oregon and California is similar.

The third myth claims that we are just about to run out of harvestable timber in the Pacific Northwest, thus, all of these people are going to lose their jobs anyway so we might as well stop logging now while we still have some trees left.

Look at the facts and listen to the experts. Forestry professors at the University of Washington estimate that we will have a downturn in timber supply of between only 10 and 15 percent during the next decade. Then, however, our supply of harvestable timber will be greater even than it is today. We in the Northwest are not about to run out of timber, unless we decide to stop harvesting.

The fourth and final myth maintains that, if we stopped exporting private logs, the people who will lose their jobs to owl set-asides will find jobs in the mills.

The facts are that we export almost no public timber from the Pacific Northwest. Specifically, we export no Federal timber at all and no more than 25 percent from State lands in Washington State. Thus, the only issue left is whether the Federal Government should tell private landowners that they cannot sell their logs to the highest bidder. Setting aside the private property rights questions here, the fact is that again a quick look at your map will show why a private log export ban will do little to help the communities that are geographically tied to our Federal forests that face devastation from spotted owl set-asides. Nobody is going to cut a tree from low elevation private land and then truck it up to a mill in an out-of-the-way community next to the Federal forests.

In addition, it is ironic that the same people who claim that we can somehow save job losses by restricting exports are the same people who claim that the loss of these jobs is an inevitable result of automation. How can we possibly save jobs that are going to be inevitably lost elsewhere?

These myths also send another message. They imply that the hard-working people of timber communities do not know what is in their own self-interest. Somehow, the proponents of the Thomas report argue that they are being duped by giant timber companies or they are blind to the trends that must inevitably sweep their livelihoods away. I would hope that we could at least give credit to these hard-working people for knowing what is best for them. These people support the Secretary's plan.

And the labor unions support the Secretary's preservation plan. I do not believe the unions have been duped. Lane Kirkland, president of the AFL-CIO, made a statement, and I ask unanimous consent that it be printed in the RECORD at this point.

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

PRESERVATION PLAN IS GOOD FIRST STEP

(Statement by Lane Kirkland, president of the AFL-CIO)

The preservation plan proposed by Secretary of Interior Manuel Lujan is a first step toward a balanced, legislative solution to resolve the issue of how to protect both endangered species and endangered jobs in the Pacific Northwest. His plan provides an initial framework for legislative action.

The fate of families and whole communities now lies with Congress and its ability to speedily pass comprehensive legislation to provide relief to affected workers. We reaffirm the call of our 1991 Convention for legislation that "provides for environmental and wildlife protection while also providing economic fairness and stability for forest industry workers."

Mr. GORTON. I do not believe Lane Kirkland has been duped into believing this is in the best interest of working people in the Pacific Northwest. He knows, and working people know, that this plan is in their best interest.

Last week, when the first outlines of the preservation plan became known, it was characterized as an attempt to let the owl go extinct in certain areas. As to this question, I refer to Webster's New Collegiate Dictionary. There, the word "extinct" is defined as "no longer existing." Now, to be accurate in the sense used by the media, we must count as extinct any single living creature that dies. But such is obviously not the case. The word is commonly used to refer not to individual creatures, but to that creature's population in toto.

This legislation will continue to provide protections for spotted owls in the areas exempted from the recovery plan, which in Washington State include the national forests on the Olympic Peninsula and the North Cascades. I propose for those areas a different level of protection, including circles around each owl nest of between 10 and 100 acres on both Federal and non-Federal lands. I will also retain the take prohibitions in those areas, meaning that no one will be able to kill or injure a spotted owl anywhere. Additionally, if the recovery plan is removed from the two national forests as I propose, the owl still will be protected in giant national parks and wilderness areas in those areas.

For exempting these areas, we can save 17,000 timber jobs. Let us think for a minute what that means.

When we say that the recovery plan will result in a loss of 32,000 jobs, we tend to think of those jobs as employment slots in a factory or punches on a timecard or a financial burden on an employer. But the loss of those 32,000 jobs in timber communities means the destruction of 32,000 families, the loss of economic support for the service-related businesses in those areas and the evaporation of dreams for a college education or a new home for a family or a retirement free from fear of financial despair.

In the early 1970's, the Boeing Co. in Washington State went through the ag-

onizing throes of the airline industry recession. Families were rent asunder, equity in real estate—which represented most peoples' largest asset—plummeted. People were ruined financially, and the resulting human toll was immense.

But Seattle and King County, while dependent on Boeing for a robust economy, did at least have the ability to limp along while community leaders, local and State officials attempted to diversify the economy. Families who remained may have had to travel further for their groceries and dry cleaning, but groceries and dry cleaning were at least available. In our timber communities they will not be. When the timber industry dies in Forks and Sweet Home, Forks and Sweet Home will die with it.

This is not just a parochial issue for the Pacific Northwest. If you think you are immune from the impacts associated with spotted owl set-asides, think again. It has been estimated that the spotted owl restrictions, including existing injunctions, have increased the cost of every new home built in America by an average of $5,000. That extra $5,000 shuts thousands of new home buyers out of the market. We must ask ourselves as a country whether we are willing to spend $5,000 on each new home for the spotted owl. If you had an extra $5,000 to spend on environmental protection, would you spend it all on increasing the range of spotted owls?

It is also a national issue because this is a blueprint for future controversies over threatened and endangered species. If you are a member who feels that you are safe because you have no threatened or endangered species in your State or district, you are probably wrong. Watch carefully what we do on this species. You very easily could be next. What we do or do not do for timber communities in the Pacific Northwest could be used to determine what is done for communities in your State or district.

When we speak of the loss of 32,000 jobs, we must acknowledge that we refer to many times that number of human beings who will suffer as a result.

When we speak of the loss of 32,000 jobs, we must acknowledge that we refer to the deaths of dozens of rural communities.

When we speak of the loss of 32,000 jobs, we must acknowledge that we refer to the irrevocable loss of a uniquely American way of life.

In deciding whether to authorize this human pain, we must be certain of the necessity of including the approximately 80 owl pairs in the Olympic and Mount Baker-Snoqualmie National Forests in the formula that ensures the expansion of the species.

Mr. President, when the Thomas plan was originally drawn up in 1989, it was predicated on the population target of between 1,500 and 1,700 pairs of northern spotted owls. The Audubon Society itself declared in 1986 that—

> The management program for Spotted Owls in Oregon, Washington, northwest California, and the Sierra Nevada should be directed to maintenance of a minimum total of 1,500 pairs of these birds.

Since then, many owls have been identified. The total number of known owl pairs is now at 3,500 and rising. Has the northern spotted owl been removed from the list of threatened species as one might expect? No.

Mr. President, under the preservation plan, the owl is not in danger of becoming extinct. The owl will not recover to its prelisting numbers, but according to the same parameters used to determine the recovery plan, it will not go extinct over the next century.

And what might we accomplish in that next century?

Mr. President, I suggest that the response to that question is at the heart of this long and difficult debate, because it speaks to one's view of the nature of human beings.

If you share the misanthropic view of the nature of humankind espoused so malevolently by some, then the upcoming century certainly must terrify. If all that you can see are the problems left unconquered, and not the progress made, you perhaps agree with Earth First founder David Foreman who said:

> An ice age is coming, and I welcome it as a much needed cleansing. I see no solution to our ruination of Earth except for a drastic reduction of the human population.

Such a philosophy might indeed preclude empathy with the timber families of my home State, might indeed find their plight a necessary first step to a final solution of the human condition.

If, however, you believe in the potential of the human spirit and in humankind's ability and, more importantly, desire to solve our problems—both physical and moral—then you look ahead to the third millennium with eager anticipation. If in the century just passed you see that we have moved from transportation on land by horse to transportation through space by shuttle; if you see that we have conquered most infectious diseases; if you see that we have abolished slavery and accorded the right to vote to all citizens; if you see that we have made our industrial processes cleaner; if, through all the problems that still face us you can see that we have done all these things, that we have progressed because we alone among the animals have the ability to progress, then you also see that achieving balance between humankind and nature is not insurmountable, that the coming century will afford us time and opportunity to solve our environmental dilemmas.

Heroism, Mr. President, has been defined as the ability to look humanity in the face and still smile. I would suggest that it would behoove us all to strive our heroism, to face the worst aspects of nature straight on, and to believe that we can and that we want to live in harmony with all of God's creatures. If we are not there yet, we surely will be.

The choice before us may be simply stated.

The recovery plan mandated by the Endangered Species Act ensures the expansion of spotted owls populations to prelisting numbers at the expense of dozens of timber communities, their tens of thousands of residents, and their uniquely American way of life. All sacrifice is on the part of human beings in those communities, and on Americans who use wood products.

Secretary Lujan's preservation plan that I offer today ensures the survival of the owl and of the timber communities, both at less than their optimum levels, and with both sides getting less than they want. This is known as compromise, and it is ostensibly what we were elected to achieve.

The choice is clear: Either do nothing and allow the Secretary to implement the recovery plan, thereby approving the destruction of more than 30,000 timber families in the Pacific Northwest, or replace the recovery plan with a sensible alternative. The choice will be very simple.

Mr. President, the Lujan preservation plan, which I offer today in ratifying legislation, is a humane and balanced solution to this most complex of issues. I urge my colleagues to let wisdom and compassion guide them as they ponder the fate of their fellow citizens in the timber communities of the Pacific Northwest.

Thank you, Mr. President. I ask unanimous consent that the entire text of this legislation be printed in the RECORD following my remarks. I also ask unanimous consent that an editorial that appeared in the Statesboro, GA, Herald on May 17, 1992, entitled "It Isn't About the Owl Anymore," be printed in the RECORD.

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

S. 2762

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 "Northern Spotted Owl Preservation and Northwest Economic Stabilization Act of 1992."

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Pacific Northwest has been a longstanding supplier of timber and wood products which has provided an inexpensive, renewable source of building materials in the United States;

(2) the northern spotted owl, with habitat in the States of Oregon, Washington, and northern California, has been listed as a threatened species under the Endangered Species Act;

(3) while the Endangered Species Act is generally the most appropriate mechanism for protecting threatened and endangered species, enforcement of the Act as it relates to the northern spotted owl has had a severe economic and social impact on the people and communities of large portions of Oregon, Washington, and northern California;

(4) these impacts have included loss of jobs, loss of vital revenues to counties, stress on families and conflicts between varying interests in the region;

(5) without timely and responsive action by the Congress and the Executive Branch, these impacts will become increasingly severe; and

(6) prompt resolution of this crisis will provide for a stable and secure economy for, and vital and viable communities in, the region.

SEC. 3. PURPOSE.

It is the purpose of this Act to—

(1) set forth a plan for the preservation of the northern spotted owl;

(2) minimize, to the greatest extent possible, the loss of jobs, loss of revenues to counties, and future litigation related to the listing of the northern spotted owl as threatened;

(3) encourage the development and use of high quality forestry techniques on certain Federal lands;

(4) provide for long-term survival of the northern spotted owl at lower economic and social cost than full implementation of the Endangered Species Act.

SEC. 4. NORTHERN SPOTTED OWL PRESERVATION.

(a) The Secretary of the Interior is authorized and directed to implement the draft plan entitled "Northern Spotted Owl Preservation Plan-Draft", dated May 1992, hereinafter referred to as the "Plan", and on file in the Office of the Director, United States Fish and Wildlife Service, notwithstanding any other provision of law.

(b) Upon enactment of this Act—

(1) the Secretary of Agriculture, acting through the United States Forest Service, shall manage the lands in the Klamath, Shasta-Trinity, Mendocino, and Six Rivers National Forests in the State of California, the Mount Hood, Rogue River, Siskiyou, Siuslaw, Umpqua, Willamette, Winema, and the Deschutes National Forests in the State of Oregon, the Gifford Pinchot, Mount Baker-Snoqualmie, Olympic, and Wenatchee National Forests, as well as that part of the Okanogan National Forest west of the Chewaukum River, in the State of Washington, in a manner consistent with the Plan, notwithstanding any other provision of law;

(2) the Secretary of the Interior, acting through the Bureau of Land Management, shall manage the lands in the Coos Bay, Eugene, Medford, Roseburg, Salem, and Lakeview Bureau of Land Management Administrative District in the State of Oregon, and the Ukiah Administrative District in California in a manner consistent with the Plan, notwithstanding any other provision of law.

(c)(1) As soon as practicable after enactment of this Act, each Secretary shall adopt amendments to land and resource management plans applicable to such lands necessary to comport with this section and promulgate any regulations necessary to implement this section. Prior to the completion of the amendments, the Secretaries are authorized and directed to conduct timber sales and authorize timber harvesting and other timber-related activities in accordance with the Plan.

(2) In the course of these amendments, the Secretaries shall amend such plans to require that lands identified as suitable and tentatively suitable in the Olympic National Forest and in the Mt. Baker-Snoqualmie National Forest north of Interstate Highway 90 are managed pursuant to a management strategy that—

(A) establishes timber harvest rotations of between one hundred fifty and two hundred years;

(B) requires the use of shelterwood and seed tree regeneration cut systems unless other silviculture systems are found optimal;

(C) adjusts crown closure through establishment of periodic thinning and intermediate harvest to enhance habitats for species dependent on old growth forests while maintaining a high level of timber production; and

(D) provides that no lands shall be withdrawn from the land base for at least twenty years to allow sufficient time to start this innovative management strategy.

(d)(1) With respect to the Federal lands described under the heading "4. Management Guidelines for Federal Lands in Other Provinces" on page 27 of the Plan, the Secretary of the Interior shall establish an owl protection zone centered around each tree in which a northern spotted owl nest is known or discovered. The size of the zone shall be determined by the Secretary, in his discretion, but in no event shall an owl protection zone be less than 10 acres and not more than 100 acres.

(2) On non-Federal lands with respect to the northern spotted owl, the application of sections 9, 7(a), 4(b) and 4(d) of the Endangered Species Act (16 U.S.C. §§1538, 1536(a), 1533(b), 1533(d)) to silvicultural activities, including timber sales, timber harvesting in accordance with standard forest practices, or timber-related activities, shall be limited to such activities within an owl protection zone of not less than 10 acres and not greater than 100 acres as determined by the Secretary of the Interior, in his discretion, centered on an identified tree in which a northern spotted owl nest is known or discovered.

(3) The Secretary of the Interior shall promulgate regulations for the protection of the northern spotted owl within any owl protection zone designated pursuant to this subsection. These regulations, and any compliance therewith, shall be deemed to satisfy the requirements of sections 9, 7(a), 4(b), and 4(d) of the Endangered Species Act (16 U.S.C. §§1538, 1536(a), 1533(b), 1533(d)).

(e) With respect to the lands described in subsection (d) of this section, any person who intentionally takes a northern spotted owl shall be subject to the civil and criminal penalties of section 11 of the Endangered Species Act (16 U.S.C. §1540) and section 6 of the Migratory Bird Treaty Act (16 U.S.C. §707). For purposes of this subsection the term "takes" means to hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such activity.

SEC. 5. EFFECT OF OTHER LAWS.

(a) Management in accordance with the Plan and with sections 4 (d) and (c) of this Act, amendments to land management plans pursuant to section 4(c) of this Act, regulations promulgated pursuant to sections 4(c) and 4(d)(3) of this Act, and the adoption of such amendments and regulations all shall be deemed sufficient to meet any requirements of the Endangered Species Act of 1973 (16 U.S.C. §1531 et seq.), the National Environmental Policy Act (42 U.S.C. §4321 et seq.), the Federal Land Policy and Management Act of 1976 (42 U.S.C. §1701 et seq.), the Act of August 28, 1937 (commonly known as the Oregon and California Lands Act) (43 U.S.C. §1181a et seq.), the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. §1600 et seq.), and the Migratory Bird Treaty Act (16 U.S.C. §703 et seq.), or any other Federal law related to the northern spotted owl that would otherwise apply to such management, plan amendments, or regulations or to any timber sale, timber harvest, or timber-related activity on the Federal lands specified in sections 4(b) and 4(c).

(b) Implementation of the Plan by the Secretary of the Interior, with respect to the northern spotted owl, shall be deemed to satisfy the requirements of section 4(f) of the Endangered Species Act (16 U.S.C. 1533(f)) relating to the developing of a recovery plan, and of section 4(b)(2) of that Act (16 U.S.C. 1533(b)(27)) relating to the designation of critical habitat.

(c) Nothing in this Act shall invalidate any contract, permit, or agreement that existed prior to the date of enactment of this Act. Operations under any such pre-existing contract, permit, or agreement concerning the lands that are subject to this Act may continue notwithstanding any requirements arising from the listing of the northern spotted owl as threatened or endangered under the Endangered Species Act or from the Plan. Allowing the exercise of rights under any such pre-existing contract, permit, or agreement shall not be considered a federal action for purposes of section 7(a) of the Endangered Species Act (16 U.S.C. 1536(a)).

SEC. 6. REPORT TO THE CONGRESS.

(a) The Secretary of the Interior and the Secretary of Agriculture shall, within one year after the date of enactment of this Act, report to the Congress on how new forestry techniques such as the concept of high quality forestry can be applied to the Federal lands with respect to the range of the northern spotted owl in order to provide for viable populations of northern spotted owls and assure continued timber harvesting.

(b) The Secretary of the Interior shall, within one year after the date of enactment of this Act and biennially thereafter, report to the Congress on the status of the northern spotted owl, and, with the Secretary of Agriculture, make recommendations to the Congress, consistent with the Plan, for management of lands to which this Act applies to assure the continued preservation of the northern spotted owl and assure continued timber harvesting.

(c) The Attorney General of the United States shall, within one year after the date of enactment of this Act, report to the Congress on the potential effects of this Act on the taking of private property and on the compliance of the Secretaries with Executive Order 12630.

[From the Statesboro Herald, May 17, 1992]

IT ISN'T ABOUT THE OWL ANYMORE

A Bush administration committee's vote to allow logging on some Oregon forest land sheltering the endangered northern spotted owl strikes a weak blow for 160,000 struggling woodsmen of the Pacific Northwest. A thousand logging jobs may temporarily be spared in two counties—at best. Most likely, workers' axes will grow dull on environmentalists' court filings before they ever nick a tree.

A true rescue of the Northwest timber industry can occur, however, if Congress approves a White House-backed amendment to the Endangered Species Act. The amendment would modestly allow consideration of the economic impact when loggers applied for permission to harvest old-growth forests in-

habited by some spotted owls. In seeking to save rare animal types, the act now ignores the human suffering arising from thwarted livelihoods.

Which satisfies some. The amendment's "tragic effect," claims Rep. Bruce Vento, D-Minn., "would be the extinction of the spotted owl over large parts of its range." The tragic effect of such melodramatic hooey is the extinction of meaningful debate. A species cannot be partly extinct. It either is or it isn't. Absent some ornithological cataclysm, the spotted owl almost certainly would survive.

First, the night bird would still have 4.5 million federal acres of officially designated wilderness and park land to flap around in—territory forever off-limits to development. Also, reports mount of the owl's nesting outside old-growth forests, especially in second- and third-growth redwood stands in northern California. Finally, the northern spotted owl is a variation of the thriving California spotted owl. The two types can and do mate and produce offspring—the very definition of "species."

Why then the unabated ruckus? Hear Andy Stahl of the Sierra Club Legal Defense Fund: "The northern spotted owl is the wildlife species of choice to act as a surrogate for old-growth protection. Thank goodness the spotted owl evolved in the Northwest, or we would have had to genetically engineer it."

We detect something akin to religious zeal here—a latter-day druidism. It is unclear why 160,000 timbermen and their families should have to sacrifice their futures to someone's theological preferences.

By Mr. ROTH (for himself and Mr. ROCKEFELLER):

S. 2763. A bill to establish the Mike Mansfield Fellowship Program for intensive training in the Japanese language, government, politics, and economy; to the Committee on Governmental Affairs.

MIKE MANSFIELD FELLOWSHIP ACT

Mr. ROTH. Mr. President, I rise today for myself and Mr. ROCKEFELLER to introduce a bill that I believe will have a very significant impact on America's ability to meet the challenge posed by our keen competitor and great ally, Japan. This bill will create a unique opportunity for America's next generation of public sector leaders to gain an edge in their dealings with Japan: What this bill proposes is a 2-year fellowship that will allow them to acquire Japanese language abilities, enhance their understanding of Japan's political economy and gain hands-on experience working within the ministries and agencies of the Government of Japan. Candidates who enter this program will be top-caliber, experienced personnel from the Federal Government who have a demonstrated professional interest in learning more about Japan. To ensure that the American taxpayers get a return on the dollars they invest in the careers of these public sector leaders, those who enter the program will be required to return to the Federal Government for a minimum of 2 years after completing their fellowships.

The fellowship, while quite modest in cost, holds great promise for filling one of the widest gaps in the policymaking capabilities of the Federal Government—the severe shortage of personnel who understand the inner workings of the Japanese Government.

Mr. President, day in and day out, as we debate legislation in this Chamber, Japan emerges as a central point of discussion, whether as an object of blame over trade imbalances, as a way to gain perspective on proposals to amend United States policies, or increasingly, as a means of assessing how the United States is doing in terms of productivity, educational attainment, and competitiveness. The reason we mention Japan so often has to do with that country's status as the world's second largest economy, with industries and firms that compete fiercely with those of the United States. Given the importance of Japan to this country, I believe it is time to better equip the Federal Government with personnel who understand how Japan works.

I believe this program, within a small number of years, will vastly strengthen the Federal Government's ability to meet the Japanese challenge. Each year, a minimum of 10 applicants will be selected to receive fellowships. After only a short period of time, we will have a very significant number of talented officials throughout the Federal Government.

To ensure that fellows are of the highest quality, this bill is carefully drawn to provide no disincentives for applicants in terms of lost salary, benefits, or career advancement opportunities. Though I would hope this program proves itself useful enough to merit ongoing funding, it is initially covered for only 4 years, enough to permit three classes of fellows to complete their 2-year programs. I would hope that as the years progress, private funds will begin to supplement and, over time, significantly replace taxpayer dollars. In the interim, in compliance with the budget agreement, this program will derive its funds from amounts appropriated for the Department of State.

Although he is too modest to be interested in monuments and does not encourage those who seek to honor him, I believe it is fitting that this program be named in honor of a man who served his country with immense distinction both in this body and as Ambassador to Japan—that man, of course, is Mike Mansfield. As all those who had the privilege to serve with him know, Mike Mansfield is a man dedicated to public service and deeply knowledgeable about United States-Japan relations. Mike Mansfield stated long ago, and has repeated often since, that the United States-Japan relationship is the most important bilateral relationship in the world. I urge this body to recognize Mike Mansfield's contributions, and the bilateral relationship in which he played such an important role, by supporting the creation of the Mike Mansfield Fellowship Program.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2763

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 "Mike Mansfield Fellowship Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) because Senator Mike Mansfield served his country with distinction and has had a lasting impact on America's relationship with Japan during his tenure in the Senate and later as the United States Ambassador to Japan, it is a fitting tribute to establish the following Fellowship in his name for promising officials of the Federal Government;

(2) Japan is America's second largest trading partner, the second biggest investor in the United States, and America's most serious economic competitor;

(3) despite the challenge and importance of Japan to the United States, few Americans speak Japanese or understand how the country and its government works; and

(4) key agencies of the United States Government involved in United States-Japan relations often lack sufficient personnel versed in the functioning of the Japanese policymaking apparatus.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to enable the United States Government to respond more effectively to the Japanese challenge; and

(2) to provide officials from any branch of the United States Federal Government with intensive Japanese language training and an opportunity to be placed as a Fellow in the Government of Japan.

SEC. 4. DEFINITIONS.

For purposes of this Act—

(1) the term "agency of the United States Government" includes any agency of the legislative branch and any court of the judicial branch as well as any agency of the executive branch;

(2) the term "agency head" means—

(A) in the case of the Senate, the President pro tempore, in consultation with the Majority Leader and Minority Leader of the Senate;

(B) in the case of the House of Representatives, the Speaker of the House, in consultation with the Majority Leader and Minority Leader of the House;

(C) in the case of the judicial branch of Government, the chief judge of the respective court; and

(D) in the case of the executive branch of Government, the head of the respective agency;

(3) the term "Board" means the Mike Mansfield Fellowship Review Board; and

(4) the term "Center" means the Mansfield Center for Pacific Affairs.

SEC. 5. ESTABLISHMENT OF FELLOWSHIP PROGRAM.

(a) ESTABLISHMENT.—(1) There is hereby established the "Mike Mansfield Fellowship Program" pursuant to which the Secretary of State will make grants to the Mansfield

Center for Pacific Affairs to award fellowships for periods of 2 years each to eligible United States citizens, as follows:

(A) During the first year each fellowship recipient will study the Japanese language as well as the Japanese political economy.

(B) During the second year each fellowship recipient will serve as a Fellow in a parliamentary office, ministry, or other agency of the Government of Japan or, subject to the approval of the Center, a nongovernmental Japanese institution associated with the interests of the fellowship recipient, consistent with the purposes of this Act.

(2) Fellowships under this Act may be known as "Mansfield Fellowships", and individuals awarded such fellowships may be known as "Mansfield Fellows".

(b) ELIGIBILITY OF CENTER FOR GRANTS.—Grants may be made to the Center under this section only if the Center agrees to comply with the requirements of section 7.

(c) INTERNATIONAL ARRANGEMENT.—The Secretary of State is authorized to enter into an arrangement with the Government of Japan for the purpose of placing Fellows in the Government of Japan.

(d) USE OF FEDERAL FACILITIES.—The Foreign Service Institute is authorized and encouraged to assist in carrying out Japanese language training by the Center through the provision of classroom space, teaching materials, and facilities, to the extent that such provision is not detrimental to the Institute's carrying out its other responsibilities under law.

SEC. 6. FUNDING.

(a) PRIVATE SOURCES.—The Center is authorized to accept, use, and dispose of gifts or donations of services or property in carrying out the fellowship program, subject to the review and approval of the Board described in section 9.

(b) AVAILABILITY OF FUNDS.—Of any funds appropriated or otherwise made available to the Department of State pursuant to law—

(1) for fiscal year 1993, $1,000,000,

(2) for each of the fiscal years 1994 and 1995, $1,500,000, and,

(3) for fiscal year 1996, $750,000

shall be available to the Secretary of State to make grants to the Center pursuant to section 5(a)(1).

SEC. 7. PROGRAM REQUIREMENTS.

The program established under this Act shall comply with the following requirements:

(1) United States citizens who are eligible for fellowships under this Act shall be employees of the Federal Government having at least two years experience in any branch of the Government and having a strong career interest in United States-Japan relations and a demonstrated commitment to further service in the Federal Government.

(2) Not less than 10 fellowships shall be awarded each year.

(3) Mansfield Fellows shall agree—

(A) to maintain satisfactory progress in language training and appropriate behavior in Japan, as determined by the Center, as a condition of continued receipt of Federal funds; and

(B) to return to the Federal Government for further employment for, such period as the Center may require or, if the Center makes no requirement, then for a period of at least 2 years following the end of their fellowships.

(4) During the period of the fellowship, the Center shall pay each Mansfield Fellow (including any Mansfield Fellow previously employed in the legislative branch of Government)—

(A) a stipend at a rate of pay equal to the rate of pay which would have been paid to that individual in such position but for his separation from Government service; and

(B) a cost of living adjustment or adjustments calculated at the same rate of pay, and for the same period of time, for which such adjustments were made to the salaries of individuals occupying competitive positions in the civil service during the same period as the fellowship.

(5)(A) For the first year of each fellowship, the Center shall provide fellows with intensive Japanese language training in Washington, D.C., as well as courses in the political economy of Japan.

(B) Such training shall be of the same quality as training provided to Foreign Service officers before they are assigned to Japan.

(C) The Center may waive any or all of the training required by subparagraph (A) to the extent that a Fellow has Japanese language skills or knowledge of Japan's political economy.

(6) Any Mansfield Fellow not complying with the requirements of this section shall reimburse the Federal Government for the Federal funds used in the fellowship, together with interest at a rate determined by the Center.

(7) The Center shall select Mansfield Fellows based solely on merit, but to the extent possible, reflecting the cultural, racial, and ethnic diversity of the United States.

(8) The Center shall assist any Mansfield Fellow to find employment in the Federal Government if such Fellow was employed in the legislative branch before the fellowship began and was not able, at the end of the fellowship, to be reemployed in the legislative branch.

(9) No Mansfield Fellow may engage in any intelligence or intelligence-related activity on behalf of the United States Government.

(10) The accounts of the Center shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audit shall be conducted at the place or places where the accounts of the Center are normally kept. All books, accounts, financial records, files, and other papers, things, and property belonging to or in use by the Center and necessary to facilitate the audit shall be made available to the person or persons conducting the audit, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(11) The Center shall provide a report of the audit to the Board no later than six months following the close of the fiscal year for which the audit is made. The report shall set forth the scope of the audit and include such statements, together with the independent auditor's opinion of those statements, as are necessary to present fairly the Center's assets and liabilities, surplus or deficit, with reasonable detail, including a statement of the Center's income and expenses during the year, including a schedule of all contracts and grants requiring payments in excess of $5,000 and any payments of compensation, salaries, or fees at a rate in excess of $5,000 per year. The report shall be produced in sufficient copies for the public.

SEC. 8. SEPARATION OF GOVERNMENT PERSONNEL DURING THE FELLOWSHIPS.

(a) SEPARATION.—Under such terms and conditions as the agency head may direct, any agency of the United States Government may separate from Government service for a specified period any officer or employee of that agency who accepts a fellowship under the program established by this Act.

(b) REEMPLOYMENT OR REINSTATEMENT.—An officer or employee separated by an agency of the executive or the judicial branch of Government under subsection (a) for purposes of becoming a Fellow shall be entitled upon termination of the fellowship to reemployment or reinstatement with such agency (or a successor agency) in an appropriate position with the attendant rights, privileges, and benefits which the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the agency head may prescribe.

(c) BENEFIT PROGRAM.—(1) An officer or employee entitled to reemployment or reinstatement rights under subsection (b) shall, while continuously serving as a Mansfield Fellow with no break in continuity of service, continue to participate in any benefit program in which such officer or employee was participating prior to the Mansfield Fellowship, including—

(A) programs for compensation for job-related death, injury, or illness;

(B) programs for health and life insurance;

(C) programs for annual, sick, and other statutory leave; and

(D) programs for retirement under any system established by the laws of the United States,

except that participation in such programs shall be credited only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of the fellowship, are currently deposited in the program's or system's fund or depository. For purposes of the preceding sentence, employer contributions shall be paid by the Center and employee deductions shall be made from stipends paid to the Mansfield Fellows by the Center pursuant to section 7(4).

(2) Death or retirement of any such officer or employee during approved service as a Mansfield Fellow and prior to reemployment or reinstatement shall be considered a death in or retirement from Government service for purposes of any employee or survivor benefits acquired by reason of service with an agency of the United States Government.

(d) COMPLIANCE WITH BUDGET ACT.—Funds are available under this section to the extent and in the amounts provided in appropriation Acts.

SEC. 9. MANSFIELD FELLOWSHIP REVIEW BOARD.

(a) ESTABLISHMENT.—There is established the Mansfield Fellowship Review Board.

(b) COMPOSITION.—The Board shall be composed of 9 individuals, as follows:

(1) The Secretary of State, who shall serve as the chairperson of the Board, or his designee.

(2) The Secretary of Defense or his designee.

(3) The Secretary of the Treasury or his designee.

(4) The Secretary of Commerce or his designee.

(5) The United States Trade Representative or his designee.

(6) Four persons, appointed by the President, by and with the advice and consent of the Senate, who, to the extent possible, are experts in the field of United States-Japan relations.

(c) TERMS OF SERVICE.—Each member of the Board appointed under subsection (b)(6) shall serve terms of 4 years, except that the

President shall designate 2 of the initial appointees to serve terms of 2 years.

(d) FUNCTIONS.—(1) The Board shall review the administration of the program assisted under this Act.

(2)(A) Each year at the time of the submission of the President's budget request to the Congress, the Board shall submit to the Congress a report completed by the Center with the approval of the Board on the conduct of the program during the preceding year.

(B) Each such report shall contain—

(i) an analysis of the assistance provided under the program for the previous fiscal year and the nature of the assistance provided;

(ii) an analysis of the performance of the individuals who received assistance under the program during the previous fiscal year, including the degree to which assistance was terminated under the program and the extent to which individual recipients failed to meet their obligations under the program; and

(iii) an analysis of the results of the program for the previous fiscal year, and cumulatively, including, at a minimum, the percentage of individuals who have received assistance under the program who subsequently became employees of the United States Government and, in the case of individuals who did not subsequently become employees of the United States Government, an analysis of the reasons why they did not become employees and an explanation as to what use, if any, was made of the assistance given to those recipients.

(e) COMPENSATION.—(1) Members of the Board—

(A) shall not be paid compensation for services performed on the Board, except as provided in paragraph (2); and

(B) shall be allowed travel expenses, including per diem in lieu of subsistence at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Board.

(2) Each Member of the Board appointed under subsection (b)(6) shall receive compensation, subject to the availability of appropriations, at a rate of not to exceed the daily equivalent of the annual rate of basic pay payable for positions above GS-15 of the General Schedule under section 5332 of title 5, United States Code, for each day such member is engaged in the actual performance of the duties of the Board.

(f) AVAILABILITY OF SUPPORT STAFF.—The Secretary of State is authorized to provide for necessary secretarial and staff assistance for the Board.

(g) RELATIONSHIP TO FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to the Board to the extent that the provisions of this section are inconsistent therewith.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Board such sums as may be necessary to carry out this section.

By Mr. DASCHLE (for himself, Mr. LEVIN, and Mr. JOHNSTON):

S. 2764. A bill to revive and strengthen the Super 301 authority of the U.S. Trade Representative to eliminate unfair trade barriers, and for other purposes; to the Committee on Finance.

FAIR TRADE ENFORCEMENT ACT

Mr. DASCHLE. Mr. President, today, the distinguished Senator from Michigan, Senator LEVIN and I are introducing the Fair Trade Enforcement Act of 1992. The bill's approach is simple: It uses access to our market as leverage to open markets to American goods and services in other countries.

Fair trade benefits everyone: consumers, businesses, and workers. Both the administration and most of us in the Congress agree on this. But we strongly disagree on the means to achieve this goal. The administration has tried to open other markets by setting a good example here at home. The United States has one of the most open markets in the world. Not surprisingly, in many areas of trade policy, the approach has failed. With no incentive for other countries to change their practices, American companies lose tens of billions of dollars annually in lost exports due to foreign trade barriers.

There is an increasingly realization that in a globalized market exports are vital to our economic well-being. According to the Department of Commerce, almost 20,000 U.S. jobs result from each $1 billion in exports. Many economists believe that the current recession would be far worse, if not for the positive effects of exports. As a result, we can no longer afford to tolerate trade practices in foreign markets which unfairly exclude American products.

There is little argument that the old Super 301 process produced positive results. Markets were opened as a direct, and indirect, result of the exercise of authority under the 1988 Omnibus Trade Act. Yet, the administration could have accomplished more. In 1990, the final year of the Super 301 authority, the administration chose to identify completion of the Uruguay round as its highest trade priority, ignoring the hundreds of foreign trade barriers named in that year's national trade estimate report.

The Fair Trade Enforcement Act of 1992 makes a strengthened Super 301 a permanent part of the U.S. arsenal for combating unfair trade practices and opening foreign markets. We are not trying to protect our domestic industries by closing the door to competition from fairly traded imports. Yet, if other countries are unwilling to open their markets to our products, this bill will place equivalent restrictions on their products until they do.

It requires the U.S. Trade Representative to name priority practices in each of three vital sectors: agriculture, manufacturing, and services. The 1992 National Trade Estimate Report alone lists hundreds of trade barriers in 43 countries and two regional trading bodies—and this is not an exhaustive list. This bill would require the administration to start effectively dealing with these barriers.

The bill also requires USTR to target priority practices in each country where we have a merchandise trade deficit that exceeds 15 percent of the total U.S. merchandise trade deficit—excluding petroleum imports. It is true that a trade surplus is not automatically a result of unfair trade practices. The United States has a positive trade balance with many countries. But, let us be realistic. A substantial and persistent trade surplus warrants close examination. If a country contributes to 15 percent or more of our total trade deficit, this bill would require USTR to look carefully at the practices of that country and identify trade barriers in that country which contribute to the deficit.

If the administration fails to effectively use this tool to combat the most flagrant trade violations, the Congress can require the administration to initiate Super 301 investigations against particular practices through procedures set up under the bill.

The bill also removes the discretion that USTR had under the expired legislation about whether to impose sanctions if negotiations do not remove the discriminatory practice. Under our proposal, if negotiations fail, USTR must impose equivalent restrictions—equivalent to the cost of the trade barrier to U.S. interests. If the President does not want to impose equivalent restrictions, he must submit an alternate action plan for approval by Congress. Congressional approval is conditioned on passage of a joint resolution considered under fast-track procedures.

In drafting this legislation, we have attempted to be responsive to legitimate concerns expressed by the administration about various proposals to reauthorize Super 301. We have given USTR more time to informally address trade concerns with our trading partners prior to formal identification under Super 301.

In response to Ambassador Carla Hills' concern that certain deadlines under the old Super 301 constrained her negotiating flexibility, the bill allows USTR to establish a plan of action for consulting and removing the barriers to U.S. products or services.

Finally, to avoid resentment by countries that complained of being singled out under the 1988 Trade Act, we have eliminated the priority country designation. The focus of this bill is on elimination of priority practices that constitute unfair barriers to U.S. exports. No country should resent or fear the FTEA if its market is open and its international obligations are met.

This legislation is not inconsistent with the objectives of the administration in the Uruguay round of GATT negotiations. For over 6 years, the administration has put off addressing blatantly unfair trade activities by other countries saying that action would threaten the Uruguay round. In my view, the Fair Trade Enforcement Act of 1992 can only help the Uruguay round by putting teeth in the oft-stat-

ed U.S. commitment to fair trade. Real progress in the GATT negotiations may very well depend on our trading partners understanding and believing our commitment.

The need for a strengthened Super 301 will not disappear, even if an agreement is reached in the GATT negotiations. If the round is successful, our trading partners will have to undertake substantial new commitments to remove barriers and open their markets to exports. The FTEA would be there to help ensure that these obligations are met. The FTEA would also be available to combat trade barriers not addressed in the Uruguay round.

Our bill is balanced and it is fair. We are simply proposing that our trading partners give American companies the same opportunities we give theirs. We want to maintain the United States as the most open market in the world. Let us give other countries the incentive required to emulate this standard. I hope that my colleagues will join me and the distinguished Senator from Michigan in supporting the passage of the Fair Trade Enforcement Act of 1992.

No one has been more in the forefront and more dedicated in purpose addressing these issues than the distinguished Senator from Michigan. I have enjoyed my work immensely as we have created this particular piece of legislation.

I ask unanimous consent that a summary and the text of the bill be printed in the RECORD at the point.

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

S. 2764

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair Trade Enforcement Act of 1992".

SEC. 2. PERMANENT STATUS OF "SUPER 301" PROGRAM; MANDATORY PRIORITY PRACTICES.

(a) IN GENERAL.—Section 310 of the Trade Act of 1974 (19 U.S.C. 2420) is amended by striking subsections (a) and (b), by redesignating subsections (c) and (d) as subsections (e) and (f), respectively, and by inserting before subsection (e), as redesignated, the following new subsections:

"(a) MANDATORY IDENTIFICATION.—

"(1) IN GENERAL.—By not later than 60 days after the date in any calendar year on which the report required under section 181(b) is submitted to the appropriate congressional committees, the Trade Representative shall identify priority practices described in paragraph (2) or (3) of this subsection.

"(2) IDENTIFICATION OF PRIORITY PRACTICES.—The Trade Representative shall identify as a priority practice any act, policy, or practice specified under section 181(a)(1), and any other major barrier and trade distorting practice, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent.

"(3) IDENTIFICATION OF SPECIFIC PRIORITY PRACTICES.—

"(A) GENERAL RULE.—The priority practices described in paragraph (2), shall include—

"(i) major barriers and trade distorting practices in the agricultural, manufacturing, and services sectors; and

"(ii) if for any calendar year the United States merchandise trade balance (excluding trade petroleum imports) was in deficit, the major barriers and trade distorting practices of each foreign country that—

"(I) accounted for not less than 15 percent of such deficit, and

"(II) had a global current account surplus for such year in an amount not less than such deficit.

"(B) EXCEPTION WHERE CERTIFICATION MADE.—The Trade Representative shall not be required to identify practices with respect to a sector described in subparagraph (A)(i), if the Trade Representative certifies to the Congress for any calendar year that major barriers and trade distorting practices do not exist or have been eliminated with respect to such sector.

"(4) GUIDELINES.—The priority practices identified by the Trade Representative under this section shall reflect—

"(A) the international competitive position and export potential of United States products and services,

"(B) circumstances in which the sale of a small quantity of a product or service may be more significant than its value,

"(C) circumstances in which the practice has the effect of imposing a total or near total barrier to the importation of foreign goods or services, and

"(D) the measurable medium-term and long-term implications of Government procurement commitments to United States exporters.

"(b) REPORT.—

"(1) LIST OF PRIORITY PRACTICES.—At the same time the identification is made under subsection (a), the Trade Representative shall submit to the Committee on Finance of the Senate and to the Committee on Ways and Means of the House of Representatives, and shall publish in the Federal Register, a report which lists—

"(A) the priority practices identified under subsection (a), and

"(B) the amount estimated under paragraph (2) with respect to each such priority practice.

"(2) ESTIMATE OF LOST EXPORTS.—The amount estimated under this paragraph is the total amount by which United States exports of goods or services to each foreign country which has a priority practice identified under subsection (a) would have increased during the preceding calendar year if the priority practices of such country did not exist. For purposes of the preceding sentence, the Trade Representative may use the estimates made under section 181 to the extent appropriate.

"(c) INITIATION OF INVESTIGATION.—

"(1) IN GENERAL.—The Trade Representative shall initiate an investigation under section 302(d), and consultations under section 303(a), with respect to each priority practice identified under subsection (a) or with respect to each priority practice to which a resolution described in subsection (d) applies.

"(2) TIMETABLE OF TRADE REPRESENTATIVE.—Not later than 21 days after the date a report is submitted under subsection (b), the Trade Representative shall submit to the appropriate congressional committees a timetable for initiating and completing the investigation and consultations with respect to each priority practice identified under subsection (a) or to which a resolution described in subsection (d) applies.

"(d) MANDATORY INVESTIGATION INITIATED BY CONGRESS.—

"(1) RESOLUTION BY COMMITTEE.—Upon the adoption by either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate of a resolution that—

"(A) describes a priority practice of a foreign country, and

"(B) states that it is the opinion of the Committee that such priority practice is an act, policy, or practice that is described in section 301,

the Trade Representative shall initiate action under subsection (c).

"(2) JOINT RESOLUTION.—Upon enactment of a joint resolution described in paragraph (3), the Trade Representative shall initiate action under subsection (c).

"(3) JOINT RESOLUTION DESCRIBED.—A resolution is described in this paragraph if it is a joint resolution—

"(A) which is introduced in either the Senate or the House of Representatives not later than 15 days after the date on which the Trade Representative submits the report required by subsection (b),

"(B) which is sponsored by not less than one-fourth of the duly elected and sworn Members of the House in which it is introduced, and

"(C) the matter after the resolving clause of which contains the name of the foreign country, the practices of such country identified as priority practices, and a finding that elimination of such priority practices is likely to have significant potential to increase United States exports, either directly or through establishment of a beneficial precedent.

"(4) APPLICATION OF CONGRESSIONAL 'FAST TRACK' PROCEDURES TO JOINT RESOLUTION.—

"(A) Except as provided in subparagraph (B), the provisions of section 152 (other than subsection (a)) shall apply to a joint resolution described in paragraph (3).

"(B) For purposes of this paragraph—

"(i) section 152(d)(2) shall be applied by substituting '10' for '20',

"(ii) section 152(e)(2) shall be applied by substituting '10' for '20',

"(iii) section 152(f)(2) shall be applied by substituting 'text of the joint resolution described in section 310(d)(3)' for 'texts of joint resolutions described in section 152 or 153(a)', and

"(iv) section 152(f)(3) shall be applied by substituting 'joint resolution described in section 310(d)(3)' for 'joint resolution described in subsection (a)(2)(B)'.

"(5) RULEMAKING POWER.—Paragraph (4) is enacted by Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (e) of section 310 of the Trade Act of 1974, as redesignated by subsection (a), is amended—

(A) by striking "In the consultations" and all that follows through the first comma in paragraph (1) and inserting "In the consultations with a foreign country which has a priority practice identified under subsection (a) or (d),";

(B) by striking "subsection (a)(1)(A)" in subparagraph (A) of paragraph (1) and inserting "this section"; and

(C) by striking "subsection (b)" in paragraph (2) and inserting "this section".

(2) Paragraph (1) of section 310(f) of such Act, as redesignated by subsection (a), is amended to read as follows:

"(1) On the date in each calendar year on which the report the Trade Representative is required to submit under subsection (b), the Trade Representative shall also submit a report which includes—

"(A) revised estimates of the total amount determined under subsection (b)(2) for each priority practice that has been identified under this section,

"(B) evidence that demonstrates, in the form of increased United States exports to each foreign country with respect to which a priority practice has been identified during the previous calendar year—

"(i) in the case of a foreign country that has entered into an agreement described in subsection (e)(1), substantial progress during each year within the 3-year period described in subsection (e)(1)(A) toward the goal of eliminating the priority practice identified under this section by the close of such 3-year period, and

"(ii) in the case of a country which has not entered into (or has not complied with) an agreement described in subsection (e)(1), the elimination of such practices, and

"(C) to the extent that the evidence described in subparagraph (B) cannot be provided, any actions that have been taken by the Trade Representative under section 301 with respect to such priority practices of each such foreign country.".

(3) Paragraph (2) of section 310(f) of such Act, as redesignated by subsection (a), is amended—

(A) by striking "subsection (a)(1)(A)" each place it appears and inserting "this section"; and

(B) by striking "in any calendar year beginning after 1993".

(4) Section 303 of such Act (19 U.S.C. 2413) is amended—

(A) by inserting "or pursuant to the timetable prescribed by section 310(c)(2)" in paragraph (1) of subsection (a) after "section 302"; and

(B) by adding at the end of subsection (b) the following flush sentence:

"This subsection shall not apply to any consultation involving a priority practice identified under section 310.".

(5) Section 305(a)(1) of such Act (19 U.S.C. 2415(a)(1)) is amended by inserting "and section 301(e)" after "in paragraph (2)".

(6)(A) The heading for section 310 of such Act (19 U.S.C. 2420) is amended to read as follows:

"SEC. 310. MANDATORY IDENTIFICATION OF PRIORITY PRACTICES.".

(B) The table of contents of chapter 1 of title III of such Act is amended by striking the item relating to section 310 and inserting the following:

"Sec. 310. Mandatory identification of priority practices.".

SEC. 3. INVESTIGATIONS, DETERMINATIONS, AND MANDATORY ACTIONS.

(a) INVESTIGATIONS.—Section 302 of the Trade Act of 1974 (19 U.S.C. 2412) is amended by adding at the end thereof the following new subsection:

"(d) INITIATION OF INVESTIGATION FOR SECTION 310 PRIORITY PRACTICES.—Upon the identification of a priority practice under section 310(a) or the adoption of a resolution under section 310(d), the Trade Representative shall initiate an investigation under this chapter (in accordance with the timetable submitted under section 310(c)) and shall publish a notice of such investigation in the Federal Register.".

(b) DETERMINATIONS BY TRADE REPRESENTATIVE.—Section 304(a) of such Act (19 U.S.C. 2414(a)) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4)(A) If an investigation is initiated under this chapter by reason of section 302(d), the Trade Representative shall make an affirmative determination under subparagraph (A) of paragraph (1) that—

"(i) the rights to which the United States is entitled under any trade agreement are being denied, or

"(ii) an act, policy, or practice described in section 301(a)(1)(B) exists.

"(B) Such determination shall be made on or before—

"(i) in the case of an investigation which does not involve a trade agreement, the date which is 12 months after the date on which a timetable is submitted under section 310(c)(2), or

"(ii) in the case of an investigation which involves a trade agreement (other than an agreement on subsidies and countervailing measures described in section 2(c)(5) of the Trade Agreements Act of 1979), the earlier of—

"(I) the date that is 30 days after the date on which the dispute settlement procedure is concluded, or

"(II) the date that is 18 months after the date on which a timetable is submitted under section 310(c)(2).".

SEC. 4. ALTERNATIVE PLAN TO ELIMINATE PRIORITY PRACTICES.

Section 301 of the Trade Act of 1974 (19 U.S.C. 2411) is amended—

(1) by striking "If" in paragraph (1) of subsection (a) and inserting "Except as provided in subsection (e), if";

(2) by inserting "(or upon a determination under section 304(a)(4))" in paragraph (1) of subsection (a) after "section 304(a)(1)";

(3) by adding at the end of paragraph (2) of subsection (a) the following flush sentence:

"In the case of an affirmative determination under section 304(a)(4) involving a priority practice identified under section 310, this paragraph shall not apply unless a joint resolution (described in subsection (e)) permits such application and is enacted into law."; and

(4) by adding at the end thereof the following new subsection:

"(e) ALTERNATIVE PLAN FOR SECTION 310 PRIORITY PRACTICES.—

"(1) In the case of a priority practice identified under section 310 with respect to which an affirmative determination is made under section 304(a)(4), the President shall, not later than 30 days after the date of such determination, direct the Trade Representative to take action under subsection (a)(1) or submit to the Congress an alternative plan described in paragraph (2).

"(2) An alternative plan is described in this paragraph if it—

"(A) provides in detail the action the Trade Representative plans to take to eliminate a priority practice, including—

"(i) any reciprocal limitation, restriction, or action of the kind referred to in paragraph (3),

"(ii) the period of time that will be required to implement fully the plan and the specific interim results that should be achieved under the plan from time-to-time during that period, and

"(iii) the number of jobs to be created and the estimated increase in exports resulting from implementation of the plan;

"(B) cites the legal authorities for taking the measures contemplated by such plan;

"(C) contains, if the President considers that statutory authority is necessary for the implementation of any part of the alternative plan (including the implementation of any reciprocal limitation, restriction, or action referred to in paragraph (3)), appropriate suggested legislative proposals; and

"(D) states the reasons why the alternative plan is preferable to taking action under subsection (a)(1).

"(3) An alternative plan shall provide, in the case of unsatisfactory progress by a foreign country in eliminating the priority practice, for the implementation, for such time as may be appropriate, by the President of a restriction, limitation, or other action that is reciprocal in scope and effect to such priority practice.

"(4) If the President transmits an alternative plan to the Congress under paragraph (2) and a joint resolution described in paragraph (6) is not enacted within the 60-day period beginning on the date on which the alternative plan is transmitted, the Trade Representative shall take action under subsection (a)(1).

"(5) If the President transmits an alternative plan to Congress under paragraph (2) and a joint resolution described in paragraph (6) is enacted within the 60-day period beginning on the date on which the alternative plan is transmitted, the alternative plan shall take effect and the President shall direct the Trade Representative to implement appropriate action in accordance with the terms of such plan to obtain the elimination of the priority practice.

"(6) A joint resolution is described in this paragraph if it is a joint resolution—

"(A) which is introduced in either the House or the Senate not later than 15 days after the date the President submits an alternative plan to Congress under paragraph (2), and

"(B) the matter after the resolving clause of which is as follows: 'That the Congress approves the alternative plan transmitted under section 301(e) of the Trade Act of 1974 to the Congress on .', the blank space being filled with the appropriate date.

"(7)(A) Except as provided in subparagraph (B), the provisions of section 152 (other than subsection (a)) shall apply to a joint resolution described in paragraph (6).

"(B) For purposes of this paragraph—

"(i) section 152(f)(2) shall be applied by substituting 'text of the joint resolution described in section 301(e)(6)' for 'texts of joint resolutions described in section 152 or 153(a)', and

"(ii) section 152(f)(3) shall be applied by substituting 'joint resolution described in section 301(e)(6)' for 'joint resolution described in subsection (a)(2)(B)'.

"(8) Paragraph (7) is enacted by Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such it is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(9) For purposes of paragraphs (4) and (5) the 60-day period shall be computed by excluding—

"(A) the days in which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

"(B) any Saturday and Sunday, not excluded under subparagraph (A), when either House is not in session.".

SEC. 5. ESTIMATION OF BARRIERS TO MARKET ACCESS.

Section 181(a)(1)(C) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1)(C)) is amended by striking ", if feasible,".

SEC. 6. ACTIONS BY THE UNITED STATES TRADE REPRESENTATIVE.

(a) MANDATORY ACTION.—Section 301(a)(1)(B)(ii) of the Trade Act of 1974 (19 U.S.C. 2411(a)(1)(B)(ii)) is amended by inserting "(or threatens to burden or restrict)" after "restricts".

(b) DISCRETIONARY ACTION.—Section 301(b)(1) of such Act (19 U.S.C. 2411(b)(1)) is amended by inserting "(or threatens to burden or restrict)" after "restricts".

(c) DEFINITIONS.—Section 301(d) of such Act (19 U.S.C. 2411(d)) is amended by adding at the end thereof the following new paragraph:

"(10) An act, policy, or practice that threatens to burden or restrict United States commerce is an act, policy, or practice that does not currently burden or restrict United States commerce, but, if not corrected, is reasonably expected to burden or restrict United States commerce.".

OVERVIEW OF THE FAIR TRADE ENFORCEMENT ACT OF 1992

Permanently reauthorizes and strengthens the "Super 301" provisions of the Trade and Competitiveness Act of 1988.

The bill targets for elimination "priority practices" of other countries that unfairly exclude U.S. exports.

Under the bill, USTR is required to identify major barriers and trade distorting practices in each of three specific categories: agriculture, manufacturing, and services.

In addition, USTR must name priority practices of any country with a trade deficit which accounts for 15% or more of the total U.S. merchandise trade deficit (excluding petroleum imports).

The Finance or Ways and Means Committee may require USTR to commence a 301 investigation with respect to discriminatory practices not cited by USTR. The Congress may also require USTR to take action under Super 301 by passing a joint resolution.

Under the FTEA, USTR has flexibility to structure negotiations, but the negotiations must be complete within the deadlines. As in the original Super 301, in most cases there would be a one year deadline with additional time, up to a maximum of eighteen months, if dispute resolution procedures under a multilateral or bilateral agreement are available.

If negotiations do not result in the elimination of the discriminatory practice, USTR must impose sanctions.

Sanctions must take the form of equivalent restrictions equal to the cost of the cited priority practice to U.S. commerce.

If USTR recommends against imposition of the mandatory sanctions despite the failure of the negotiations to remove the unfair trade practice, USTR must obtain Congressional approval of an alternative action plan. Congressional approval is conditioned on passage of a joint resolution considered under "fast-track" procedures.

The bill requires USTR to prepare an estimate of the cost to U.S. commerce of the cited discriminatory practice.

USTR would be required to identify priority practices whether or not they are included in the NTE report.

The bill also incorporates the provisions of a bill introduced earlier by Senator Daschle (S. 650) which will strengthen our ability to respond to discriminatory trade practices that threaten to burden or restrict U.S. commerce.

Certain amendments have been made to the 1988 Trade Act to be responsive to the concerns of the Administration:

To avoid resentment by countries that complained of being singled out under the 1988 Trade Act, we have eliminated the "priority country" designation. The focus of this bill is on elimination of "priority practices" that constitute unfair barriers to U.S. exports.

We have lengthened the time between release of the National Trade Estimates Report and the date on which the USTR is required to identify "priority practices" from 30 to 60 days. This may encourage countries to voluntarily remove their trade barriers to avoid having that practice identified under Super 301.

In response to Ambassador Carla Hill's concern that certain deadlines under the old Super 301 constrained her negotiating flexibility, we have removed the requirement that consultations begin within 30 days of the identification of the practice under Super 301. The bill requires USTR to establish a plan of action for consulting and removing the barrier to U.S. products and services.

Mr. LEVIN. Mr. President, first let me thank my friend from South Dakota, Senator DASCHLE, for the leadership he has shown on trade issues and so many other issues of importance to this country. He and his staff have worked mightily on this legislation with my staff and myself, and I am proud to cosponsor and join him.

This legislation builds on the bill I first introduced in the 101st Congress after the administration failed to enforce the Super 301. That occurred in 1990. Although that law was intended to get the administration to target priority unfair trade practices for negotiations, the administration named not one practice. Its own Department of Commerce had listed hundreds, as Senator DASCHLE has mentioned, and yet when it came right down to it, to forcing those practices to end, the administration did not name one. It was silent.

I strongly believe that it is not simply enough, therefore, to extend the old law which allowed the administration not to act despite obvious discriminatory trade practices against American products. We have had over 20 years of administration promises to open foreign markets, but the results have not matched the rhetoric, particularly with regard to Japan.

In 1970, President Nixon said, after meeting with Prime Minister Sato, that Japan intended "to accelerate the reduction and removal of its restrictions on trade."

In 1974, President Ford said Japan will negotiate "to reduce tariff and other trade distortions."

In 1984, President Reagan said "Japan has made considerable progress in opening its markets further to American products, and we are confident we'll see more progress in the months ahead."

Yet, yesterday it was announced that our monthly trade deficit increased 77 percent over the previous month. Our trade deficit with Japan accounted for almost 70 percent of the imbalance. And economists predict that our trade deficit will increase this year and that trade on the whole will hurt our economy more than it helps.

This legislation seeks to open markets unfairly closed to our products by making a strengthened version a permanent part of the Super 301 trade law. It would require the administration to try to negotiate away the most harmful trade barriers to American manufacturing, agriculture, and services. If negotiations fail to eliminate those barriers, this bill would require equivalent restrictions to be placed on that country's products equivalent to the cost of those discriminatory practices to our businesses. That is the key to this bill. That is the key to success of getting rid of these barriers that cost us so many jobs: Equivalent restrictions.

The administration may waive those restrictions only with congressional approval under this bill. This differs from other proposals to extend or strengthen the Super 301 law in that ours is the only proposal to require equivalent restrictions if negotiations fail. Our bill effectively uses access to our market to leverage negotiation by reducing the administration's discretion to ignore unfair trade practices. It will dramatically strengthen the hand of our negotiators because the individuals on the other side of the table will know for the first time what will happen if the practices are not eliminated.

There is a little known office in the State Department called the Office of Foreign Missions. Its role is to remove costly and unfair restrictions on American diplomats abroad. It does this by placing equivalent restrictions on foreign diplomats in the United States. It does not beg and it does not plead. It just simply places equivalent restrictions on the other country's diplomats in the United States. For instance, when Ecuador placed a 25-percent tax on telephone charges at the American Embassy in Ecuador, we put an equivalent tax on telephone charges at the Ecuadoran Embassy here. As a result, Ecuador's foreign ministry has recommended that the tax be dropped.

Similarly, when the Netherlands applied their VAT tax to the United

States mission in the Netherlands, we responded by applying our sales tax to their mission here. The Netherlands has now agreed to reimburse us for the VAT tax.

This is a commonsense policy which we should surely apply to restrictions on American exports and not just to restrictions on American diplomats or on American missions. Our policy in placing equivalent restrictions on foreign diplomats when they place restrictions on ours has not started a diplomatic war; it has eliminated the restriction.

Why are we so willing to defend our diplomats from unreasonable and costly foreign restrictions, but we have not been willing to do the same for American jobs and American companies? We ought to stop begging and stop pleading and just simply place equivalent restrictions on foreign products until they remove the discriminatory restrictions from our products. The bill we are introducing today will do just that. We have lost hundreds of thousands of well-paying jobs to unfair trade practices and it has to stop. There is no shortage of trade barriers which should be the subject of negotiations and will be under this legislation.

Japanese barriers to auto parts and agricultural products, and European Community barriers to American meat exports, top a long list. Our auto parts compete internationally, both in quality and price, and yet we have less than 2 percent of the Japanese auto parts market. Last year, we had an almost $4 billion trade surplus in auto parts trade, excluding Japan. That is because we had access to other countries other than Japan. We had freedom to compete. But with Japan, we had a $9 billion auto parts deficit.

The administration's own Auto Parts Advisory Committee has called on the administration to self-initiate a section 301 action against Japan's barriers to American auto parts exports. Yet almost a year later, the administration has not acted. We have been nearly shut out of the Japanese auto and auto parts market which has not only cost us export opportunities but enabled Japan to use profits from their protected home market to dump in our market.

This week the administration announced, after a year-long investigation, that the Japanese are dumping minivans in the United States in violation of both United States and international trade law.

Well, the Auto Parts Advisory Committee has called the dumping of Japanese auto parts rampant. A joint United States-Japan Government price survey found that identical or comparable auto parts cost on average 34-percent more in Japan than in the United States. For instance, a Japanese-made shock absorber costs $83 in Japan, but only $18 here.

Our legislation is not intended to bash any country. It is intended to boost America. It is long past time for our Government to defend American jobs the way every other government defends its jobs.

Mr. President, American manufacturers and farmers are ready, eager, and able to compete, but it is up to the Government to ensure that they have access to foreign markets. Whether those markets are Canadian, Chinese, French, or Japanese, if foreign governments erect barriers, that is their decision. But if we tolerate them, that is our decision.

American families need their Government fighting on their side. That is why we have government. We must act to control our economic destiny. We won the cold war by being strong. We will not win the economic contest ahead by being weak. This legislation will help ensure that we have a strong trade policy and a strong economic future.

By Mr. GORTON:

S. 2765. A bill to authorize the Secretary of the Interior to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, and for other purposes; to the Committee on Energy and Natural Resources.

BOISE CASCADE LAND EXCHANGE

• Mr. GORTON. Mr. President, I am introducing a bill to facilitate a land exchange between the Bureau of Reclamation and the Boise Cascade Corp.

Presently, Boise Cascade's plywood and sawmill operations in Kettle Falls, WA, are adjacent to 26 acres of land owned by the Bureau of Reclamation. The Bureau land provides a buffer between Lake Roosevelt and Boise Cascade operations. The National Park Service, which manages the land, historically has issued a special-use permit allowing Boise Cascade to operate along the edge of the land. The Park Service has indicated that it may not reissue the permit when it expires in 1995, and has stated that the permit definitely will not be reissued upon expiration in 2000.

Without a special-use permit, Boise Cascade will not be able to continue its operations at Kettle Falls. Should this mill close, 350 mill jobs will be lost as well as numerous administrative jobs. To prevent this unnecessary occurrence, Boise Cascade has proposed exchanging 138 acres of land it owns for 6 of the 26 acres it needs to continue operating.

In exchange for the 6 acres, the Bureau of Reclamation will receive 138 acres from Boise Cascade in Kettle Falls. This land is primarily wildlife habitat located along Lake Roosevelt and the Colville River.

Mr. President, this clearly is a win-win situation. As a result of the exchange, Boise Cascade will be able to continue its operations, and the Bureau of Reclamation will acquire 138 acres of land.

I support this land exchange and urge its prompt approval.•

By Mr. LEVIN (for himself, Mr. COHEN, and Mr. KOHL):

S. 2766. A bill to provide for the disclosure of lobbying activities to influence the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

LOBBYING DISCLOSURE ACT

• Mr. LEVIN. Mr. President, earlier this year, I introduced S. 2279, the Lobbying Disclosure Act of 1992. I am pleased to reintroduce the bill today, with Senators COHEN and KOHL as original cosponsors.

Senator COHEN, the ranking minority member of the Governmental Affairs Subcommittee on Oversight of Government Management, has played an important role in each of the four subcommittee hearings leading up to the introduction of this bill. His thoughtful comments and questions have played a constructive role throughout this process. Senator KOHL, as chairman of the Subcommittee on Government Information and Regulation has a longstanding commitment to streamlining Government paperwork requirements. Their support, and their cosponsorship of this bill, are greatly appreciated.

As I explained when the bill was first introduced, the lobbying disclosure laws on the books today are woefully inadequate to the task of ensuring effective public disclosure of lobbying activities. At our hearings last year, these laws were described as "anachronistic," "incomprehensible," "defective," "woefully inadequate," "outdated," and "unenforceable." This disarray breeds contempt for the law, and is unfair both to the pubic and to the lobbyists themselves.

As introduced, S. 2279 would address these problems by replacing the existing lobbying disclosure laws with a single, uniform statute covering all professional lobbyists, by streamlining disclosure requirements to make sure that only meaningful information is disclosed and needless burdens are avoided, and creating a new, more effective and equitable system for administering and enforcing these requirements.

On March 26, 1992, the Subcommittee on Oversight of Government Management held hearings on S. 2279, and heard testimony from OMB, the Office of Government Ethics, the American League of Lobbyists, the American Society of Association Executives, the American Bar Association, the National Association of Manufacturers, and Common Cause. These witnesses generally agreed that the existing lobbying disclosure statutes are in need of reform and endorsed most aspects of S. 2279.

As a result of the testimony at these hearings and subsequent comments received from other interested parties,

we have made a number of improvements to the original bill. In particular, the new bill would—

First, replace the Office of Government Ethics as the agency responsible for administering the statute, placing the responsibility instead in a new Office of Lobbying Registration and Public Disclosure which would be established within the Department of Justice;

Second, clarify the definition of lobbying contacts and expand the exemption for legal proceedings to exclude from coverage: Communications regarding civil and criminal law enforcement inquires, investigations, and proceedings; and communications regarding filings that are required by statute or regulation;

Third, clarify the coverage of executive branch lobbying by specifying that, with regard to lobbying of Federal agencies, only contacts with executive level and SES officials are covered;

Fourth, ensure parallel treatment of executive and legislative branch lobbying by: Limiting executive branch disclosure to a listing of the agencies contacted; and clarifying that a lobbyist who contacts a member of a congressional committee regarding a matter within the jurisdiction of the committee must list the committee contacted;

Fifth, raise the de minimus exemption from the bill's reporting requirements from $500 to $1,000, and clarify that this exemption applies to registration as well as semiannual reporting requirements; and

Sixth, clarify the requirement to disclose foreign lobbying by expressly requiring companies that are more than 20 percent foreign owned to disclose that fact.

Mr. President, this bill is the product of four public hearings and a year and a half of public comment. It is a good bill. I am pleased to reintroduce it today with Senators COHEN and KOHL as original cosponsors, and I hope that the full Governmental Affairs Committee will mark it up in the near future.

I ask unanimous consent that the full text of the bill be included in the RECORD.

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

S. 2766

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 "Lobbying Disclosure Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) responsible representative Government requires public awareness of the efforts of paid lobbyists to influence the public decisionmaking process in both the legislative and executive branches of the Federal Government;

(2) existing lobbying disclosure statutes have been ineffective because of unclear statutory language, weak investigative and enforcement provisions, and an absence of clear guidance as to who is required to register and what they are required to disclose; and

(3) the effective public disclosure of the identity and extent of the efforts of paid lobbyists to influence Federal officials in the conduct of Government actions will increase public confidence in the integrity of Government.

(b) PURPOSE.—The purposes of this Act are to—

(1) provide for the disclosure of the efforts of paid lobbyists to influence Federal legislative or executive branch officials in the conduct of Government actions; and

(2) afford the fullest opportunity to the people of the United States to exercise their constitutional right to petition their Government for a redress of grievances, to express their opinions freely to their Government, and to provide information to their Government.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) The term "agency" has the same meaning as such term is defined under section 551(1) of title 5, United States Code.

(2) The term "client" means any person who employs or retains another person for financial or other compensation to conduct lobbying activities on its own behalf. An organization whose employees conduct lobbying activities on its behalf is both a client and an employer of the lobbyists. In the case of a coalition or association that employs or retains others to conduct lobbying activities on behalf of its membership, the client is the coalition or association and not its individual members.

(3) The term "covered executive branch official" means—

(A) the President;

(B) the Vice President;

(C) any officer or employee of the Executive Office of the President other than a clerical or secretarial employee;

(D) any officer or employee serving in an Executive level I, II, III, IV, or V position, as designated in statute or executive order;

(E) any officer or employee serving in a Senior Executive Service position, as defined under section 3232(a)(2) of title 5, United States Code; and

(F) any member of the uniformed services whose pay grade is at or in excess of O-7 under section 201 of title 37, United States Code.

(4) The term "covered legislative branch official" means—

(A) a Member of Congress;

(B) an elected officer of Congress;

(C) any employee of a Member of the House of Representatives, of a committee of the House of Representatives, or on the leadership staff of the House of Representatives, other than a clerical or secretarial employee;

(D) any employee of a Senator, of a Senate Committee, or on the leadership staff of the Senate, other than a clerical or secretarial employee; and

(E) any employee of a joint committee of the Congress, other than a clerical or secretarial employee.

(5) The term "Director" means the Director of the Office of Lobbying Registration and Public Disclosure.

(6) The term "employee" means any individual who is an officer, employee, partner, director, or proprietor of an organization, but does not include—

(A) independent contractors or other agents who are not regular employees; or

(B) volunteers who receive no financial or other compensation from the organization for their services.

(7) The term "foreign entity" means—

(A) a government of a foreign country or a foreign political party (as such terms are defined in sections 1 (e) and (f) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 (e) and (f)));

(B) a person outside the United States, other than a United States citizen or an organization that is organized under the laws of the United States or any State and has its principal place of business in the United States; and

(C) a partnership, association, corporation, organization, or other combination of persons that is organized under the laws of or has its principal place of business in a foreign country.

(8) The term "lobbying activities" means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended for use in contacts, and coordination with the lobbying activities of others. Lobbying activities include grass roots lobbying communications (as defined in regulations implementing section 4911(c)(3) of the Internal Revenue Code of 1986) to the extent that such activities are made in direct support of lobbying contacts.

(9)(A) The term "lobbying contact" means any oral or written communication with a covered legislative or executive branch official made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy or position of the United States Government, except in the case of written comments filed in a public docket and other communications that are made on the record in a public proceeding; or

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license) except in the case of communications that are—

(I) made to officials serving in the agency responsible for taking such action (other than officials in Executive Level I, II, III, IV, or V positions, as designated in statute or Executive order);

(II) made to agency officials with regard to judicial proceedings, criminal or civil law enforcement inquiries, investigations or proceedings, or filings required by statute or regulation;

(III) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code; or

(IV) made on behalf of an individual with regard to such individual's benefits, employment, other personal matters involving only that individual, or disclosures by that individual pursuant to applicable whistleblower statutes.

(B) The term shall not include communications that are—

(i) made by public officials acting in their official capacity;

(ii) made by the media, except where representatives of a media organization seek to influence covered legislative or executive branch officials on a matter directly affecting the interests of such organization;

(iii) made in a speech, article or other publication, or through the media;

(iv) made on behalf of a foreign principal and disclosed under the Foreign Agents Registration Act (22 U.S.C. 611 et seq.);

(v) requests for appointments, requests for the status of a Federal action, or other similar ministerial contacts, if there is no attempt to influence covered legislative or executive branch officials;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or office of Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or office;

(viii) information provided in writing in response to a specific written request from a Federal agency or a congressional committee, subcommittee, or office;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of Congress or a Federal agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publications soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications; or

(xi) made with regard to matters, the unauthorized disclosure of which is prohibited by law.

(10) The term "lobbyist" means any individual who is employed or retained by another for financial or other compensation to perform services that include lobbying contacts, other than an individual whose lobbying activities are only incidental to, and are not a significant part of, the services for which such individual is paid.

(11) The term "organization" means any corporation (excluding a Government corporation), company, foundation, association, labor organization, firm, partnership, society, joint stock company, or group of organizations. Such term shall not include any Federal, State, or local unit of government (other than a State college or university as described under section 511(a)(2)(B) of the Internal Revenue Code of 1986), organization of State or local elected or appointed officials, any Indian tribe, any national or State political party and any organizational unit thereof, or any Federal, State, or local unit of any foreign government.

(12) The term "public official" means any elected or appointed official who is a regular employee of a Federal, State, or local unit of government (other than a State college or university as described under section 511(a)(2)(B) of the Internal Revenue Code of 1986), an organization of State or local elected or appointed officials, an Indian tribe, a national or State political party or any organizational unit thereof, or a Federal, State, or local unit of any foreign government.

SEC. 4. REGISTRATION OF LOBBYISTS.

(a) REGISTRATION.—(1) No later than 30 days after a lobbyist first makes a lobbying contact or agrees to make lobbying contacts, such lobbyist (or, as provided under subsection (c)(2), the organization employing such lobbyist), shall register with the Office of Lobbying Registration and Public Disclosure.

(2) Notwithstanding paragraph (1), any person whose total receipts or total costs in connection with lobbying activities on behalf of a particular client do not exceed, or are not expected to exceed, $1,000 in a semiannual period is not required to register for such client.

(b) CONTENTS OF REGISTRATION.—Each registration under this section shall be in such form as the Director shall prescribe by regulation and shall contain—

(1) the name, address, business telephone number and principal place of business of the registrant, and a general description of its business or activities;

(2) the name, address, and principal place of business of the registrant's client, and a general description of its business or activities (if different from paragraph (1));

(3) the name of any organization, other than the client, that—

(A) contributes more than $5,000 toward the lobbying activities in a semiannual period;

(B) significantly participates in the supervision or control of the lobbying activities; and

(C) has a direct financial interest in the outcome of the lobbying activities;

(4) the name, principal place of business, and approximate percentage of equitable ownership in the client (if any) of—

(A) any foreign entity that holds at least 20 percent equitable ownership in the client;

(B) any foreign entity that directly or indirectly, in whole or in major part, supervises, controls, directs, finances, or subsidizes the activities of the client; and

(C) any other foreign affiliate of the client that has a direct interest in the outcome of the lobbying activity;

(5) a statement of the general issue areas in which the registrant expects to engage in lobbying activities on behalf of the client and, to the extent practicable, a list of specific issues that have already been addressed or are likely to be addressed; and

(6) the name of each employee of the registrant whom the registrant expects to act as a lobbyist on behalf of the client.

(c) GUIDELINES FOR REGISTRATION.—(1) In the case of a registrant representing more than one client, a separate registration shall be filed for each client represented.

(2) Any organization that has one or more employees who are lobbyists shall file a single registration for each client on behalf of its employees who engage in lobbying activities on behalf of such client.

SEC. 5. REPORTS BY REGISTERED LOBBYISTS.

(a) SEMIANNUAL REPORT.—No later than 30 days after the end of the semiannual period beginning on the first day of each January and the first day of July of each year in which it is registered, each registrant shall file a report with the Office of Lobbying Registration and Public Disclosure on its lobbying activities during such semiannual period.

(b) CONTENTS OF REPORT.—Each semiannual report filed under this section shall be in such form as the Director shall prescribe by regulation and shall contain—

(1) the name of the registrant, the name of the client, and any changes or updates to the information provided in the initial registration;

(2) for each general issue area in which the registrant engaged in lobbying activities on behalf of the client during the semiannual filing period—

(A) a list of the specific issues upon which the registrant engaged in significant lobbying activities, including a list of bill numbers and references to specific regulatory actions, programs, projects, contracts, grants and loans, to the maximum extent practicable;

(B) a statement of the Houses and Committees of Congress and the Federal agencies contacted by lobbyists employed by the registrant on behalf of the client during the semiannual filing period;

(C) a list of the employees of the registrant who acted as lobbyists on behalf of the client; and

(D) a description of the interest in the issue, if any, of any foreign entity identified under section 4(b)(4);

(3) in the case of a registrant lobbying on behalf of a client other than the registrant, a good faith estimate of the total amount of all receipts from the client (and any payments to the registrant by any other person to lobby on behalf of the client) during the semiannual period, other than receipts for matters that are unrelated to lobbying activities; and

(4) in the case of a registrant lobbying on its own behalf, a good faith estimate of the total costs that the organization and its employees incurred in connection with lobbying activities during the semiannual filing period.

(c) ESTIMATES OF COSTS.—For the purpose of this section, estimates of receipts or costs shall be made as follows:

(1) Receipts and costs of $200,000 or less shall be estimated by the following categories:

(A) At least $1,000 but not more than $10,000.

(B) More than $10,000 but not more than $20,000.

(C) More than $20,000 but not more than $50,000.

(D) More than $50,000 but not more than $100,000.

(E) More than $100,000 but not more than $200,000.

(2) Receipts or costs in excess of $200,000 shall be estimated and rounded to the nearest $100,000.

(3) Any registrant whose total receipts or total costs are less than $1,000 in a semiannual period (as estimated under subsection (b) (3) or (4), or (c)(4), as applicable) is deemed to be inactive during such period and may comply with the reporting requirements of this section by so notifying the Director, in such form as the Director may prescribe.

(4) In the case of registrants that are required to report or identify lobbying receipts or costs under sections 6033 and 6104 of the Internal Revenue Code of 1986, regulations developed under section 6 shall provide that the amounts required to be disclosed under such statutes may be reported (by category of dollar value) to meet the requirements of subsection (b) (3) or (4) of this section.

(5) In estimating total costs or receipts under this section, a registrant is not required to include—

(A) the value of contributed services for which no payment is made; or

(B) the cost of services provided by an independent contractor or agent of the registrant who is separately registered under this Act.

(d) CONTACTS WITH CONGRESSIONAL COMMITTEES.—For purposes of subsection (b)(2), any contact with a member of a congressional committee regarding a matter within the jurisdiction of such committee is a contact with the committee.

(e) EXTENSION FOR FILING.—The Director may grant an extension of time of not more than 30 days for the filing of any report under this section, on the request of the registrant, for good cause shown.

SEC. 6. ADMINISTRATIVE DUTIES OF THE OFFICE OF LOBBYING REGISTRATION AND PUBLIC DISCLOSURE.

(a) ESTABLISHMENT.—(1) There is established within the Department of Justice an Office of Lobbying Registration and Public Disclosure, which shall be headed by a Direc-

tor. The Director shall be appointed by the President, by and with the advice and consent of the Senate. The Director shall be an individual who, by demonstrated ability, background, training, and experience, is especially qualified to carry out the functions of the position.

(2) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Director of the Office of Lobbying Registration and Public Disclosure, Department of Justice.".

(b) DUTIES.—The Director of the Office of Lobbying Registration and Public Disclosure shall—

(1) after notice and an opportunity for public comment, and consultation with the Secretary of the Senate, the Clerk of the House, and the Administrative Conference of the United States, prescribe such rules, forms, penalty schedules, and procedural regulations as are necessary for the implementation of this Act;

(2) provide guidance and assistance on the registration and reporting requirements of this Act, including, to the extent practicable, the issuance of published decisions and advisory opinions;

(3) review and make such supplemental verifications or inquiries as are necessary to ensure the completeness, accuracy, and timeliness of registrations and reports;

(4) develop filing, coding, and cross-indexing systems to carry out the purposes of this Act, including computerized systems designed to minimize the burden of filing and maximize public access to materials filed under the Act;

(5) make copies of each registration and report filed under this Act available to the public in electronic and hard copy formats as soon as practicable after the date on which such registration or report is received;

(6) preserve the originals or accurate reproduction of registrations until such time as they are terminated, and of reports for a period of no less than 2 years from the date on which the report is received;

(7) maintain a computer record of the information contained in registrations and reports for no less than 5 years after the date on which such registrations and reports are received;

(8) compile and summarize, with respect to each semiannual period, the information contained in registrations and reports filed during such period in a manner which clearly presents the extent and nature of expenditures on lobbying activities during such period;

(9) make information compiled and summarized under paragraph (8) available to the public in electronic and hard copy formats as soon as practicable after the close of each semiannual filing period;

(10) provide copies of all registrations and reports received under this Act and all compilations, cross-indexes and summaries of such registrations and reports to the Secretary of the Senate and the Clerk of the House of Representatives by computer telecommunication and other means as soon as practicable (but not later than 5 working days) after such material is received or created; and

(11) transmit to the President and the Congress periodic reports describing the implementation of this Act, together with recommendations for such legislative or other action as the Director considers appropriate.

SEC. 7. INFORMAL RESOLUTION OF ALLEGED NONCOMPLIANCE.

(a) ALLEGATION OF NONCOMPLIANCE.—Whenever the Office of Lobbying Registration and Public Disclosure has reason to believe that a person may be in noncompliance with the requirements of this Act, the Director shall notify the person in writing of the nature of the alleged noncompliance and provide an opportunity for the person to respond in writing to the allegation within 30 days or such longer period as the Director may determine appropriate in the circumstances.

(b) INFORMAL RESOLUTION.—If the person responds within 30 days or other time limit set by the Director, the Director shall—

(1) take no further action, if the person provides adequate information or explanation to determine that it is unlikely that a noncompliance exists;

(2) treat the noncompliance as a minor noncompliance and, if appropriate, assess a penalty under section 8, if the person agrees that there was a noncompliance and corrects such noncompliance; or

(3) make a determination under section 8, if the information or explanation provided indicates that a noncompliance may exist.

(c) FORMAL REQUEST FOR INFORMATION.—If the person fails to respond in writing within 30 days or other time limit set by the Director, or the response is not adequate to determine whether a noncompliance exists, the Director may make a formal request for specific additional information (subject to applicable privileges) that is reasonably necessary for the Director to determine whether the alleged noncompliance in fact exists. Each such request shall be structured in a way to minimize the burden imposed, consistent with the need to determine whether the person is in compliance, and shall—

(1) state the nature of the conduct constituting the alleged noncompliance which is the basis for the inquiry and the provision of law applicable thereto;

(2) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainty as to permit such material to be readily identified; and

(3) prescribe a return date or dates which provide a reasonable period of time within which the material so requested may be assembled and made available for inspection and copying or reproduction.

(d) NONDISCLOSURE OF INFORMATION.—Information provided to the Director under this section shall not be made available to the public without the consent of the person providing the information, except that—

(1) any new or amended report or registration filed in connection with an inquiry under this section shall be made available to the public in the same manner as any other registration or report filed under sections 4 and 5; and

(2) written decisions issued by the Director under sections 8 and 9 may be published after appropriate redaction to ensure that confidential information is not disclosed.

SEC. 8. DETERMINATIONS OF NONCOMPLIANCE.

(a) NOTIFICATION AND HEARING.—If the information provided to the Director under section 7 indicates that a noncompliance may exist, the Director shall—

(1) notify the person in writing of this finding and, if appropriate, a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days;

(2)(A) in the case of a minor noncompliance, afford the person a 30-day period in which to request an oral hearing before an independent presiding official; and

(B) grant such a request made during such period for good cause shown; and

(3) in the case of a significant noncompliance, afford the person an opportunity for a hearing on the record under the provisions of section 556 of title 5, United States Code, if requested by such person within 30 days.

(b) DETERMINATION.—Upon the receipt of a written response, the completion of a hearing, or the expiration of 30 days, the Director shall review the information received under this section and section 7 and make a final determination whether there was a noncompliance and a final determination of the penalty, if any. If no written response or request for a hearing was received under this section within the 30-day period provided, the determination and penalty assessment shall constitute a final and nonappealable order.

(c) WRITTEN DECISION.—If the Director makes a final determination that there was a noncompliance, the Director shall issue a written decision—

(1) including the noncompliance in a publicly available list of noncompliances, to be reported to the Congress on a semiannual basis;

(2) directing the person to correct the noncompliance; and

(3) assessing a civil monetary penalty in an amount determined as follows:

(A) In the case of a minor noncompliance, the amount shall be no more than $10,000, depending on the nature and extent of the noncompliance.

(B) In the case of a significant noncompliance, the amount shall be more than $10,000, but no more than $100,000, depending on the nature and extent of the noncompliance.

(d) CIVIL INJUNCTIVE RELIEF.—If a person fails to comply with a directive to correct a noncompliance under subsection (c), the Director shall refer the case to the Department of Justice to seek civil injunctive relief.

(e) PENALTY ASSESSMENTS.—(1) No penalty shall be assessed under this section unless the Director finds that the person subject to the penalty knew or should have known that such person was not in compliance with the requirements of this Act. In determining the amount of a penalty to be assessed, the Director shall take into account the totality of the circumstances, including the extent and gravity of the noncompliance and such other matters as justice may require.

(2) Regulations prescribed by the Director under section 6 shall define minor and significant noncompliances. Significant noncompliances shall be defined to include a knowing failure to register and any other knowing noncompliance that is extensive or repeated.

SEC. 9. OTHER VIOLATIONS.

(a) LATE REGISTRATION OR FILING; FAILURE TO PROVIDE INFORMATION.—If a person registers or files more than 30 days after a registration or filing is required under this Act, or fails to provide information requested by the Director under section 7(c), the Director shall—

(1) notify the person in writing of the noncompliance and a proposed penalty assessment and provide such person with an opportunity to respond in writing within 30 days; and

(2)(A) afford the person a 30-day period in which to request an oral hearing before an independent presiding official; and

(B) grant such a request made during such period for good cause shown.

(b) DETERMINATION.—Unless the Director determines that the late filing or failure to provide information was justified, the Director shall make a final determination of noncompliance and a final determination of the penalty, if any. If no written response or request for a hearing was received under this

section within the 30-day period provided, the determination and penalty assessment shall constitute a final and unappealable order.

(c) WRITTEN DECISION.—If the Director makes a final determination that there was a noncompliance, the Director shall issue a written decision—

(1) in the case of a late filing, assessing a civil monetary penalty of $200 for each week by which the filing was late, with the total penalty not to exceed $10,000; or

(2) in the case of a failure to provide information—

(A) including the noncompliance in a publicly available list of noncompliances, to be reported to the Congress on a semiannual basis; and

(B) assessing a civil monetary penalty in an amount not to exceed $10,000.

(d) CIVIL INJUNCTIVE RELIEF.—In addition to the penalties provided in this section, the Director may refer the noncompliance to the Civil Division of the Department of Justice to seek civil injunctive relief.

SEC. 10. JUDICIAL REVIEW.

(a) FINAL DECISION.—A written decision issued by the Director under section 8 or 9 shall become final 60 days after the date on which the Director provides notice of the decision, unless such decision is appealed under subsection (b) of this section.

(b) APPEAL.—Any person adversely affected by a written decision issued by the Director under section 8 or 9 may appeal such decision, except as provided under sections 8(b) or 9(b), to the appropriate United States court of appeals. Such review may be obtained by filing a written notice of appeal in such court no later than 60 days after the date on which the Director provides notice of his decision and by simultaneously sending a copy of such notice to the Director. The Director shall file in such court the record upon which the decision was issued, as provided under section 2112 of title 28, United States Code. The findings of fact of the Director shall be conclusive, unless found to be unsupported by substantial evidence, as provided under section 706(2)(E) of title 5, United States Code. Any penalty assessed or other action taken in the decision shall be stayed during the pendency of the appeal.

(c) RECOVERY OF PENALTY.—Any penalty assessed in a written decision which has become final under this Act may be recovered in a civil action brought by the Attorney General in an appropriate United States district court. In any such action, no matter that was raised or that could have been raised before the Director or pursuant to judicial review under subsection (b) may be raised as a defense, and the determination of liability and the determination of amounts of penalties and assessments shall not be subject to review.

(d) ATTORNEYS' FEES.—In any appeal brought under this section, in which the person who is the subject of such action substantially prevails on the merits, the court may assess against the United States attorneys' fees and other litigation costs reasonably incurred in the administrative proceeding and the appeal.

SEC. 11. RULES OF CONSTRUCTION.

(a) PROHIBITION OF ACTIVITIES.—Nothing in this Act shall be construed to prohibit, or to authorize the Director to prohibit, lobbying activities or lobbying contacts by any person, regardless of whether such person is in compliance with the requirements of this Act.

(b) AUDIT AND INVESTIGATIONS.—Nothing in this Act shall be construed to grant general audit or investigative authority to the Director, or to authorize the Director to review the files of a registrant, except in accordance with the requirements of section 7 regarding the informal resolution of alleged noncompliances and formal requests for information.

SEC. 12. REPEAL OF THE FEDERAL REGULATION OF LOBBYING ACT.

The Federal Regulation of Lobbying Act (2 U.S.C. 261 et seq.) is repealed.

SEC. 13. AMENDMENTS TO THE FOREIGN AGENTS REGISTRATION ACT.

The Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.) is amended—

(1) in section 1—

(A) in subsection (b)—

(i) in paragraph (1) by adding "and" after the semicolon;

(ii) in paragraph (2) by striking out "; and" and inserting in lieu thereof a period; and

(iii) by striking out paragraph (3);

(B) by striking out subsection (j);

(C) in subsection (o), by striking out "the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence" and inserting in lieu thereof "any activity which the person engaging in believes will, or which he intends to, in any way influence";

(D) in subsection (p) by striking out the semicolon and inserting in lieu thereof a period; and

(E) by striking out subsection (q);

(2) in section 3(g) (22 U.S.C. 613(g)), by striking out "established agency proceedings, whether formal or informal." and inserting in lieu thereof "agency proceedings required by statute or regulation to be conducted on the record.";

(3) in section 4(a) (22 U.S.C. 614(a))—

(A) by striking out "political propaganda" and inserting in lieu thereof "informational materials"; and

(B) by striking out "and a statement, duly signed by or on behalf of such an agent, setting forth full information as to the places, times and extent of such transmittal";

(4) in section 4(b) (22 U.S.C. 614(b))—

(A) by striking out "political propaganda" and inserting in lieu thereof "informational materials"; and

(B) by striking out "(i) in the form of prints or" and all that follows through the end of the subsection and inserting in lieu thereof "without placing in such informational materials a conspicuous statement that the materials are distributed by the agent on behalf of the foreign principal, and that additional information is on file with the Department of Justice, Washington, District of Columbia. The Attorney General may by rule define what constitutes a conspicuous statement for the purposes of this section.";

(5) in section 4(c) (22 U.S.C. 614(c)), by striking out "political propaganda" and inserting in lieu thereof "informational materials";

(6) in section 6 (22 U.S.C. 616)—

(A) in subsection (a), by striking out "and all statements concerning the distribution of political propaganda";

(B) in subsection (b), by striking out ", and one copy of every item of political propaganda"; and

(C) in subsection (c), by striking out "copies of political propaganda";

(7) in section 8 (22 U.S.C. 618)—

(A) in subsection (a)(2), by striking out "or in any statement under section 4(a) hereof concerning the distribution of political propaganda"; and

(B) by striking out subsection (d); and

(8) in section 11 (22 U.S.C. 621), by striking out ", including the nature, sources, and content of political propaganda disseminated or distributed.".

SEC. 14. AMENDMENTS TO THE BYRD AMENDMENT.

Section 1352(b) of title 31, United States Code, is amended—

(1) in paragraph (2), by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof:

"(A) the name of any registrant under the Lobbying Disclosure Act of 1992 who has made lobbying contacts on behalf of the person with respect to that Federal contract, grant, loan, or cooperative agreement; and

"(B) a certification that the person making the declaration has not made, and will not make, any payment prohibited by subsection (a).";

(2) in paragraph (3), by striking out all that follows "loan shall contain" and inserting in lieu thereof "the name of any registrant under the Lobbying Disclosure Act of 1992 who has made lobbying contacts on behalf of the person in connection with that loan insurance or guarantee"; and

(3) by striking out paragraph (6) and redesignating paragraph (7) as paragraph (6).

SEC. 15. REPEAL OF PROVISIONS RELATING TO HOUSING LOBBYIST ACTIVITIES.

(a) REGISTRATION OF HOUSING CONSULTANTS.—Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3537b) is repealed.

(b) REGULATION OF HOUSING LOBBYISTS AND CONSULTANTS.—Section 536(d) of the Housing Act of 1949 (42 U.S.C. 1490p(d)) is repealed.

SEC. 16. SEVERABILITY.

If any provision of this Act, or the application thereof, is held invalid, the validity of the remainder of this Act and the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 17. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

SEC. 18. EFFECTIVE DATES.

(a) EFFECTIVE DATE.—The provisions of this Act (other than the authorization to publish proposed regulations for public comment) shall take effect 1 year after the date of the enactment of this Act.

(b) REPEALS AND AMENDMENTS.—The repeals and amendments made under sections 12, 13, 14, and 15 of this Act shall take effect as provided under subsection (a), except that such repeals and amendments—

(1) shall not affect any proceeding or suit commenced before the date this Act takes effect, and in all such proceedings or suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted; and

(2) shall not affect the requirements of Federal agencies to compile, publish, and retain information filed or received before the effective date of such repeals and amendments.

(c) REGULATIONS.—Proposed regulations required to implement this Act shall be published for public comment no later than 270 days after the date of the enactment of this Act.●

● Mr. COHEN. I am pleased to join Senator LEVIN today in introducing the Lobbying Disclosure Act of 1992, legislation which is designed to bring some

measure of consistency, rationality, and uniformity to Federal lobbying disclosure laws.

The importance of ensuring effective public disclosure of lobbying activities cannot be understated. The public's confidence in government and their elected officials is at an all time low today. Concerns that high-paid hired guns are gaining access to Federal officials in an attempt to improperly influence the decisionmaking process only serves to further undermine the public's confidence in its government.

The public's suspicions concerning what is happening behind the closed doors of government offices can be significantly reduced or eliminated when there is adequate disclosure of these activities. What the public wants to know is who is doing what on behalf of whom?

There is widespread agreement that the existing laws which govern lobbying are not serving the intended purpose of ensuring public disclosure. As the series of hearings held last year by the Senate Subcommittee on Oversight of Government Management revealed, the current system is riddled with loopholes, unnecessary and burdensome requirements, and there is little or no enforcement. More fundamentally, there is no agreement on who is covered or what must be disclosed.

The legislation being introduced today is a comprehensive approach to reform which, when enacted, will be a significant improvement over the current situation. The bill would replace existing laws with a single, uniform statute and ensure that all professional lobbyists are registered. It would streamline the disclosure requirements to ensure meaningful disclosure to the public and to eliminate burdensome requirements on those who must register. It would also establish a new, more effective system for the administration and enforcement of these requirements. The responsible agency would be a new office created within the Department of Justice.

In conclusion, I want to commend Senator LEVIN for his commitment to achieving effective disclosure of lobbying activities. He and his staff have done extensive work on this issue for more than a year and the result—the legislation being introduced today—is a serious effort to comprehensively revamp the chaotic system that now exists. I hope our colleagues will join us in supporting this important legislation.●

Mr. KOHL. Mr. President, I am proud to cosponsor the Lobbying Disclosure Act of 1992 a bill introduced by my colleagues on the Governmental Affairs Committee, Senator LEVIN and Senator COHEN. This bill cuts to the core of the American people's mistrust of government. Too often, citizens feel they are without a voice, while money talks in Washington. In order to win back the trust of the American people, Congress must ensure that well-funded special interests do not have disproportionate influence over the Federal Government. This bill is a major step in that direction.

The goal of this bill is straight-forward: make sure the public knows who is lobbying the Government, why such actions are pursued, and how much is spent in the process. By improving the reliability and accessibility of such information, the Government would lift the veil over any suspected back-room dealmaking.

This bill also would enhance both compliance with disclosure laws and enforcement of those laws. By streamlining the paperwork process, the bill would make it easier for lobbyists to meet the Government's reporting requirements. At the same time, by making noncompliance a civil, rather than a criminal offense, the bill would increase the likelihood of charges being pressed against those who evade lobbying laws.

As chairman of the Subcommittee on Government Information and Regulation, I am particularly pleased with Senator LEVIN'S efforts to eliminate ineffective paperwork. During a year and a half of hearings and public comment, Senator LEVIN has demonstrated that decreasing paperwork tends to increase compliance with regulations. I believe this approach can be applied throughout the Government. The Subcommittee on Information and Regulation will continue to pursue such paperwork reduction in the interest of effective, efficient government operation.

As Senator LEVIN and Senator KOHL have pointed out, Congress must not tamper with the public's right to petition the Government. The Lobbying Disclosure Act would not do that. But another right must also be protected: the right of equal access to the Government. When our democracy allows money to shape its priorities, we add to the crisis of confidence which already threatens our Nation. This bill would help us return to a more representative democracy.

Mr. President, I rise today to congratulate the community of Black River Falls in my home State of Wisconsin for being selected as an All-America City Award finalist by the National Civic League.

Black River Falls is the historic home of the Winnebago Tribe, and the only city in Jackson County, a rural, sparsely populated, heavily forested area in west-central Wisconsin.

Mr. President, we have spent a great deal of time on the Senate floor recently talking about how we can help solve the problems facing our cities. With that in mind, I would like to call to the attention of the Senate the successful citizen-based efforts in Black River Falls to resolve their problems. In that community, Mr. President, the people do not worry about whether something can be done; they focus on how, working together, goals can be sent and reached.

I want to congratulate everyone in the Black River Falls area on receiving this well-deserved honor. Special thanks are due to Sally Lister who volunteered considerable time and energy to this process. On behalf of the citizens of Wisconsin, I extend our best wishes for success to the area representatives who will be traveling to Charlotte, NC on June 4 for the final All-America City awards competition. Whatever the outcome, Black River Falls is clearly a winner.

By Mr. STEVENS:

S. 2767. A bill to authorize a certificate of documentation for the research vessel *Brown Bear;* to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "BROWN BEAR"

● Mr. STEVENS. Mr. President, this legislation would allow the Coast Guard to issue a valid certificate of documentation to the 114-foot wooden hulled research vessel *Brown Bear*, U.S. official No. 980667, which is currently owned by Michael Brittian of Seward, AK. The *Brown Bear* was built in Winslow, WA, in 1934 for the U.S. Fish and Wildlife Commission. For 16 years the vessel served her Government with distinction, both as a research vessel operating off Alaska and the Pacific Northwest, and during World War II as the YP197.

In 1950 the *Brown Bear* was given to the University of Washington, which continued to use the vessel for marine research. In 1972, after almost 40 years of service, the *Brown Bear* was sold at auction to a Canadian citizen, who renamed her the *Baja Explorador* and used her for dive charter operations in the Sea of Cortez until 1991. In November 1991 Mr. Brittian purchased the vessel and restored her to her original name.

The *Brown Bear* is currently documented under the United States for use as a recreational vessel. However, a vessel that has been owned by a foreign citizen at any point during its history cannot legally carry cargo or passengers for hire between two points in the United States. This legislation is needed to restore full citizenship privileges to the *Brown Bear* and permit her to freely conduct research off Alaska's coast once again.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2767

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the

Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of the Department in which the Coast Guard is operating may issue a certificate of documentation for the research vessel *Brown Bear*, United States official number 980667.•

By Mr. STEVENS:

S. 2768. A bill to authorize a certificate of documentation for the fish processing vessel *Yupik Star;* to the Committee on Commerce, Science, and Transportation.

DOCUMENTATION OF VESSEL "YUPIK STAR"

• Mr. STEVENS. Mr. President, this legislation would allow the Coast Guard to issue a valid certificate of documentation for the 135-foot fish processing vessel *Yupik Star*, U.S. official No. 900823, which is currently owned by Yupik Star Seafoods, an Alaskan corporation composed of Alaska residents who are Bristol Bay fishermen. Built as a fish processing vessel in Japan in 1970, the *Yupik Star* was purchased from a Japanese fish company by the Alukanuk Native Corp. in 1986 and reflagged for use as a salmon fish processing vessel. The Natives used the vessel to process salmon in small villages and to provide jobs to villagers. In 1987 and 1988 the Alukanuk Corp. had the *Yupik Star* overhauled and refitted in Seward and Kodiak, AK, but with the economic dislocation caused by the *Exxon Valdez* oil spill the Alukanuk Corp. was unable to continue operation of the boat. A group of Alaskan Bristol Bay fishermen purchased the *Yupik Star* from the Alukanuk Corp. in January 1992.

Due to a change in Japanese law, which now requires Japanese trampers to tranship cargo only inside the United States territorial sea, the *Yupik Star* needs special legislation in order to continue its fish processing operations. Under U.S. law a foreign built vessel reflagged prior to July 28, 1987, may operate as a fish processing vessel, but it may not transport cargo in the coastwise trade. Prior to the change in Japanese law, foreign built fish processors simply moved outside the United States territorial sea to tranship cargo, which made the transfer legal since points outside the territorial sea are considered foreign points under the Jones Act. Since transhipment must now occur inside the territorial sea, legislation is needed to permit the vessel to move its fish from one point to another inside the territorial sea. The *Yupik Star* is designed to process salmon in marginal markets. This legislation is needed to permit the *Yupik Star* to continue to provide fishermen a market for salmon in many small villages.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 12106 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 App. U.S.C. 883), as applicable on the date of enactment of this Act, the Secretary of the Department in which the Coast Guard is operating may issue a certificate of documentation for the fish processing vessel *Yupik Star*, United States official number 900823.•

By Mr. D'AMATO:

S. 2769. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for economic growth and affordable housing, and for other purposes; to the Committee on Finance.

ECONOMIC GROWTH AND AFFORDABLE HOUSING ACT

• Mr. D'AMATO. Mr. President, I rise today to introduce the Economic Growth and Affordable Housing Act of 1992, a bill that, in my opinion, pulls important provisions from the recently defeated tax bill that I believe will help to stimulate investment, the national savings rate, and most of all, the economy.

As all of us know, the tax bill that was defeated in March was not good for the American people or America. The final bill would have increased taxes by over $85 billion and increased spending by more than $70 billion. We are fortunate that the President stood his ground and vetoed it and that the veto was sustained. However, this should not mean that all is lost. There were a number of good things contained in that bill that should not be buried just because the bill was bad overall.

Mr. President, we in Congress must not forsake our responsibility to the American people, especially low- and middle-income Americans. We must act now to pass legislation that will stimulate the economy and create jobs. The American people are losing faith in their Government and in their representatives. We must show them that we do care and that we are sensitive to their wants and needs. The time has come to have our efforts reflect what is right and fair. It is right to provide incentives that will increase investment in real estate and savings; it is right to provide incentives that will, without doubt, create hundreds of thousands of jobs, and it is right to do this now. Besides being right, it is also fair, not just to the American people but to the Government. Because when savings, investments and jobs are up, so is revenue.

Mr. President, the Economic Growth and Affordable Housing Act of 1992 is a five-point program targeted to stimulate the housing industry and encourage entrepreneurship. This is an area in which we can all agree indisputably contributes to economic growth and will move our economy in the right direction. It includes: the $5,000 tax credit for first-time home buyers, passive loss deductions for active real estate professionals, penalty-free IRA withdrawals for first-time homebuyers, permanent extension of the low-income housing and mortgage revenue bond tax credits, and creation of enterprise zones.

If this Congress decides to take constructive action regarding the economy, I suggest this targeted, less controversial approach will achieve multiple goals. It will stimulate the sluggish economy, create thousands of jobs, and provide middle-class Americans with the opportunity to experience the dream of owning their own home.

Mr. President, seven times since World War II the housing industry has led the U.S. economy out of recessions. The weakness in real estate and the absence of credit for real estate is what is killing us right now. If we can revive the housing industry, we can begin to pull out of this recession, just the way we have in the past. Clearly, it is in the country's best interest to ensure a fundamentally sound housing market.

Mr. President, the first-time home buyer credit alone will generate more than 200,000 housing starts and create more than 600,000 new jobs over a 2-year period. Did you know that for every 1,000 housing starts, 1,800 jobs are created and $16.7 million in Federal taxes is generated? This kind of stimulus would give our economy a boost in the form of $20 billion in new residential investment and more than $6 billion in revenues.

The National Association of Home Builders [NAHB] states that more than 33 percent of all homes sales in a typical year are made by first-time homebuyers. In addition, 80 percent of all first-time homebuyers purchase existing homes and have a median income of only $35,000. By allowing the credit to be claimed on the purchase of both new and existing homes, we will provide fundamentally fair treatment to the vast majority of first-time homebuyers.

Mr. President, in the past few years, we have discovered that the Tax Reform Act of 1986 went too far in placing limits in the area of passive losses. At the time, strict limitations seemed to be the best solution available to stop the growth of abusive tax shelters. However, it has since become quite clear that the current laws are contributing to the destabilization of housing markets and ownership. A number of bills previously introduced recommended modification of the passive loss rules. The one that takes a major step toward stabilizing real estate values and restoring tax fairness to real estate professionals is S. 1257—BOREN, BREAUX and SYMMS. For this reasons, I have included the language of S. 1257 in my bill. Between the $5,000 credit for first-time home buyers and restoring reasonable recognition of passive

losses, Americans will begin investing in America again.

Mr. President, to provide assistance to those individuals who want to become homeowners but can't seem to put together a down payment, my bill proposes to allow penalty-free withdrawals from individual retirement accounts [IRA's] for first-time home buyers. The penalty-free withdrawal would apply to the individual, his or her spouse, child or grandchild. Studies have shown that lack of sufficient down payment is the reason that 80 to 90 percent of young renters cannot purchase a first home. Therefore, allowing this flexibility to parents and grandparents, assistance can be given to family members who may be able to afford house payments but lack the necessary funds for a down payment.

Mr. President, to continue providing affordable housing to lower income Americans, my bill permanently extends the low-income housing tax credit, and the Qualified Mortgage Bond and Mortgage Credit Certificate Programs. The low-income housing credit has already helped produce more than 415,000 units of rental housing serving households at 60 percent of area median income or less. It accounts for one-third of all multifamily rental housing construction and virtually all low-income rental housing. It is estimated that the 99,365 units of affordable housing generated by the credit in 1991 created 55,000 jobs and more than $1.8 billion in wages and tax revenues.

At one time or another, over 75 percent of this Congress has cosponsored legislation to make the low-income housing tax credit permanent. This includes more than three-fourths of both the Finance and Ways and Means Committees. With this kind of support, it is time to stop the short-term extensions, which are disruptive, time consuming, and wasteful in time and resources for both Congress and the States. The decision should be made now to permanently extend this credit so that we can permanently assist low-moderate income Americans in securing affordable housing.

Mr. President, since their creation, mortgage revenue bonds [MRB's] have provided more than 1.9 million low interest mortgages across the country. In 1991 alone, more than 117,000 mortgages were provided through MRB loans. MRB's also stimulate growth and provide jobs. It is estimated that the 30,000 MRB loans made in 1991 for newly constructed housing produced 54,000 jobs and generated over $1.25 billion in wages and tax revenues. In order to maintain this economic stimulus and jobs, we must permanently extend these important provisions.

Finally, Mr. President, it is time to provide the long awaited tax incentives that will stimulate our economically distressed areas. In 1987 Congress passed Public Law 100-242, "The Housing and Community Development Act of 1987," that stipulated the designation of enterprise zones [EZ's] in this country's most distressed urban and rural communities. Unfortunately, no specific Federal tax incentives were created at that time or since. For years Secretary Kemp has strongly supported EZ legislation to foster job creation and entrepreneurial opportunities for the poor. However, we have been slow in providing the incentives that will encourage businesses to start and grow in economically disadvantaged neighborhoods.

Thus far, the States have taken the lead in implementing enterprise zones, and they have been successful. Some 37 States have adopted the EZ concept, with 32 States and the District of Columbia having an operational program in place. A number of States have reported job gain growth rates that were higher than the national rate over comparable time periods. Over the years, it has been reported that a significant number of State-sponsored enterprise zones have achieved notable success in revitalizing some of their economically distressed areas.

On May 9, 1991, my colleagues, Senators DANFORTH and LIEBERMAN, introduced S. 1032, the Enterprise Zone Jobs-Creation Act of 1991. This bill includes the kinds of incentives needed to encourage EZ investments and encompasses many of the features initially proposed by the administration. As such, I believe it important to make this a part of The Economic Growth and Affordable Housing Act of 1992.

Mr. President, we must stop the rhetoric and take action now to provide the necessary incentives to get this country back on track. That is why I am sponsoring this bill and I urge my colleagues to join me as cosponsors.

Mr. President, I ask unanimous consent that the full text of my bill be printed in the RECORD following my statement.

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

S. 2769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Economic Growth and Affordable Housing Act of 1992".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title, etc.

TITLE I—FIRST-TIME HOMEBUYER CREDIT

Sec. 101. Credit for purchase of principal residence by first-time homebuyer.

TITLE II—MODIFICATIONS OF PASSIVE LOSS RULES

Sec. 201. Modifications of passive loss rules.

TITLE III—PENALTY-FREE DISTRIBUTIONS FROM IRA'S FOR FIRST HOMES

Sec. 301. Distributions from certain plans may be used without penalty to purchase first homes.

TITLE IV—LOW-INCOME HOUSING CREDIT AND QUALIFIED MORTGAGE BONDS

Sec. 401. Low-income housing credit.

Sec. 402. Qualified mortgage bonds.

TITLE V—ENTERPRISE ZONES

Sec. 500. Purpose.

Subtitle A—Designation of Enterprise Zones

Sec. 501. Designation of zones.

Sec. 502. Reporting requirements.

Sec. 503. Interaction with other Federal programs.

Subtitle B—Federal Income Tax Incentives

Sec. 511. Definitions and regulations; employee credit; capital gain exclusion; stock expensing.

Sec. 512. Alternative minimum tax.

Sec. 513. Adjusted gross income defined.

Sec. 514. Effective date.

Subtitle C—Regulatory Flexibility

Sec. 521. Definition of small entities in enterprise zone for purposes of analysis of regulatory functions.

Sec. 522. Waiver or modification of agency rules in enterprise zones.

Sec. 523. Federal agency support of enterprise zones.

Subtitle D—Establishment of Foreign-Trade Zones in Enterprise Zones

Sec. 531. Foreign-trade zone preferences.

Subtitle E—Repeal of Title VII of the Housing and Community Development Act of 1987

Sec. 541. Repeal.

TITLE I—FIRST-TIME HOMEBUYER CREDIT

SEC. 101. CREDIT FOR PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of a first-time homebuyer, there shall be allowed as a credit against the tax imposed by this chapter an amount equal to 10 percent of the purchase price of an eligible principal residence purchased by the taxpayer during a portion of the taxable year which occurs within the eligibility period.

"(2) MAXIMUM CREDIT.—The credit allowed by subsection (a) to the taxpayer shall not exceed $5,000.

"(b) ELIGIBLE PRINCIPAL RESIDENCE.—For purposes of subsection (a), the term 'eligible principal residence' means a principal residence which is the first principal residence purchased by the taxpayer during the eligibility period.

"(c) FIRST-TIME HOMEBUYER.—For purposes of this section—

"(1) IN GENERAL.—The term 'first-time homebuyer' means any individual unless such individual or such individual's spouse had a present ownership interest in any principal residence at any time during the 3-year period ending on the date of the purchase of the residence referred to in subsection (a).

"(2) UNMARRIED JOINT OWNERS.—An individual shall not be treated as a first-time homebuyer with respect to any residence unless all the individuals purchasing such residence with such individual are first-time homebuyers.

"(3) ALLOCATION OF LIMITS.—All individuals purchasing a residence shall be treated as 1 individual for purposes of determining the maximum credit under subsection (a), and such maximum credit shall be allocated among such individuals under regulations prescribed by the Secretary.

"(4) CERTAIN INDIVIDUALS INELIGIBLE.—The term 'first-time homebuyer' shall not include any individual if, on the date of the purchase of the residence, the period of time specified in section 1034(a) is suspended under subsection (h) or (k) of section 1034 with respect to such individual.

"(d) OTHER DEFINITIONS.—For purposes of this section—

"(1) ELIGIBILITY PERIOD.—

"(A) IN GENERAL.—The term 'eligibility period' means the period beginning after December 31, 1991, and ending before January 1, 1993.

"(B) BINDING CONTRACTS.—A residence shall be treated as purchased during the eligibility period if—

"(i) during the eligibility period, the purchaser enters into a binding contract to purchase the residence, and

"(ii) the purchaser purchases and occupies the residence before the close of the 90-day period beginning on the date the contract was entered into.

For purposes of clause (i), a contract shall not fail to be treated as binding merely because it is contingent on financing or on the condition of the residence.

"(2) PURCHASE.—The term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b), and

"(B) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(4) PURCHASE PRICE.—The term 'purchase price' means the adjusted basis of the residence on the date of its acquisition.

"(e) CARRYOVER OF UNUSED CREDIT.—

"(1) IN GENERAL.—If—

"(A) the credit allowable under subsection (a) exceeds,

"(B) the limitation imposed by section 26(a) reduced by the sum of the credits allowable under sections 21 and 22,

such excess shall be carried to the succeeding taxable year and shall be allowable under subsection (a) for such succeeding taxable year.

"(2) 5-YEAR LIMIT ON CARRYFORWARD.—No amount may be carried under paragraph (1) to any taxable year after the 5th taxable year after the taxable year in which the residence is purchased.

"(f) RECAPTURE OF CREDIT FOR CERTAIN DISPOSITIONS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), if the taxpayer disposes of property with respect to the purchase of which a credit was allowed under subsection (a) and such disposition occurs at any time within 36 months after the date the taxpayer acquired the property as his principal residence, then the tax imposed under this chapter for the taxable year in which the disposition occurs is increased by an amount equal to the amount allowed as a credit for the purchase of such property.

"(2) ACQUISITION OF NEW RESIDENCE.—If, in connection with a disposition described in paragraph (1) and within the applicable period prescribed in section 1034, the taxpayer purchases a new principal residence, then paragraph (1) shall not apply and the tax imposed by this chapter for the taxable year in which the new principal residence is purchased is increased to the extent the amount of the credit that could be claimed under this section on the purchase of the new residence (were such residence the first residence purchased during the eligibility period) is less than the amount of credit claimed by the taxpayer under this section.

"(3) DEATH OF OWNER; CASUALTY LOSS; INVOLUNTARY CONVERSION; ETC.—Paragraph (1) shall not apply to—

"(A) a disposition of a residence made on account of the death of any individual having a legal or equitable interest therein occurring during the 36-month period referred to in paragraph (1),

"(B) a disposition of the old residence if it is substantially or completely destroyed by a casualty described in section 165(c)(3) or compulsorily or involuntarily converted (within the meaning of section 1033(a)), or

"(C) a disposition pursuant to a settlement in a divorce or legal separation proceeding where the residence is sold or the other spouse retains the residence as a principal residence."

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Purchase of principal residence by first-time homebuyer."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after February 1, 1992.

TITLE II—MODIFICATIONS OF PASSIVE LOSS RULES

SEC. 201. MODIFICATIONS OF PASSIVE LOSS RULES.

(a) IN GENERAL.—Subsection (c) of section 469 (relating to passive activity losses and credits limited) is amended by adding at the end the following new paragraphs:

"(7) TAXPAYERS ENGAGED IN THE REAL PROPERTY BUSINESS.—In the case of a taxpayer engaged in the real property business, the determination of what constitutes an activity and whether an activity is a passive activity shall be made by treating the taxpayer's rental real property operations, undertakings, and activities in the same manner as nonrental trade or business operations, undertakings, and activities.

"(8) INDIVIDUALS ENGAGED IN THE REAL PROPERTY BUSINESS.—For purposes of paragraph (7), an individual is engaged in the real property business if—

"(A) such individual spends at least 50 percent of such individual's working time in real property operations; and

"(B) such individual spends more than 500 hours during the taxable year in real property operations.

"(9) REAL PROPERTY OPERATIONS.—For purposes of paragraph (8), the term 'real property operations' means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, brokerage, appraisal, and finance operations.

"(10) WORKING TIME.—For purposes of paragraph (8), the term 'working time' means any time spent as an employee, sole proprietor, S corporation shareholder, partner in a partnership, or beneficiary of a trust or estate.

"(11) CLOSELY HELD C CORPORATIONS ENGAGED IN THE REAL PROPERTY BUSINESS.—For purposes of paragraph (7), a closely held C corporation is engaged in the real property business if—

"(A) 1 or more shareholders owning stock representing more than 50 percent (by value) of the outstanding stock of such corporation materially participate in the aggregate real property activities of such corporation; or

"(B) such corporation meets the requirements of section 465(c)(7)(C) (without regard to clause (iv)) with respect to the aggregate real property activities of such corporation."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 469(c) is amended to read as follows:

"(2) PASSIVE ACTIVITY INCLUDES CERTAIN RENTAL ACTIVITIES.—Except for rental activities treated in the same manner as nonrental trade or business activities pursuant to paragraph (7), each rental activity is a passive activity without regard to whether or not the taxpayer materially participates in the rental activity."

(2) Paragraph (4) of section 469(c) is amended to read as follows:

"(4) MATERIAL PARTICIPATION NOT REQUIRED FOR PARAGRAPH (3).—Paragraph (3) shall be applied without regard to whether or not the taxpayer materially participates in the activity."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

TITLE III—PENALTY-FREE DISTRIBUTIONS FROM IRA'S FOR FIRST HOMES

SEC. 301. DISTRIBUTIONS FROM CERTAIN PLANS MAY BE USED WITHOUT PENALTY TO PURCHASE FIRST HOMES.

(a) IN GENERAL.—Paragraph (2) of section 72(t) (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end thereof the following new subparagraph:

"(D) DISTRIBUTIONS FROM CERTAIN PLANS FOR FIRST HOME PURCHASES.—Distributions to an individual from an individual retirement plan, or from amounts attributable to employer contributions made pursuant to elective deferrals described in subparagraph (A) or (C) of section 402(g)(3) or section 501(c)(18)(D)(iii) which are qualified first-time homebuyer distributions (as defined in paragraph (6))."

(b) DEFINITIONS.—Section 72(t) is amended by adding at the end thereof the following new paragraph:

"(6) QUALIFIED FIRST-TIME HOMEBUYER DISTRIBUTIONS.—For purposes of paragraph (2)(D)—

"(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment or distribution received by an individual to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which

such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence of a first-time homebuyer who is such individual or the spouse, child, or grandchild of such individual.

"(B) QUALIFIED ACQUISITION COSTS.—For purposes of this paragraph, the term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(C) FIRST-TIME HOMEBUYER; OTHER DEFINITIONS.—For purposes of this paragraph—

"(i) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if—

"(I) such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies, and

"(II) subsection (h) or (k) of section 1034 did not suspend the running of any period of time specified in section 1034 with respect to such individual on the day before the date the distribution is applied pursuant to subparagraph (A)(ii).

"(ii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(iii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

"(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

"(II) on which construction or reconstruction of such a principal residence is commenced.

"(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If any distribution from any individual retirement plan fails to meet the requirements of subparagraph (A) solely by reason of a delay or cancellation of the purchase or construction of the residence, the amount of the distribution may be contributed to an individual retirement plan as provided in section 408(d)(3)(A)(i) (determined by substituting '120 days' for '60 days' in such section), except that—

"(i) section 408(d)(3)(B) shall not be applied to such contribution, and

"(ii) such amount shall not be taken into account—

"(I) in determining whether section 408(d)(3)(A)(i) applies to any other amount, or

"(II) for purposes of subclause (II) of subparagraph (A)(i)."

(d) CONFORMING AMENDMENTS.—

(1) Section 401(k)(2)(B)(i) is amended by striking "or" at the end of subclause (III), by striking "and" at the end of subclause (IV) and inserting "or", and by inserting after subclause (IV) the following new subclause:

"(V) the date on which qualified first-time homebuyer distributions (as defined in section 72(t)(6)) are made, and".

(2) Section 403(b)(11) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) for qualified first-time homebuyer distributions (as defined in section 72(t)(6))."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to payments and distributions after December 31, 1991.

TITLE IV—LOW-INCOME HOUSING CREDIT AND QUALIFIED MORTGAGE BONDS

SEC. 401. LOW-INCOME HOUSING CREDIT.

(a) PERMANENT EXTENSION.—

(1) IN GENERAL.—Section 42 (relating to low-income housing credit) is amended by striking subsection (o).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to periods ending after June 30, 1992.

(b) MODIFICATIONS.—

(1) CARRYFORWARD RULES.—

(A) IN GENERAL.—Clause (ii) of section 42(h)(3)(D) (relating to unused housing credit carryovers allocated among certain States) is amended by striking "the excess" and all that follows and inserting "the excess (if any) of the unused State housing credit ceiling for the year preceding such year over the aggregate housing credit dollar amount allocated for such year."

(B) CONFORMING AMENDMENT.—The second sentence of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended by striking "clauses (i) and (iii)" and inserting "clauses (i) through (iv)".

(2) 10-YEAR ANTI-CHURNING RULE WAIVER EXPANDED.—Clause (ii) of section 42(d)(6)(B) (defining federally assisted building) is amended by inserting ", 221(d)(4)," after "221(d)(3)".

(3) LIMITATION ON ELIGIBLE BASIS OF UNITS.—Paragraph (5) of section 42(d) (relating to special rules for determining eligible basis) is amended by adding at the end thereof the following new subparagraph:

"(D) MAXIMUM LIMIT PER UNIT.—

"(i) IN GENERAL.—Notwithstanding any other provision of this section, and before the application of subparagraph (C), the eligible basis of each unit of any building shall not exceed $124,875.

"(ii) INFLATION ADJUSTMENT.—For any calendar year beginning after 1992, the dollar amount referred to in clause (i) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3), for such calendar year, by substituting 'calendar year 1991' for 'calendar year 1989' in subparagraph (B) thereof.

If any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10)."

(4) UNITS WITH CERTAIN FULL-TIME STUDENTS NOT DISQUALIFIED.—Subparagraph (D) of section 42(i) (relating to definitions and special rules) is amended to read as follows:

"(D) CERTAIN STUDENTS NOT TO DISQUALIFY UNIT.—A unit shall not fail to be treated as a low-income unit merely because it is occupied—

"(i) by an individual who is—

"(I) a student and receiving assistance under title IV of the Social Security Act, or

"(II) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, State, or local laws, or

"(ii) entirely by full-time students if such students are—

"(I) single parents and their children and such parents and children are not dependents (as defined in section 152) of another individual, or

"(II) married and file a joint return."

(5) TREASURY WAIVERS OF CERTAIN DE MINIMIS ERRORS AND RECERTIFICATIONS.—Subsection (g) of section 42 (relating to qualified low-income housing projects) is amended by adding at the end thereof the following new paragraph:

"(8) WAIVER OF CERTAIN DE MINIMIS ERRORS AND RECERTIFICATIONS.—On application by the taxpayer, the Secretary may waive—

"(A) any recapture under subsection (j) in the case of any de minimis error in complying with paragraph (1), or

"(B) any annual recertification of tenant income for purposes of this subsection, if the entire building is occupied by low-income tenants."

(6) BASIS OF COMMUNITY SERVICE AREAS INCLUDED IN ADJUSTED BASIS.—Paragraph (4) of section 42(d) (relating to special rules relating to determination of adjusted basis) is amended—

(A) by striking "subparagraph (B)" in subparagraph (A) and inserting "subparagraphs (B) and (C)",

(B) by redesignating subparagraph (C) as subparagraph (D), and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) BASIS OF PROPERTY IN COMMUNITY SERVICE AREAS INCLUDED.—The adjusted basis of any building located in a qualified census tract shall be determined by taking into account the adjusted basis of property (of a character subject to the allowance for depreciation) used in functionally related and subordinate community activity facilities if—

"(i) the size of the facilities is commensurate with tenant needs,

"(ii) the use of such facilities is predominantly by tenants and employees of the building owner, and

"(iii) not more than 20 percent of the building's eligible basis is attributable to the aggregate basis of such facilities."

(7) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to—

(i) determinations under section 42 of the Internal Revenue Code of 1986 with respect to housing credit dollar amounts allocated from State housing credit ceilings after June 30, 1992, or

(ii) buildings placed in service after June 30, 1992, to the extent paragraph (1) of section 42(h) of such Code does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after such date.

(B) WAIVER AUTHORITY.—The amendments made by paragraphs (2) and (5) shall take effect on the date of the enactment of this Act.

SEC. 402. QUALIFIED MORTGAGE BONDS.

(a) PERMANENT EXTENSION.—Paragraph (1) of section 143(a) (defining qualified mortgage bond) is amended to read as follows:

"(1) QUALIFIED MORTGAGE BOND DEFINED.—For purposes of this title, the term 'qualified mortgage bond' means a bond which is issued as part of a qualified mortgage issue."

(b) MORTGAGE CREDIT CERTIFICATES.—Subsection (h) of section 25 is hereby repealed.

(d) EFFECTIVE DATES.—

(1) BONDS.—The amendment made by subsection (a) shall apply to bonds issued after June 30, 1992.

(2) CERTIFICATES.—The amendment made by subsection (b) shall apply to elections for periods after June 30, 1992.

TITLE V—ENTERPRISE ZONES

SEC. 500. PURPOSE.

It is the purpose of this title to provide for the establishment of enterprise zones in order to stimulate entrepreneurship, particularly by zone residents, the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and to promote revitalization of economically distressed areas primarily by providing or encouraging—

(1) tax relief at the Federal, State, and local levels;

(2) regulatory relief at the Federal, State, and local levels; and

(3) improved local services and an increase in the economic stake of enterprise zone residents in their own community and its development, particularly through the increased involvement of private, local, and neighborhood organizations.

Subtitle A—Designation of Enterprise Zones

SEC. 501. DESIGNATION OF ZONES.

(a) GENERAL RULE.—Chapter 80 (relating to general rules) is amended by adding at the end thereof the following new subchapter:

"Subchapter D—Designation of Enterprise Zones

"Sec. 7880. Designation.

"SEC. 7880. DESIGNATION.

"(a) DESIGNATION OF ZONES.—

"(1) DEFINITION.—For purposes of this title, the term 'enterprise zone' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as an enterprise zone (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior,

designates as an enterprise zone.

"(2) AUTHORITY TO DESIGNATE.—The Secretary of Housing and Urban Development is authorized to designate enterprise zones in accordance with the provisions of this section.

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—Before designating any area as an enterprise zone and not later than 4 months following the date of the enactment of this section, the Secretary of Housing and Urban Development shall prescribe by regulation, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area, and

"(ii) the procedures for designation as an enterprise zone, including a method for comparing courses of action under subsection (d) proposed for nominated areas, and the other factors specified in subsection (e)

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development shall designate nominated areas as enterprise zones only during the 48-month period beginning on the later of—

"(i) the first day of the first month following the month in which the effective date of the regulations described in subparagraph (A) occurs, or

"(ii) June 30, 1992.

"(C) NUMBER OF DESIGNATIONS.—

"(i) IN GENERAL.—The Secretary of Housing and Urban development may designate—

"(I) not more than 50 nominated areas as enterprise zones under this section and

"(II) not more than 15 nominated areas as enterprise zones during the first 12-month period beginning on the date determined under subparagraph (B), not more than 30 by the end of the second 12-month period, not more than 45 by the end of the third 12-month period, and not more than 50 by the end of the fourth 12-month period.

"(ii) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated as enterprise zones, at least one-third must be areas that are—

"(I) within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined using the most recent census data available);

"(II) outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)); or

"(III) determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(D) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designations under this section unless—

"(i) the local government and the State in which the nominated area is located have the authority to—

"(I) nominate such area for designation as an enterprise zone,

"(II) make the State and local commitments under subsection (d), and

"(III) provide assurances satisfactory to the Secretary of Housing and Urban development that such commitments will be fulfilled, and

"(ii) a nomination therefor is submitted by such State and local governments in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall prescribe by regulation.

"(4) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

"(b) TIME PERIOD FOR WHICH DESIGNATION IS IN EFFECT—

"(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31 of the 24th calendar year following the calendar year in which such date occurs,

"(B) the termination date specified by the State and local governments as provided in the nomination submitted in accordance with subsection (a)(3)(D)(ii),

"(C) such other date as the Secretary of Housing and Urban Development shall specify as a condition of designation, or

"(D) the date upon which the Secretary of Housing and Urban Development revokes such designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development, after consultation with the officials described in subsection (a)(1)(B), may revoke the designation of an area if the Secretary of Housing and Urban Development determines that the State or a local government in which the area is located is not complying substantially with the agreed course of action for the area.

"(c) AREA AND ELIGIBILITY REQUIREMENTS—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as an enterprise zone only if it meets the requirements of paragraphs (2) and (3).

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of the local government;

"(B) the boundary of the area is continuous; and

"(C) the area—

"(i) has a population, as determined by the most recent census data available, of not less than—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(3)(C)(ii)) is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

"(II) 1,000 in any other case; or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), a nominated area meets the requirements of this paragraph if the State or local governments in which the nominated area is located certifies, and the Secretary of Housing and Urban Development accepts such certification, that—

"(A) the area is one of pervasive poverty, unemployment and general distress;

"(B) the area is located wholly within the jurisdiction of a local government that is eligible for Federal assistance under section 119 of the Housing and Community Development Act of 1974, as in effect on the date of the enactment of this Act;

"(C) the unemployment rate for the area, as determined by the appropriate available data, was not less than 1.5 times the national unemployment rate for the period;

"(D) the poverty rate (as determined by the most recent census data available) for each populous census tract (or where not tracted, the equivalent county division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was not less than 20 percent for the period to which such data relate; and

"(E) the area meets at least one of the following criteria:

"(i) Not less than 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(ii) The population of the area decreased by 20 percent or more between 1970 and 1980 (as determined from the most recent census available).

"(4) ELIGIBILITY REQUIREMENTS FOR RURAL AREAS.—For purposes of paragraph (1), a nominated area that is a rural area described in subsection (a)(3)(C)(ii) meets the requirements of paragraph (3) if the State and local governments in which it is located certify and the Secretary, after such review of supporting data as he deems appropriate, accepts such certification, that the area meets—

"(A) the criteria set forth in subparagraphs (A) and (B) of paragraph (3); and

"(B) not less than one of the criteria set forth in the other subparagraphs of paragraph (3).

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—No nominated area shall be designated as an enterprise zone unless the State and the local government or governments of the jurisdictions in which the nominated area is located agree in writing that, during any period during which the nominated area is an enterprise zone, such governments will follow a specified course of action designed to reduce the various burdens borne by employers or employees in such area.

"(2) COURSE OF ACTION.—The course of action under paragraph (1) may include, but is not limited to—

"(A) the reduction or elimination of tax rates or fees applying within the enterprise zone,

"(B) actions to reduce, remove, simplify, or streamline governmental requirements applying within the enterprise zone,

"(C) an increase in the level or efficiency of local services within the enterprise zone, for example, crime prevention, and drug enforcement prevention and treatment,

"(D) involvement in the program by private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a commitment from such private entities to provide jobs and job training for, and technical, financial or other assistance to, employers, employees, and residents of the nominated area,

"(E) mechanisms to increase equity ownership by residents and employees within the enterprise zone,

"(F) donation (or sale below market value) of land and buildings to benefit low and moderate income people,

"(G) linkages to—

"(i) job training,

"(ii) transportation,

"(iii) education,

"(iv) day care,

"(v) health care, and

"(vi) other social service support,

"(H) provision of supporting public facilities, and infrastructure improvements,

"(I) encouragement of local entrepreneurship; and

"(J) other factors determined essential to support enterprise zone activities and encourage livability or quality of life.

"(3) LATER MODIFICATION OF A COURSE OF ACTION.—The Secretary of Housing and Urban Development may by regulation prescribe procedures to permit or require a course of action to be updated or modified during the time that a designation is in effect.

"(e) PRIORITY OF DESIGNATION.—In choosing nominated areas for designation, the Secretary of Housing and Urban Development shall give preference to the nominated areas—

"(1) with respect to which the strongest and highest quality contributions have been promised as part of the course of action, taking into consideration the fiscal ability of the nominating State and local governments to provide tax relief,

"(2) with respect to which the nominating State and local governments have provided the most effective and enforceable guarantees that the proposed course of action will actually be carried out during the period of the enterprise zone designation,

"(3) with respect to which private entities have made the most substantial commitments in additional resources and contributions, including the creation of new or expanded business activities, and

"(4) which best exhibit such other factors determined by the Secretary of Housing and Urban Development, including relative distress, as are consistent with the intent of the enterprise zone program and have the greatest likelihood of success.

"(f) GEOGRAPHIC DISTRIBUTION.—In making designations, the Secretary of Housing and Urban Development will take into consideration a reasonable geographic distribution of enterprise zones.

"(g) DEFINITIONS.—For the purposes of this title—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' shall also include the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.".

"(h) CROSS REFERENCES FOR—

"(1) definitions, see section 1391,

"(2) treatment of employees in enterprise zones, see section 1392, and

"(3) treatment of investments in enterprise zones, see sections 1393 and 1394.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 80 is amended by adding at the end thereof the following new item:

"SUBCHAPTER D. Designation of enterprise zones.".

SEC. 502. REPORTING REQUIREMENTS.

Not later than the close of the second calendar year after the calendar year in which the Secretary of Housing and Urban Development first designates areas as enterprise zones, and at the close of each second calendar year thereafter, the Secretary of Housing and Urban Development shall submit to the Congress a report on the effects of such designation in accomplishing the purposes of this title.

SEC. 503. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of an enterprise zone under section 7880 of the Internal Revenue Code of 1986 (as added by this title) shall not—

(1) constitute approval of a Federal or federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601)); or

(2) entitle any person displaced from real property located in such zone to any rights or any benefits under such Act.

(b) COORDINATION WITH ENVIRONMENTAL POLICY.—Designation of an enterprise zone under section 7880 of such Code shall not constitute a Federal action for purposes of applying the procedural requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4341) or other provisions of Federal law relating to the protection of the environment.

Subtitle B—Federal Income Tax Incentives

SEC. 511. DEFINITIONS AND REGULATIONS; EMPLOYEE CREDIT; CAPITAL GAIN EXCLUSION; STOCK EXPENSING.

(a) GENERAL RULE.—Chapter 1 (relating to normal tax and surtax rules) is amended by inserting after subchapter T the following new subchapter:

"Subchapter U—Enterprise Zones

"Sec. 1391. Definitions and regulatory authority.

"Sec. 1392. Credit for enterprise zone employees.

"Sec. 1393. Enterprise zone capital gain.

"Sec. 1394. Enterprise zone stock.

"SEC. 1391. DEFINITIONS AND REGULATORY AUTHORITY.

"(a) ENTERPRISE ZONE.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone' means any area which the Secretary of Housing and Urban Development designates pursuant to section 7880(a) as a Federal enterprise zone for purposes of this title.

"(2) TERMINATION OF ENTERPRISE ZONE.—An area will cease to constitute an enterprise zone once its designation as such terminates or is revoked under section 7880(b).

"(b) ENTERPRISE ZONE BUSINESS.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone business' means an activity constituting the active conduct of a trade or business within an enterprise zone, and with respect to which—

"(A) at least 80 percent of the gross income in each calendar year is attributable to the active conduct of a trade or business within an enterprise zone,

"(B) less than 10 percent of the property (as measured by unadjusted basis) constitutes stocks, securities, or property held for use by customers,

"(C) less than 10 percent of the property constitutes collectibles (as defined in section 408(m)(2)), unless such collectibles constitute property held primarily for sale to customers in the ordinary course of the active trade or business,

"(D) substantially all of the property (whether owned or leased) is located within an enterprise zone, and

"(E) substantially all of the employees work within an enterprise zone.

"(2) RELATED ACTIVITIES TAKEN INTO ACCOUNT.—Except as otherwise provided in regulations, all activities conducted by a taxpayer and persons related to the taxpayer shall be treated as one activity for purposes of paragraph (1).

"(3) SPECIAL RULES.—

"(A) RENTAL REAL PROPERTY.—For purposes of paragraph (1), real property located within an enterprise zone and held for use by customers other than related persons shall be treated as the active conduct of a trade or business for purposes of paragraph (1)(A) and as not subject to paragraph (1)(B).

"(B) TERMINATION OF ENTERPRISE ZONE BUSINESS.—An activity shall cease to be an enterprise zone business if—

"(i) the designation of the enterprise zone in which the activity is conducted terminates or is revoked pursuant to section 7880(b);

"(ii) more than 50 percent (by value) of the activity's property or services are obtained from related persons other than enterprise zone businesses; or

"(iii) more than 50 percent of the activity's gross income is attributable to property or services provided to related persons other than enterprise zone businesses.

"(c) ENTERPRISE ZONE PROPERTY.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone property' means—

"(A) any tangible personal property located in an enterprise zone and used by the taxpayer in an enterprise zone business, and

"(B) any real property located in an enterprise zone and used by the taxpayer in an enterprise zone business.

In no event shall any financial property or intangible interest in property be treated as constituting enterprise zone property, whether or not such property is used in the active conduct of an enterprise zone business.

"(2) TERMINATION OF ENTERPRISE ZONE.—The treatment of property as enterprise zone property under subparagraph (A) shall not terminate upon the termination or revoca-

tion of the designation of the enterprise zone in which the property is located, but instead shall terminate immediately after the first sale or exchange of such property occurring after the expiration or revocation.

"(d) RELATED PERSONS.—For purposes of this subchapter, a person shall be treated as related to another person if—

"(1) the relationship of such persons is described in section 267(b) or 707(b)(1), or

"(2) such persons are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of paragraph (1), in applying section 267(b) or 707(b)(1), '33 percent' shall be substituted for '50 percent'.

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of title V of the Economic Growth and Affordable Housing Act of 1992, including—

"(1) providing that Federal tax relief is unavailable to an activity that does not stimulate employment in, or revitalization of, enterprise zones,

"(2) providing for appropriate coordination with other Federal programs that, in combination, might enable activity within enterprise zones to be more than 100 percent subsidized by the Federal government, and

"(3) preventing the avoidance of the rules in this subchapter.

"SEC. 1392. CREDIT FOR ENTERPRISE ZONE EMPLOYEES.

"(a) GENERAL RULE.—In the case of a taxpayer who is an enterprise zone employee, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 5 percent of so much of the qualified wages of the taxpayer for the taxable year as does not exceed $10,500.

"(b) DEFINITIONS.—For purposes of this section—

"(1) ENTERPRISE ZONE EMPLOYEE.—The term 'enterprise zone employee' means an individual—

"(A) performing services during the taxable year that are directly related to the conduct of an enterprise zone business,

"(B) substantially all of the services described in paragraph (1)(A) are performed within an enterprise zone, and

"(C) the employer for whom the services described in paragraph (1)(A) are performed is not the Federal government, any State government or subdivision thereof, or any local government.

"(2) WAGES.—The term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such subsection).

"(3) QUALIFIED WAGES.—The term 'qualified wages' means all wages of the taxpayer, to the extent attributable to services described in paragraph (1).

"(c) LIMITATIONS.—

"(1) PHASE-OUT OF CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) $525, over

"(B) 10.5 percent of so much of the taxpayer's total wages (whether or not constituting qualified wages) as exceeds $20,000.

"(2) PARTIAL TAXABLE YEAR.—If designation of an area as an enterprise zone occurs, expires, or is revoked pursuant to section 7880 on a date other than the first or last day of the taxable year of the taxpayer, or in the case of a short taxable year, the limitations specified in subsection (c)(1) shall be adjusted on a pro rata basis (based upon the number of days).

"(d) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount (if any) of tax imposed by section 55 (relating to the alternative minimum tax) with respect to such taxpayer for such year.

"(e) CREDIT TREATED AS SUBPART C CREDIT.—For purposes of this title, the credit allowed under subsection (a) shall be treated as a credit allowed under subpart C of part IV of subchapter A of this chapter.

"SEC. 1393. ENTERPRISE ZONE CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include the amount of any gain constituting enterprise zone capital gain.

"(b) DEFINITION.—For purposes of this section—

"(1) IN GENERAL.—The term 'enterprise zone capital gain' means gain—

"(A) treated as long-term capital gain,

"(B) allocable in accordance with the rules under subsection (b)(5) of section 338 to the sale or exchange of enterprise zone property, and

"(C) properly attributable to periods of use in an enterprise zone business.

"(2) LIMITATIONS.—Enterprise zone capital gain does not include any gain attributable to—

"(A) the sale or exchange of property not constituting enterprise zone property with respect to the taxpayer throughout the period of twenty-four full calendar months immediately preceding the sale or exchange,

"(B) any collectibles (as defined in section 408(m)), or

"(C) sales or exchanges to persons controlled by the same interests.

"(c) BASIS.—Amounts excluded from gross income pursuant to subsection (a) shall not be applied in reduction to the basis of any property held by the taxpayer.

"SEC. 1394. ENTERPRISE ZONE STOCK.

"(a) GENERAL RULE.—At the election of any individual, the aggregate amount paid by such taxpayer during the taxable year for the purchase of enterprise zone stock on the original issue of such stock by a qualified issuer shall be allowed as a deduction.

"(b) LIMITATIONS.—

"(1) CEILING.—The maximum amount allowed as a deduction under subsection (a) to a taxpayer shall not exceed $50,000 for any taxable year, nor $250,000 during the taxpayer's lifetime.

"(A) EXCESS AMOUNTS.—If the amount otherwise deductible by any person under subsection (a) exceeds the limitation under this paragraph (1)—

"(i) the amount of such excess shall be treated as an amount paid in the next taxable year, and

"(ii) the deduction allowed for any taxable year shall be allocated among the enterprise zone stock purchased by such person in accordance with the purchase price per share.

"(2) RELATED PERSON.—

"(A) IN GENERAL.—The taxpayer and all individuals related to the taxpayer shall be treated as one person for purposes of the limitations described in subsection (b)(1).

"(B) EXCESS AMOUNTS.—The limitations described in subsection (b)(1) shall be allocated among the taxpayer and related persons in accordance with their respective purchases of enterprise zone stock.

"(3) PARTIAL TAXABLE YEAR.—If designation of an area as an enterprise zone occurs, expires, or is revoked pursuant to section 7880 on a date other than the first or last day of the taxable year of the taxpayer, or in the case of a short taxable year, the limitations specified in subsection (b)(1) shall be adjusted on a pro rata basis (based upon the number of days).

"(c) DISPOSITIONS OF STOCK.—

"(1) GAIN TREATED AS ORDINARY INCOME.—Except as otherwise provided in regulations, if a taxpayer disposes of any enterprise zone stock with respect to which a deduction was allowed under subsection (a), the amount realized upon such disposition shall be treated as ordinary income and recognized notwithstanding any other provision of this subtitle.

"(2) INTEREST CHARGED IF DISPOSITION WITHIN 5 YEARS OF PURCHASE.—

"(A) IN GENERAL.—If a taxpayer disposes of any enterprise zone stock before the end of the 5-year period beginning on the date such stock was purchased by the taxpayer, the tax imposed by this chapter for the taxable year in which such disposition occurs shall be increased by the amount determined under subparagraph (B).

"(B) ADDITIONAL AMOUNT.—For purposes of subparagraph (A), the additional amount shall be equal to the amount of interest (determined at the rate applicable under section 6621(a)(2)) that would accrue—

"(i) during the period beginning on the date the stock was purchased by the taxpayer and ending on the date such stock was disposed of by the taxpayer,

"(ii) on an amount equal to the aggregate decrease in tax of the taxpayer resulting from the deduction allowed under this subsection (a) with respect to the stock so disposed of.

"(d) DISQUALIFICATION.—

"(1) ISSUER OR STOCK CEASES TO QUALIFY.—If a taxpayer elects the deduction under subsection (a) with respect to enterprise zone stock, and either—

"(A) the issuer with respect to which the election was made ceases to be a qualified issuer, or

"(B) the proceeds from the issuance of the taxpayer's enterprise zone stock fail or otherwise cease to be invested by the issuer in enterprise zone property, then, notwithstanding any provision of this subtitle other than paragraph (2) to the contrary, the taxpayer shall recognize as ordinary income the amount of the deduction allowed under subsection (a) with respect to the issuer's enterprise zone stock.

"(2) SPECIAL RULES.—

"(A) LIQUIDATION.—Where enterprise zone property acquired with proceeds from the issuance of enterprise zone stock is sold or exchanged pursuant to a plan of complete liquidation, the treatment described in paragraph (1) shall be inapplicable.

"(B) TERMINATION OF ENTERPRISE ZONE.—The treatment of an activity as an enterprise zone business shall not cease for purposes of paragraph (1) solely by reason of the termination or revocation of the designation of the enterprise zone with respect to the activity.

"(C) PARTIAL DISQUALIFICATION.—Where some, but not all, of the property acquired by the issuer with the proceeds of enterprise zone stock ceases to constitute enterprise zone property, the treatment described in paragraph (1) shall be modified as follows—

"(i) the total amount recognized as ordinary income by all shareholders of the issuer shall be limited to an amount of deduction allowed up to the unadjusted basis of property ceasing to constitute enterprise zone property,

"(ii) the amount recognized shall be allocated among enterprise zone stock with re-

spect to which the election in subsection (a) was made in the reverse order in which such stock was issued, and

"(iii) the amount recognized shall be apportioned among taxpayers having made the election in subsection (a) in the ratios in which the stock described in paragraph (2)(C)(ii) was purchased.

"(3) ADDITIONAL AMOUNT.—If income is recognized pursuant to paragraph (1) at any time before the close of the 5th calendar year ending after the date the enterprise zone stock was purchased, the tax imposed by this chapter with respect to such income shall be increased by an amount equal to the amount of interest (determined at the rate applicable under section 6621(a)(2)) that would accrue—

"(A) during the period beginning on the date the stock was purchased by the taxpayer and ending on the date of the disqualification event described in paragraph (1),

"(B) on an amount equal to the aggregate decrease in tax of the taxpayer resulting from the deduction allowed under this subsection (a) with respect to the stock so disqualified.

"(e) DEFINITIONS.—For purposes of this section—

"(1) ENTERPRISE ZONE STOCK.—The term 'enterprise zone stock' means common stock issued by a qualified issuer, but only to the extent that the amount of proceeds of such issuance are used by such issuer no later than twelve months followed issuance to acquire and maintain an equal amount of newly acquired enterprise zone property.

"(2) QUALIFIED ISSUER.—

"(A) IN GENERAL.—The term 'qualified issuer' means any subchapter C corporation which—

"(i) does not have more than one class of stock,

"(ii) is engaged solely in the conduct of one or more enterprise zone businesses,

"(iii) does not own or lease more than $5 million of total property (including money), as measured by the unadjusted basis of the property, and

"(iv) more than 20 percent of the total voting power and 20 percent of the total value of the stock of such corporation is owned by individuals, partnerships, estates or trusts.

"(B) LIMITATION ON TOTAL ISSUANCES.—A qualified issuer may issue no more than an aggregate of $5 million of enterprise zone stock.

"(C) AGGREGATION.—For purposes of applying the limitations under paragraph (2), the issuer and all related persons shall be treated as one person.

"(3) AMOUNT PAID.—For purposes of subsection (a), the amount 'paid' by a taxpayer for any taxable year shall not include the issuance of evidences of indebtedness of the taxpayer (whether or not such indebtedness is guaranteed by another person), nor amounts paid by the taxpayer after the close of the taxable year.

"(f) ISSUANCES IN EXCHANGE FOR PROPERTY.—If enterprise zone stock is issued in exchange for property, then notwithstanding any provision of subchapter C of this chapter to the contrary—

"(1) the issuance shall be treated for purposes of this subtitle as the sale of the property at its then fair market value to the corporation, and a contribution to the corporation of the proceeds immediately thereafter in exchange for the enterprise zone stock, and

"(2) the issuer's basis for the property shall be equal to the fair market value of such property at the time of issuance.

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a taxpayer elects the deduction under subsection (a), the taxpayer's basis (without regard to this subsection) for the enterprise zone stock with respect to such election shall be reduced by the deduction allowed or allowable.

"(h) LIMITATIONS ON ASSESSMENT AND COLLECTION.—If a taxpayer elects the deduction under subsection (a) for any taxable year, then—

"(1) the period for assessment and collection of any deficiency attributable to any part of the deduction shall not expire before one year following expiration of such period of the qualified issuer that includes the circumstances giving rise to the deficiency, and

"(2) such deficiency may be assessed before expiration of the period described in paragraph (1) notwithstanding any provisions of this subtitle to the contrary.

"(i) CROSS REFERENCE.—

For treatment of the deduction under subsection (a) for purposes of the alternative minimum tax, see section 56.".

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (23); by striking out the period at the end of paragraph (24) and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraph:

"(25) to the extent provided in section 1394(g), in the case of stock with respect to which a deduction was allowed or allowable under section 1394(a).".

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by inserting after the item relating to subchapter T the following new item:

"SUBCHAPTER U. Enterprise zones."

SEC. 512. ALTERNATIVE MINIMUM TAX.

(a) CORPORATIONS.—Section 56(g)(4)(B) (relating to adjustments based on adjusted current earnings of corporations) is amended by adding the following new clause at the end thereof:

"(iii) EXCLUSION OF ENTERPRISE ZONE CAPITAL GAIN.—Clause (i) shall not apply in the case of any enterprise zone capital gain (as defined in section 1393(b)), and such gain shall not be included in income for purposes of computing alternative minimum taxable income.".

(b) INDIVIDUALS.—Section 56(b) (relating to adjustments to the alternative minimum taxable income of individuals) is amended by adding the following new paragraph at the end thereof:

"(4) ENTERPRISE ZONE STOCK.—No deduction shall be allowed for the purchase of enterprise zone stock (as defined in section 1394(e)).".

SEC. 513. ADJUSTED GROSS INCOME DEFINED.

Section 62(a) (relating to the definition of adjusted gross income) is amended by inserting after paragraph (13) the following new paragraph:

"(14) ENTERPRISE ZONE STOCK.—The deduction allowed by section 1394.".

SEC. 514. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to taxable years ending after December 31, 1991.

Subtitle C—Regulatory Flexibility

SEC. 521. DEFINITION OF SMALL ENTITIES IN ENTERPRISE ZONE FOR PURPOSES OF ANALYSIS OF REGULATORY FUNCTIONS.

Section 601 of title 5, United States Code, is amended by—

(1) striking out "and" at the end of paragraph (5); and

(2) striking out paragraph (6) and inserting in lieu thereof the following:

"(6) the term 'small entity' means—

"(A) a small business, small organization, or small governmental jurisdiction defined in paragraphs (3), (4), and (5) of this section, respectively; and

"(B) any qualified enterprise zone business; any unit of government that nominated an area which the Secretary of Housing and Urban Development designates as an enterprise zone (within the meaning of section 7880 of the Internal Revenue Code of 1986) that has a rule pertaining to the carrying out of any project, activity, or undertaking within such zone; and any not-for-profit enterprise carrying out a significant portion of its activities within such a zone; and

"(7) the term 'qualified enterprise zone business' means any person, corporation, or other entity—

"(A) which is engaged in the active conduct of a trade or business within an enterprise zone (within the meaning of section 7880 of the Internal Revenue Code of 1986); and

"(B) for whom at least 50 percent of its employees are qualified employees (within the meaning of section 1392(b)(1) of such Code).".

SEC. 522. WAIVER OR MODIFICATION OF AGENCY RULES IN ENTERPRISE ZONES.

(a) Chapter 6 of title 5, United States Code, is amended by redesignating sections 611 and 612 as sections 612 and 613, respectively, and inserting the following new section immediately after section 610:

"§ 611. Waiver or modification of agency rules in enterprise zones

"(a) Upon the written request of any government which nominated an area that the Secretary of Housing and Urban Development has designated as an enterprise zone under section 7880 of the Internal Revenue Code of 1986, an agency is authorized, in order to further the job creation, community development, or economic revitalization objectives with respect to such zone, to waive or modify all or part of any rule which it has authority to promulgate, as such rule pertains to the carrying out of projects, activities, or undertakings within such zone.

"(b) Nothing in this section shall authorize an agency to waive or modify any rule adopted to carry out a statute or Executive order which prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, sex, familial status, national origin, age, or handicap.

"(c) A request under subsection (a) shall specify the rule or rules to be waived or modified and the change proposed, and shall briefly describe why the change would promote the achievement of the job creation, community development, or economic revitalization objectives of the enterprise zone. If such a request is made to any agency other than the Department of Housing and Urban Development, the requesting government shall send a copy of the request to the Secretary of Housing and Urban Development at the time the request is made.

"(d) In considering a request, the agency shall weigh the extent to which the proposed change is likely to further job creation, community development, or economic revitalization within the enterprise zone against the effect the change is likely to have on the underlying purposes of applicable statutes in the geographic area which would be affected by the change. The agency shall approve the request whenever it finds, in its discretion, that the public interest which the proposed change would serve in furthering such job creation, community development, or eco-

nomic revitalization outweghs the public interest which continuation of the rule unchanged would serve. The agency shall not approve any request to waive or modify a rule if that waiver or modification would—

"(1) violate a statutory requirement (including any requirements of the Fair Labor Standards Act of 1938 (52 Stat. 1060; 29 U.S.C. 201 et seq.)); or

"(2) be likely to present a significant risk to the public health, including environmental or occupational health or safety, or of environmental pollution.

"(e) If a request is disapproved, the agency shall inform all the requesting governments, and the Department of Housing and Urban Development, in writing of the reasons therefor and shall, to the maximum extent possible, work with such governments to develop an alternative, consistent with the standards contained in subsection (d).

"(f) Agencies shall discharge their responsibilities under this section in an expeditious manner, and shall make a determination on requests not later than 90 days after their receipt.

"(g) A waiver or modification of a rule under subsection (a) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of this title. To facilitate reaching its decision on any requested waiver or modification, the agency may seek the views of interested parties and, if the views are to be sought, determine how they should be obtained and to what extent, if any, they should be taken into account in considering the request. The agency shall publish a notice in the Federal Register stating any waiver or modification of a rule under this section, the time such waiver or modification takes effect and its duration, and the scope of applicability of such waiver or modification.

"(h) In the event that an agency proposes to amend a rule for which a waiver or modification under this section is in effect, the agency shall not change the waiver or modification to impose additional requirements unless it determines, consistent with standards contained in subsection (d), that such action is necessary. Such determinations shall be published with the proposal to amend such rule.

"(i) No waiver or modification of a rule under this section shall remain in effect with respect to an enterprise zone after the enterprise zone designation has expired or has been revoked.

"(j) For purposes of this section, the term 'rule' means (1) any rule as defined in section 551(4) of this title or (2) any rulemaking conducted on the record after opportunity for an agency hearing pursuant to sections 556 and 557 of this title.".

(b) The analysis for chapter 6 of title 5, United States Code, is amended by redesignating the items relating to sections 611 and 612 as items relating to sections 612 and 613, respectively, and by inserting after the item relating to section 610 the following new item:

"611. Waiver or modification of agency rules in enterprise zones.".

(c) Section 601(2) of such title 5 is amended by inserting "(except for purposes of section 611" immediately before "means".

(d) Section 613 of such title 5, as redesignated by subsection (a), is amended—

(1) in subsection (a) by inserting "(except section 611)" immediately after "chapter"; and

(2) in subsection (b) by inserting "as defined in section 601(2)" immediately before the period at the end of the first sentence.

SEC. 523. FEDERAL AGENCY SUPPORT OF ENTERPRISE ZONES.

In order to maximize all agencies' support of enterprise zones, the Secretary of Housing and Urban Development is authorized to convene regional and local coordinating councils of any appropriate agencies to assist State and local governments to achieve the objectives agreed to in the course of action under section 7880 of the Internal Revenue Code of 1986.

Subtitle D—Establishment of Foreign-Trade Zones in Enterprise Zones

SEC. 531. FOREIGN-TRADE ZONE PREFERENCES.

(a) PREFERENCE IN ESTABLISHMENT OF FOREIGN-TRADE ZONES IN REVITALIZATION AREAS.—In processing applications for the establishment of foreign-trade zones pursuant to an Act "To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes", approved June 18, 1934 (48 Stat. 998), the Foreign-Trade Zone Board shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a foreign-trade zone within an enterprise zone designated pursuant to section 7880 of the Internal Revenue Code of 1986.

(b) APPLICATION PROCEDURE.—In processing applications for the establishment of ports of entry pursuant to "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes", approved August 1, 1914 (38 Stat. 609), the Secretary of the Treasury shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a port of entry which is necessary to permit the establishment of a foreign-trade zone within an enterprise zone so designated.

(c) APPLICATION EVALUATION.—In evaluating applications for the establishment of foreign-trade zones and ports of entry in connection with enterprise zones so designated, the Foreign-Trade Zone Board and the Secretary of the Treasury shall approve the applications, to the maximum extent practicable, consistent with their respective statutory responsibilities.

Subtitle E—Repeal of Title VII of the Housing and Community Development Act of 1987

SEC. 541. REPEAL.

Title VII of the Housing and Community Development Act of 1987 is hereby repealed.●

By Mr. STEVENS (by request):

S. 2770. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for fiscal years 1993 through 1996, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL MARINE SANCTUARIES PROGRAM AMENDMENTS

Mr. STEVENS. Mr. President, I am introducing at the President's request these amendments to the Marine Protection, Research, and Sanctuaries Act of 1972. The amendments reauthorize title III of that act, strengthen the civil penalties and enforcement provisions, and clarify a number of other provisions of the act.

While Alaska does not have any marine sanctuaries off our shores we are still very concerned with, and supportive of, the protection of the marine environment. In fact, I am pleased to say that part of the reason that sanctuaries have not been needed off Alaska is because of the outstanding job that is already being done by the State of Alaska and the Federal Government.

It is my understanding that Senator KERRY will soon be introducing similar legislation, which I intend to cosponsor. The administration's bill provides a strong foundation on which to build, and for that reason I am pleased to introduce it today on behalf of the Administration, so that everyone in the Senate will have the benefit of the President's views on this matter.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 2770

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Marine Sanctuaries Program Amendments of 1992".

SEC. 2. Subsection 301(b) (16 U.S.C. §1431(b)) of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (the Act) is amended—

(a) in paragraph (3) by inserting ", especially long-term monitoring and research" after "marine areas"; and

(b) in paragraph (5) by deleting "facilitate" and inserting in lieu thereof "allow".

SEC. 3. Section 302 (16 U.S.C. §1432) of the Act is amended—

(a) in paragraph (6)(A)(ii) by deleting "and" after the semicolon;

(b) in paragraph (6)(B) by inserting "and" after the semicolon; and

(c) in paragraph (6) by inserting a new paragraph (C) as follows:

"(C) the cost of long-term monitoring of the affected sanctuary resource;".

SEC. 4. Section 303 (16 U.S.C. §1433) of the Act is amended in subsection (a)(2)(B) by striking "are inadequate" after "authorities" and inserting in lieu thereof "should be supplemented".

SEC. 5. Section 304 (16 U.S.C. §1434) of the Act is amended—

(a) in subsection (a)(1)(C) by striking "a prospectus on the proposal which shall contain" and inserting in lieu thereof "documents, including an executive summary, providing the following";

(b) in subsection (a)(5) by inserting the following sentence before the last sentence:

"The Secretary shall also cooperate with other appropriate fishery management authorities at the earliest practicable stage in drafting any sanctuary fishing regulations.";

(c) in subsection (a)(6) by inserting the word "documents" in lieu of the word "prospectus" where it occurs; and

(d) in subsection (b)(1) by deleting the third sentence.

SEC. 6. Section 305 (16 U.S.C. §1435) is amended—

(a) in subsection (a) by inserting—

(1) "This title and" before "The regulations"; and

(2) in the second sentence "or be enforced against" after "apply to";

(b) by redesignating subsection (b) as subsection (c); and

(c) by inserting new subsection (b) as follows:

"(b) INCLUSION.—

"The area of application and enforceability of this title and the regulations and permits issued under this title include the U.S. twelve-nautical-mile territorial sea and the U.S. Exclusive Economic Zone.".

SEC. 7. Section 306 (16 U.S.C. §1436) of the Act is amended to read as follows:

"PROHIBITED ACTIVITIES.—

"It is unlawful for any person to—

"(a) violate any provision of this title or any regulation or permit issued pursuant to this title;

"(b) refuse to allow any officer authorized to enforce the provisions of this title to board a vessel subject to such person's control for the purposes of conducting any search or inspection in connection with the enforcement of this title or any regulation or permit issued pursuant to this title; or

"(c) assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any lawful search or inspection.".

SEC. 8. Section 307 (16 U.S.C. §1437) of the Act is amended as follows:

(a) Subsection (c) is amended—

(1) in paragraph (1) by inserting $125,000" in lieu of "$50,000"; and

(2) in paragraph (3) by adding a new sentence at the end to read as follows: "Such penalty shall constitute a maritime lien on the vessel and may be recovered in any action in rem in the district court of the United States having jurisdiction over the vessel.".

(b) Subsection (d) is amended in paragraph (1) by inserting at the end a new sentence to read as follows:

"The proceeds from forfeiture actions under this subsection shall constitute a separate recovery in addition to any amounts recovered as civil penalties under this section or as civil damages under section 312 of this title, and none of these proceeds shall be subject to set-off.".

(c) Subsection (e) is amended in paragraph (1) by—

(1) deleting "and" at the end of subparagraph (A);

(2) inserting ";" in lieu of the period at the end of subparagraph (B); and

(3) inserting new subparagraphs (C) and (D) to read as follows:

"(C) the reasonable and necessary costs for the enforcement of this title or of any implementing regulation or permit issued under this title, including any necessary expenses for equipment, training, travel, witnesses and contracting services for enforcement investigations or proceedings; and

"(D) any valid liens or mortgages against any property that has been forfeited.".

SEC. 9. Section 309 (16 U.S.C. §1440) of the Act is amended to read as follows:

"SEC. 309. RESEARCH, MONITORING AND EDUCATION.

"(a) The Secretary shall conduct research, monitoring, evaluation and education programs as are necessary and reasonable to carry out the purposes and policies of this title.

"(b) The Secretary shall take such action as is necessary and reasonable to promote and coordinate the use of national marine sanctuaries for research, monitoring and education purposes including—

"(1) requiring that the National Oceanic and Atmospheric Administration, in conducting or supporting marine research, monitoring and education give priority to those involving national marine sanctuaries; and

"(2) consulting with Federal agencies, States, local governments, regional agencies, interstate agencies or other persons to promote use of one or more sanctuaries for research, monitoring and education, including coordination with the National Estuarine Research Reserve System.".

SEC. 10. Section 311 (16 U.S.C. §1442) of the Act is amended to read as follows:

"SEC. 311. COOPERATIVE AGREEMENTS AND DONATIONS.

"(a) COOPERATIVE AGREEMENTS, GRANTS AND OTHER AGREEMENTS.—

"The Secretary may enter into cooperative agreements, grants, contracts or other agreements with States, local governments, regional agencies, interstate agencies or other persons to carry out the purposes and policies of this title.

"(b) AUTHORIZATION OF SOLICITATION OF DONATIONS.—

"The Secretary may enter into such agreements with any nonprofit organization authorizing the organization to solicit private donations to carry out the purposes and policies of this title.

"(c) DONATIONS.—

"The Secretary may accept donations of funds, property and services for use in designating and administering national marine sanctuaries under this title. For the purposes of Federal income, estate, and gift taxes, donations accepted under this section shall be considered as a gift or bequest to or for the use of the United States.".

SEC. 11. Amendments to section 312 (16 U.S.C. §1443) of the Act.

"(a) Subsection (a) is amended—

(1) in paragraph (1) by inserting at the end a sentence as follows:

"Nothing in the Act of March 3, 1851 (46 U.S.C. §§183 *et seq.*) shall in any way limit the liability of any person under this title.";

(2) in paragraph (3) by revising subparagraph (B) to read as follows:

"(B) the destruction, or loss of, or injury to the sanctuary resource was caused by an activity specifically authorized by Federal or State law, and the activity was conducted in compliance with the terms and conditions of any required permit or license; or"; and

(3) by adding new paragraphs (4), (5), and (6) to read as follows:

"(4) ADMINISTRATIVE COSTS.—

"The Secretary shall recover administrative costs and expenses, including direct and indirect costs of attorney time and other enforcement expenses, necessary for, and incidental to, the response, the damage assessment and restoration planning, any restoration, replacement or acquisition of the equivalent undertaken and any actions necessary to recover damages, as defined in this title, for such activities.

"(5) INTEREST.

"The amounts recoverable in an action under this section shall include interest on the amounts recoverable as damages and response costs as defined under section 302 and any regulations issued thereunder. Interest (including prejudgment interest) is in addition to damages and response costs as defined under section 302 and any regulations issued thereunder. Such interest shall be paid for the period beginning on the date of injury, destruction or loss. The accrued interest shall be used for the purposes established under this section.

"(6) CALCULATION OF INTEREST.—

"The interest paid under this section shall be calculated at the average of the highest rate for commercial and finance company paper of maturities of 180 days or less obtaining on each of the days included within the period for which interest must be paid to the claimant, as published in the Federal Reserve Bulletin.".

(b) Subsection (d) is amended—

(1) by amending paragraph (4)—

(A) to include "the court decree or settlement agreement, and" after "in accordance with"; and

(B) to include a new sentence at the end of the paragraph to read as follows:

"*Provided, however,* That if the Secretary and the Governor have not entered into an agreement within 120 days from the date of recovery of those amounts, the Secretary may use those amounts under paragraphs (2)(A) and (B) in accordance with the court decree or settlement agreement.";

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting a new paragraph (4) to read as follows:

"(4) REMAINING AMOUNTS.—

"Amounts remaining after the operation of paragraphs (2) and (3) shall be deposited into the General Fund of the Treasury.".

SEC. 12. Section 313 (16 U.S.C. §1444) of the Act is amended to read as follows:

"SEC. 313. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Secretary to carry out this title $7,299,000 for fiscal year 1993 and such sums as may be necessary for fiscal years 1994, 1995 and 1996.".

SEC. 13. Title III of the Act is amended by adding a new section 315 to read as follows:

"SEC. 315. ADVISORY COUNCILS.

"(a) ESTABLISHMENT.—

"The Secretary may establish one or more Advisory Councils in order to obtain assistance in the designation or management of one or more national marine sanctuaries.

"(b) MEMBERSHIP.—

"Members of the Advisory Councils may be appointed from among (1) members of Federal or State agencies with management responsibilities for the environment, (2) members of Regional Fishery Management Councils, and (3) representatives of local industries, commercial user groups, conservation or other public interest organizations, scientific organizations, educational organizations, recreational user groups or other persons interested in the protection of sanctuary resources and the multiple-use management of national marine sanctuaries.

"(c) ADMINISTRATION.—

"Each Advisory Council shall elect a chairperson and may establish subcommittees and adopt by-laws, rules, and such other administrative requirements and procedures as are necessary for the administration of its functions.

"(d) ASSISTANCE.—

"The Secretary may make available to an Advisory Council such information and administrative services and assistance as the Secretary determines are reasonably required for such Advisory Council to carry out its functions.".

SEC. 14. Title III of the Act is amended by adding a new section 316 to read as follows:

"SEC. 316. MANAGEMENT OF HISTORICAL RESOURCES LOCATED IN NATIONAL MARINE SANCTUARIES.

"(a) The Secretary shall protect and manage any historical resource located in a national marine sanctuary consistent with this title, the regulations issued under this title and the purposes of designation of the sanctuary in which the particular resource is located.

"(b) Any shipwreck abandoned or otherwise in a national marine sanctuary shall be subject to the Secretary's authority to pro-

tect and manage the sanctuary and its resources."

SECTION-BY-SECTION ANALYSIS

Title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (16 U.S.C. §§1431–1445) (the Act) authorizes the Secretary of Commerce to designate for protection as National Marine Sanctuaries areas of special national significance because of their resource or human-use values. Nine National Marine Sanctuaries have been designated by the Secretary to date. In addition, the Secretary manages the Florida Keys National Marine Sanctuary, which was designated by Congress in 1990.

The authorization of appropriations for title III will expire September 30, 1992. Section 12 of the bill authorizes appropriations of $7,299,000 for fiscal year 1993 to implement title III and such sums as may be necessary for fiscal years 1994 through 1996.

Section 2(a) amends section 301(b)(3), Purposes and Policies, to emphasize the use of sanctuaries for long-term monitoring and research. Monitoring and research of the existing resources and qualities serve an important role for the Program by identifying problems that need to be addressed in protecting sanctuary resources. They also provide information useful for transfer to other management programs and other sanctuary activities such as public education.

Section 2(b) amends section 301(b)(5) by striking the term "facilitate" and substituting the term "allow" to clarify that the Program has no affirmative obligations to assist users of a sanctuary or its resources. The purpose of the change is to reflect the intent of title III to allow multiple uses of the sanctuaries that are compatible with the primary objective of resource protection.

Sections 3(a) through (c) amend section 302(6), Definitions, to include within the definition of "damages" the cost of long-term monitoring of the affected sanctuary. Monitoring is necessary to check the restoration work, and determine if additional or modified efforts are required. Monitoring is an important part of the effort to restore the resources to their pre-damaged condition, and Congress intended that the cost of monitoring should be part of the damages to be recovered. Since monitoring costs can equal or even exceed the initial restoration or replacement work, the draft bill provides express confirmation that these costs are intended as part of damages to be recovered.

Section 4 amends section 303(a), Standards for Sanctuary Designation, to conform the statute with current Program operations. The sanctuary management plan and regulations supplement areas where existing authorities are not fully addressing protection of sanctuary resources and qualities. Thus, a required finding that existing authorities should be supplemented more clearly reflects current designation, operations and management.

Sections 5 (a) and (c) amend section 304(a), Procedures for Designation and Implementation, to streamline the designation process by providing Congressional committees documents, including an "executive summary" to the Draft Environmental Impact Statement (DEIS) for a proposed sanctuary, in lieu of a prospectus. Information contained in the prospectus largely duplicates that contained in the DEIS, draft management plan and draft regulations for a proposed sanctuary. Elimination of this redundant document would simplify the designation process and reduce associated staff and production costs.

Section 5(b) amends the fishing regulation provision to provide for cooperation with other appropriate fishery management authorities.

Section 5(d) amends section 304(b), Procedures for Designation and Implementation, and deletes the 30-month deadline for completion of the sanctuary designation process. The original statute had no such deadlines. The requirement was added in the 1988 amendments. Although it may be possible for some sanctuaries to be designated by 30 months, experience has shown that the designation process frequently requires more time. The designation process involves extensive consultations with potentially affected parties, a massive quantity of information that must be collected and analyzed, administrative tasks such as printing, and satisfying the requirements of this title, the National Environmental Policy Act, the Administrative Procedure Act, and various other Acts. Meeting these requirements may take longer than 30 months for the designation of some sanctuaries.

Section 6 amends section 305, Application of Regulations and International Negotiations, to clarify for the Program and associated enforcement agencies that, consistent with international law, the Program has authority to apply and enforce to the 12-mile U.S. territorial sea limit and to the 200-mile limit of the U.S. Exclusive Economic Zone (EEZ). This change is not intended to limit the scope of the Program's jurisdiction, only to make clear that the 12-mile U.S. territorial sea and the EEZ are included. The purpose of this amendment is to strengthen the Program's ability to protect sanctuary resources and qualities.

Section 7 amends section 306 to expressly prohibit the violation of any provision of this title or any regulation or permit issued pursuant to this title. Section 306 as amended will assist the Program in the enforcement of title III and the recovery of damages. Section 7 of the bill also prohibits interference with enforcement actions, similar to prohibitions found in the Magnuson Act.

Section 8(a)(1) amends section 307(c)(1), Civil Penalties, to raise the amount of the civil penalty provision from $50,000 to $125,000 in order to strengthen the Program's ability to deter violations of title III and its regulations, and to comply more fully with the original purposes and policies of the Sanctuary Program. The amount of penalty has direct implications for its use as a deterrent to the destruction or injury of sanctuary resources. Since the amount recovered may be used for management, including but not limited to restoration and enforcement, it is important to keep the penalty provision commensurate with costs of repairing the damages resulting from violations. The $50,000 penalty was established in 1972 with the original enactment of this title and its impact as a deterrent has been diminished by inflation. The Federal Civil Penalties Inflation Adjustment Act of 1990 (Public Law No. 101–410) recognized the need for the regular adjustment of civil monetary penalties and suggests a cost-of-living adjustment based upon the Consumer Price Index. Adjusting for inflation, the adjusted amount as of November 1991 would be approximately $112,000. The bill request raising the amount to $125,000 to account for inflation during the four-year reauthorization period, and to reflect the continuing importance of protecting sanctuary resources through preventive measures.

Section 8(a)(2) amends section 307(c)(3), Civil Penalties, to provide authority to obtain a maritime lien. Under admiralty law, express authority is required to create a proprietary right in a vessel. Under the current provisions, the *in rem* authority only creates a non-proprietary right, which has less priority than maritime liens. The change improves the likelihood of recovery of civil penalties under title III. The new provision is similar to the maritime lien provision in the Magnuson Act.

Section 8(b) amends section 307(d)(1), Forfeiture, to clarify that forfeiture claims are not subject to set off against sanctuary resource damage claims or civil penalties. The change addresses arguments that the forfeiture provision is not a separate claim, but merely a means of recovery requiring a reduction from the total amount of recovery for the value of the vessel, i.e., a set-off. The Department of Justice and NOAA have interpreted title III to allow separate recoveries not subject to set-off. The change clarifies this authority and will assist the Program in recovering amounts sufficient to restore the resources.

Section 8(c) amends section 307(e), Forfeiture Proceeds, in order to broaden the Program's use of amounts received under the forfeiture provision to include support for enforcement activities related to title III, its regulations and permits. Under current forfeiture provisions, the amounts recovered can only be used for rewards, or for the storage, care, and maintenance of the seized property or sanctuary resources. Such funds cannot be used for other Program purposes. The amounts recovered under the civil penalties provision and section 312 damages, as previously indicated, can be used for response costs, damage assessments, restoration and management.

Section 9 combines the Secretary's marine sanctuary research and education program responsibilities under section 306 with the research responsibilities under section 309. As revised, section 309 sets forth the Secretary's responsibility to conduct research, monitoring, evaluation and education to carry out the purposes of title III. This paragraph broadens the entities with which the Secretary should coordinate to include public and private institutions. Existing language only refers to Federal and State agencies. Section 9 specifically requires coordination and cooperation of the Sanctuary Program with the National Estuarine Research Reserve System in order to emphasize the need for coordinated research, monitoring, education and protection of land/sea ecosystems under NOAA management or oversight. Such coordination would benefit both programs and the public through efficient and comprehensive research, education and management.

Section 10 amends section 311, Cooperative Agreements and Donations, to provide the Secretary with the express authority to provide financial assistance for research, monitoring, evaluation and education. This section allows the Secretary to utilize different types of legal instruments for entering into agreements with various entities for purposes of implementing title III. It also clarifies that donations are gifts or bequests to the United States for the public purposes of carrying out the goals of this title.

Section 11(a) amends section 312(a), Liability, to provide for the recovery of administrative costs of sanctuary resource damage cases, including the direct and indirect costs of attorney time and other enforcement expenses. It also adds provisions similar to those in the Oil Pollution Act of 1990, to recover interest, including prejudgment inter-

est, as damages. The purpose is to ensure that there are sufficient amounts recovered to address the damage assessment and restoration needed for the sanctuary resources that have been injured or destroyed.

Section 11(a)(2) amendments section 312(a)(3), Defenses, to clarify one of the defenses to liability. The defense under subparagraph (B)—destruction, loss or injury to sanctuary resources caused by an activity authorized by Federal or State law—has been clarified to indicate that the defense applies only to those activities specifically authorized by a State or Federal law and which were carried out in compliance with any required permit or license. The existing provision is very broad and there is concern that it would be available to permittees who violate the regulations or permit conditions. This change will also limit the meaning of "authorized" and be of assistance in cases such as the *Maitland*, in which defendants argued that authorization to remove the grounded vessel came within the defense and thus any damages that might have been associated with that activity were not recoverable damages.

Section 11(b) amends portions of section 312(d) concerning Federal-State coordination to require that the agreement required between the Governor and the Secretary with respect to use of monies recovered for damage to resources within State waters in a sanctuary be entered into within 120 days of receipt of the funds pursuant to a court decree or settlement agreement. In the event an agreement between the Department and the State is not reached, the Secretary is authorized to use amounts recovered consistent with the court decree or settlement agreement. This authority will prevent unreasonable delay in using recovered amounts to address resource damages. The change is not an intrusion on State jurisdiction because as a co-trustee the State would have approved the settlement agreement, or be subject to the court decree as a party to the suit. Section 11(b) also clarifies that any response costs and damages recovered under section 312 and civil penalties recovered under section 307 that are not used for specified purposes shall revert to the General Fund of the Treasury.

Section 12 amends section 313, Authorization of Appropriations, to set forth the Program funding requirements in accordance with approved budgetary requests.

Section 13 adds a new section 315, Advisory Councils. This section authorizes the Secretary to establish Advisory Councils, as appropriate, to advise in the development and management of individual sanctuaries. Councils representing members of the community potentially affected by sanctuary designation can greatly facilitate the designation of new sanctuaries by providing a formal mechanism through which the Program can reach a broad spectrum of interested parties. After designation, the Councils provide a permanent and open forum for public input and conflict resolution, both necessary for effective sanctuary management.

Section 14 adds a new section 316, Management of Historical Resources Located in National Marine Sanctuaries, to clarify the Department's authority to protect and manage such resources within a national marine sanctuary. Questions have arisen as to the Department's authority to protect and manage historical resources to which a State has title under the Abandoned Shipwreck Act, and to protect and manage such resources beyond State waters. This amendment clarifies that the Department has authority under this title to protect and manage these resources within sanctuaries in State waters, and strengthens its ability to meet its obligations under Federal historic preservation statutes.

This section also authorizes the Program to protect and manage these resources in sanctuaries located seaward of States' boundaries as to persons subject to the jurisdiction of the United States, and as to foreign persons consistent with international law. The remains and associated artifacts of any foreign vessel subject to sovereign immunity shall be treated in accordance with international law.

By Mr. DANFORTH (for himself, Mr. BOREN, Mr. BAUCUS, Mr. BREAUX, Mr. CHAFEE, Mr. DASCHLE, Mr. DURENBERGER, Mr. GRASSLEY, Mr. HATCH, Mr. MOYNIHAN, Mr. RIEGLE, and Mr. ROCKEFELLER):

S. 2773. A bill to amend the Internal Revenue Code of 1986 to extend certain expiring tax provisions, and for other purposes; to the Committee on Finance.

TAX EXTENSION ACT

• Mr. DANFORTH. Mr. President, I am introducing today a bill for myself and Senators BOREN, BAUCUS, MOYNIHAN, CHAFEE, DURENBERGER, DASCHLE, HATCH, RIEGLE, GRASSLEY, ROCKEFELLER, and BREAUX. These sponsors represent a majority of the members of the Senate Finance Committee. This bill extends for 18 months tax provisions scheduled to expire by June 30, of this year.

Given the current state of the economy, this legislation is absolutely vital. Many creative proposals are being circulated with an aim to stimulate economic recovery. Consensus on these proposals remains far off. The economy and the citizens of this country cannot afford to wait for Congress and the administration to agree on a grand long-term plan that will have no effect on the economy for several years, even assuming that agreement can be reached some time next year. Many proposals that could create jobs and stimulate the economy are unlikely to be acted upon this year.

There is widespread agreement that America's cities need prompt and constructive action by Congress. This legislation will extend the tax credit for the production of low-income rental housing and the tax credit for businesses that hire economically disadvantaged Americans. It is unthinkable that Congress would permit these provisions to lapse.

Mr. President, we have it within our power to ensure that jobs and economic stimulus now being created by these provisions are not lost. We have the power and we have the responsibility.

The provisions that are the subject of the legislation that we are introducing benefit the economy by, among other things, encouraging research and development, stimulating construction of low-income housing, making home ownership possible for people with low and moderate incomes, and promoting the hiring of the structurally unemployed. These significant economic benefits will be lost if we allow the tax incentives designed to encourage such activities to expire.

HOUSING INCENTIVES

The low-income housing tax credit is to expire on June 30. Since its enactment in 1986, the program has become the principal Federal incentive for the production of low-income housing. More than 365,000 low-income rental units have been produced nationwide through use of the credit. Currently, the credit is responsible for the production of 120,000 units per year. In 1989 and 1990, when new multi-family construction was declining across the board, the credit was responsible for approximately 25 percent of all multifamily rental starts. Moreover, credit-assisted production accounts for between 95 and 100 percent of low-income multifamily rental production units that rent for less than $450 per month. The National Association of Home Builders [NAHB] estimate that the credit will result in preservation of 620,000 low-income units in the next decade, and production of 640,000 new low-income rental units.

The low-income housing tax credit has benefits extending beyond providing housing for low-income individuals. Growth in housing stock also is a tool to revitalize local economies. NAHB estimates that the credit generates $140,000 of economic activity per housing unit. In addition, increased wages, property values, and tax revenues from increased activity add an estimated $16.8 billion to the economy and $1.2 billion in tax revenues annually.

The credit also translates into jobs. The NAHB estimates that the credit is responsible for close to 100,000 jobs per year, with approximately 40 percent in the construction industry.

Planning, structuring, and building a tax credit project is complicated, time consuming, and costly. A developer has little incentive to invest in such projects unless he or she is assured that the credit will exist throughout the life of the project. In addition, much of the money generated for tax credit projects is accumulated through pooled equity funds. The constant uncertainly surrounding the credit's extension stifles investment in these sources of capital. A lapse in the program will severely damage investor confidence.

A related provision to encourage housing for middle- and low-income taxpayers also is set to expire at the end of June. That provision provides for the issuance of qualified mortgage bonds, the proceeds of which are used to finance the purchase of qualifying rehabilitation of single family, owner-occupied homes within the jurisdiction of the bond issuer. Because the interest

earned on these bonds is exempt from Federal income tax, the bonds provide mortgage money at lower than conventional rates.

What does it mean to the country if we let these provisions lapse? For low-income Americans it will mean the elimination of their best chance for a decent place to live. For State and local governments it will mean the total disruption of housing programs that feature the credit as a centerpiece. Moreover, the unprecedented private sector investment in low-income housing that the credit has fostered will dry up.

How can we afford to let these two invaluable housing incentives lapse? The answer is, we cannot—and a vast majority of the Members of this Senate realize the importance of these provisions. Over 80 Senators have cosponsored legislation that would make these provisions permanent.

JOBS FOR PEOPLE WITH SPECIAL NEEDS

Another important program that will lapse at the end of June unless action is taken by this Congress is the targeted jobs tax credit [TJTC], which encourages employers to hire persons from targeted groups with special employment needs.

Since its inception in 1979, TJTC has been directly responsible for encouraging employers to hire approximately 5 million structurally unemployed individuals. Expiration of this proven, cost-effective jobs program will have a significant adverse impact on economically disadvantaged and disabled individuals. A recent General Accounting Office [GAO] study on TJTC confirmed that the credit has helped to change hiring practices and stimulate managers to seek out, recruit, hire, and retain employees of the targeted groups.

It is imperative that there be no lapse in the TJTC program. TJTC requires an appropriation for the Labor Department so it can certify the targeted individuals who qualify for the program. In addition, job services will not process letters of request for certification if there is a lapse in the program. Moreover, absent a TJTC, State agencies responsible for administering the credit will be idle, and perhaps closed.

Especially now, with current hiring levels making it more difficult for those with less skill and training to get jobs, TJTC offers disadvantaged people an opportunity to compete in the job market. Let us not take this opportunity away from them.

AMERICA'S COMPETITIVE EDGE: R&D

American business would be disadvantaged by a lapse of tax incentives to spur research and development [R&D]. International competition is a major challenge to the continued growth and vitality of domestic corporations. The quality and extent of domestic R&D is vital to the ability of U.S. businesses to remain competitive in international markets. Japan and Germany spend approximately one-third more of national income to develop commercially useful processes and technologies than does the United States.

The ability of America's science and technology community to develop new ideas, which are then incorporated into products and services, has long been recognized as a vital component of our national competitiveness strategy. Everyone—Congress, the administration, and the business community—agrees that bolstering R&D is one key to bolstering U.S. competitiveness.

With the existence of the R&D tax credit and moratorium on section 861-8 being threatened, the time to act is now. We need to take action today that will improve the prospects for tomorrow.

It has been estimated that the R&D credit extension could increase spending on research and development by $25.7 billion between 1991 and 1995. The R&D credit is not a subsidy, but an incentive because only those companies that increase their spending on R&D could claim it. The projected increase in spending would have obvious benefits to technological research, but it would also have a ripple effect creating jobs, and stimulating local economies and businesses.

Section 861-8, as it applies to research, is an onerous provision requiring U.S. companies with foreign operations to allocate a percentage of their research expenditures to income earned abroad. I would strongly urge Treasury to respond to the request from many of us in Congress, including Chairmen BENTSEN and ROSTENKOWSKI, that it unilaterally imposed an indefinite moratorium on the regulation. In effect, the provision is a disincentive to conducting R&D here at home. Recognizing this, Congress has repeatedly prevented this regulation from taking effect by adopting a series of moratoria. Continuing the moratorium does not give American companies a tax break. Continuing the moratorium simply eliminates a penalty leveled against American companies—a number estimated to be over 300—for doing research and development in America. In 1988, these affected companies performed over $46 billion in R&D, almost 80 percent of all industry-funded U.S. R&D. Mr. President, if America is going to get back on its feet, we need to act now. Extending these two widely supported and important R&D tax provisions is a sound, logical step.

ENCOURAGING EDUCATION

Unless Congress acts, the education assistance program found in section 127 of the Code will expire, leaving millions of low- and middle-income American workers without the only means they have to advance their education and increase their job skills.

Student assistance has been cut back dramatically since 1981, with more than $2.8 billion lost from Social Security benefits for students, as well as restrictions on grants and loans. This program is a proven one. Since 1978, more than 7 million Americans have been able to work and attend classes in order to improve their skills and qualify for better jobs. And this program benefits those underprivileged individuals who need it most. A recent study showed that nearly 71 percent of those who received section 127 payments earn less than $30,000 annually, and nearly 99 percent earn less than $50,000 annually.

Retroactive extension of section 127 creates administrative nightmares for employees. Employers are uncertain whether or not to begin withholding taxes on the amount of educational assistance employees are receiving, or whether the section will be extended and withholding is unnecessary. In addition, the inability of employees to plan long-term educational strategies keeps thousands of employees from furthering their education. At a time when we should be encouraging employees to educate their work force, we should not let this provision expire, sending a sign that we do not care about the average workers.

HEALTH CARE

Also set to expire in June is an important health care provision. It allows self-employed individuals the ability to deduct 25 percent of amounts paid for health insurance on behalf of the self-employed individuals and his or her spouse and dependents. While we will not be able to enact a comprehensive health care plan to keep down the cost of health care before the end of this year, we have the ability to make sure that the cost of health insurance for the self-employed and his or her family is not increased by our inaction.

CHARITABLE GIVING

For a number of charitable organizations, gifts of appreciated property have declined since 1986 when the unrealized appreciation of such gifts was made a tax preference item for purposes of the alternative minimum tax [AMT]. This change in law directly and negatively affected gifts given to colleges and universities which use such gifts for scholarship funds, endowed chairs, construction and renovation of classrooms and laboratories.

In 1990, the unrealized application with respect to charitable contributions of tangible personal property was exempt from the AMT calculation. This provision is set to expire at the end of 1991. At a time when the economy is sluggish and charitable giving is usually stifled, we should not be responsible for creating a further disincentive for charitable giving by allowing this provision to lapse.

Other important provisions set to expire at the end of the year—provisions that have proven their worth time and time again—include the exemption

from tax on qualified small issues of private activity bonds, tax credit for orphan drug chemical testing, business energy tax credit for solar and geothermal property, and exclusion from income for employer-provided group services.

Our bill also repeals the luxury tax. There has been much concern that the luxury tax has failed to raise the revenue projected at the time of its enactment. Moreover, there is concern that the tax creates a net loss in federal receipts. It also has been suggested that the legislation has resulted in significant job losses in many industries. I believe the luxury tax should be repealed in its entirety. I will continue to support and work for total repeal. In this bill, we propose a partial repeal, in recognition of budget constraints.

Mr. President, this is the time to act. Though some may argue that these provisions can be dealt with later, possibly even next year, retroactive legislation is not an adequate alternative. The fact is that, faced with the possibility that these provisions may not be extended, many businesses will have no alternative but to cut back dramatically and in some cases discontinue the activities encouraged by these tax incentives. This is bound to have an adverse impact on technological innovation, employment, and construction. Moreover, once business opportunities are lost, they are often never fully recaptured.

Though there may be no consensus on how best to stimulate the economy in the long term, there is broad bipartisan consensus as to the policy merits and practical effectiveness of these provisions. In addition, I fear that failure to renew these economic incentive measures may slow an already stagnating economy. Accordingly, extending these tax provisions is something that we can do now to benefit the economy.

Finally, this legislation does not contain the specific revenue proposals to pay for extension of the expiring provisions. However, Senator BOREN and I have identified a list of potential revenue measures that would cover the cost of the extensions. Taken together, the extensions and the revenue offsets will meet the terms of the 1990 Budget Act. We will continue to work with our colleagues to identify those which are appropriate and acceptable.

I look forward to working with the committees in acting on these measures immediately.•

• Mr. BOREN. Mr. President, I am pleased to introduce legislation extending the expiring tax provisions until the end of 1993 with my colleague from Missouri, Mr. DANFORTH. The widespread and bipartisan support for this legislation is apparent from the list of cosponsors; a majority of Democratic and Republican members of the Senate Finance Committee join us as original cosponsors of the extension. Representatives GUARINI and MCGRATH are introducing similar legislation in the House of Representatives today.

It has become increasingly apparent that the Congress will be considering tax legislation during the next 6 weeks. The Emergency Unemployment Compensation Program must be extended before the program terminates on July 4, 1992. Recent events in Los Angeles have dramatically revealed the crisis in our inner cities and will necessitate prompt and innovative solutions to urban problems. Many of those solutions will include changes in the tax code.

Any consideration of necessary tax initiatives is not complete without consideration of the expiring tax provisions. With the exception of the tax credit for unconventional fuels, all will expire at the end of June. One unfortunate effect of temporary extensions of tax provisions is a decreased ability for taxpayers to plan for the future. Farsighted tax policy must meet taxpayers' need for certainty as they make investment and savings decisions for the long term. Temporary programs must be reconsidered frequently, forcing taxpayers to make economic decisions in an unsettled tax environment. Individuals and businesses simply cannot plan when we have a start-and-stop tax policy.

Thus, I would be happier to introduce legislation to extend many of the expiring provisions permanently, Given the budgetary and fiscal constraints under which we work, however, such legislation is impossible at this time. The expiring provisions, emergency unemployment benefits and programs to rescue the Nation's cities must all receive a share of very limited resources.

But our belief in the need for certainty in the Tax Code has shaped this legislation in important ways. First, it is imperative that this legislation be enacted before the end of June when most of the provisions expire. Many of these programs—for example, the targeted jobs tax credit—lose a great deal of their potency when they are extended retroactively. Businesses are unsure if they will receive a credit for hiring disadvantaged youths after June 30; therefore, they are much less likely to make the effort to recruit and employ these individuals. Retroactive extension is disastrous both for the program and the Americans we seek to help

Second, Senator DANFORTH and I have proposed that the expiring provisions be extended for 18 months. This more lengthy extension allows businesses and individuals to plan until at least the end of 1993. Certainly, this is not an exceedingly long time horizon, but it is better than the mere 6 months of certainty they were given in December 1991. Moreover, an 18-month extension gives Congress sufficient time to consider and pass the next extension of many expiring provisions. Perhaps with more time, we can find the revenue to extend them permanently.

Before I discuss some of the specific provisions, I want to emphasize the heightened importance of several of these provisions in the wake of the violence in Los Angeles. Before the riots, we were all aware of the hopelessness felt by many trapped in the poverty of the inner city. The recent violence forcefully brought home the rage that this despair has engendered. It is a scandal that we sit by while another generation of inner-city young people drop out of school and into the streets, joblessness, drugs, and the dependency systems of welfare or prison.

The solution to this difficult problem is multifaceted and will include jobs programs, like the Community WPA that I have proposed, and improvements in our educational system. It will also include a renewed commitment to some of the expiring tax provisions that provide the disadvantaged with a job—the targeted jobs tax credit—or with decent housing—the low-income housing credit and mortgage revenue bonds.

This legislation extends 14 expiring tax provisions until the end of 1993. In addition, it repeals the luxury tax on boats, airplanes, jewelry, and furs, and it indexes the threshold for the luxury tax on automobiles. I will not discuss all these provisions, except to note that all have broad, bipartisan support and all have their champions in the Senate and in the House. I would like to discuss a few of the provisions in greater detail.

REPEAL OF THE AMT PREFERENCE FOR CHARITABLE GIFTS OF APPRECIATED TANGIBLE AND INTANGIBLE PROPERTY

Gifts of appreciated property are critical to those sectors of our society that depend heavily on philanthropy for support. For example, 80 percent of the collections in American museums are the result of donations of appreciated assets that are part of our cultural heritage. Land conservation groups depend on gifts of appreciated land to help conserve open space for public enjoyment and protection of important wildlife. We must not allow this Nation's great institutions of learning, art, and science to languish because our Tax Code punishes the generosity of benevolent Americans.

The importance of this provision was demonstrated convincingly by a recent survey of museums. When donations in 1990, when the Tax Code did not allow favorable tax treatment for gifts of appreciated personal property, were compared to donations in 1991, the survey revealed an increase of 541 percent in the value of donated items. The legislation Senator DANFORTH and I introduce today would not only ensure that gifts of tangible personal property are encouraged, it would also extend that favorable treatment to gifts of all tan-

gible and intangible property, including gifts of appreciated real estate. This proposal has universal support in the charitable community, bipartisan support in Congress, and the strong support of the President.

EXTENSION OF SECTION 29, THE TAX CREDIT FOR UNCONVENTIONAL FUELS

It is increasingly apparent that our Nation will depend on natural gas resources to meet a great deal of our energy needs in the future. A recent study on the role of natural gas in our Nation's energy plan concluded that "natural gas can smooth the transition of our economy through at least the first half of the 21st century." An important part of our natural gas supply comes from unconventional sources, such as tight sands, Devonian shale, and coalbed methane. In 1990, as much as one-third of all U.S. gas wells were drilled in unconventional gas formations. The incentive provided by section 29 has been a significant factor in the increased drilling for unconventional gas.

Not only does the credit enhance the Nation's energy independence from foreign sources of oil, it also promotes an environmentally sound energy policy. Development and production of natural gas from unconventional sources increases the availability of the cleanest-burning hydrocarbon fuel. This production can be used to replace pollution-causing fuel. In the case of coalbed methane, the environmental arguments are particularly persuasive. Until recently the gas was vented into the atmosphere to protect miners from gas explosions in the mines. Not only did this practice waste the natural gas, but it also contributed to the greenhouse effect.

Section 29 is scheduled to expire at the end of 1992. The legislation that we introduce today extends the tax credit for another year, providing another 12 months of incentive for increased production of natural gas from unconventional sources.

TAX PROVISIONS TO INCREASE THE NUMBER OF JOBS IN THE ECONOMY

Recently, we have been dramatically reminded of the poverty and the despair that exists among the unemployed in our Nation's cities. Indeed, the cycle of poverty occurs in many areas of our country, including in many rural areas. We must respond to the sense of futility and hopelessness felt by the unemployed by providing them jobs and a new sense of selfworth. The Government has a vital role to play in this process, both through the direct creation of jobs with programs such as the Community WPA that I have introduced and through tax incentives to encourage the creation of private sector jobs. This legislation extends two such incentives at a time in our history when such provisions are vital to our economic and social well-being.

First, the bill extends the small issue Industrial Development Bond Program for another 18 months. In 1989, there were $3.227 billion in small-issue IDB's, which financed an estimated 1,100 projects. These projects directly created approximately 59,000 new jobs, and allowed 73,000 jobs to be retained. Importantly, it is estimated that for every manufacturing job created, an additional 2 to 2.5 new jobs are created in services and related fields. This equates to the indirect creation of between 118,000 to 182,500 jobs through the small-issue IDB Program.

Second, the targeted jobs tax credit is a crucial component of any proposal to revitalize the Nation's cities. The credit was first enacted in 1979 to provide an incentive to employers to hire workers from target groups experiencing unusually high rates of unemployment. These groups include economically disadvantaged youths, Vietnam veterans, physically or mentally handicapped persons, ex-offenders, AFDC and general assistance recipients, and SSI recipients. These groups comprise an economic underclass in our inner cities, trapped in a vicious circle of poverty and dependency. In a time of recession, the targeted jobs tax credit program becomes even more critical because the individuals for whom the tax credit is designed to help often suffer the most and the longest.

The targeted jobs tax credit is an extraordinarily effective tool in encouraging the employment of individuals facing these severe barriers to employment. During the decade since the TJTC was adopted, the program has resulted in jobs for over 4,500,000 structurally unemployed persons. Moreover, the program results in the creation of new jobs. It is estimated that for every 100 TJTC jobs, 15 to 20 net new jobs were created in the economy.

LOW-INCOME HOUSING TAX CREDIT AND THE MORTGAGE REVENUE BOND PROGRAM

Intrinsic to the effort to eliminate the decay in our Nation's urban areas are legislative efforts that help restore a sense of community to these areas. As a nation, we must feel responsible for the fate and well-being of all our fellow citizens. A sense of community can be fostered in part by providing people the opportunity to reside in and to buy decent housing. The bill that Senator DANFORTH and I propose today contains two provisions that will encourage the construction of housing for Americans with lower income.

First, the low-income tax credit has been an important and effective tool to finance the cost of low-income housing, making development possible at rents affordable to low-income tenants. The credit now produces low-income housing at the rate of 125,000 units annually. Since its enactment, the tax credit has helped to finance more than 415,000 low-income rental units serving households with incomes of 60 percent of the area median income or less. Although it is critical for urban development, it is also important in more rural areas. Take my State of Oklahoma as an example. From 1987 to 1990, the tax credit was responsible for the construction of 5,340 units, the creation of 4,411 jobs, and direct investment in the economy of $167,227,440.

The low-income tax credit is only one program to provide affordable housing for lower-income Americans. The Mortgage Revenue Bond Program, the only available Federal mortgage assistance program, has provided mortgages for more than 1.9 million lower-income families, whose incomes on average are below 80 percent of the national median income. In Oklahoma, since 1980 the MRB Program has assisted 21,980 families to buy homes. Without this program, home ownership would remain only a dream for many deserving, hard-working families. Most of the home buyers who used the MRB Program would not have qualified for conventional mortgage loans because of prohibitively high interest rates.

The MRB Program is also a tool to generate jobs in construction and related industries. It is estimated that the MRB loans in 1991 produced 40,000 jobs and generated $860 million in wages. The National Association of Home Builders projects that if MRB's are not extended, 29,000 to 37,000 jobs would be lost in 1993. The elimination of these jobs would put a further drag on the already troubled economy.

The extension of these and the other expiring provisions, in addition to the repeal of the luxury tax on boats, airplanes, jewelry, and furs, and the indexation of the threshold of the luxury tax on automobiles, is established to cost $7.986 billion over the 5-year budget window. Senator DANFORTH and I have identified methods to pay for this legislation, and we will begin to work with our colleagues on the Senate Finance Committee to raise sufficient revenues for the extension of the expiring provisions, as well as for the other tax initiatives that we must pass before the end of June.

These important tax provisions are scheduled to expire in 5 weeks. It is imperative that we act before then to ensure that programs that are crucial to our Nation's economy and to the revitalization of our Nation's cities are allowed to continue without the uncertainty necessary caused by retroactive extension.●

● Mr. CHAFEE. Mr. President, I am pleased to join Senators DANFORTH, BOREN, and our other colleagues in the introduction of this bill to extend all of the expiring tax provisions for 18 months and repeal the luxury tax for airplanes, jewelry, furs, and most importantly for my State of Rhode Island, boats.

These tax provisions, often referred to as the extenders because of their

tenuous existence over the last several years, are an important part of the effort to maintain our competitive position in the world economy.

They encourage education; provide affordable housing, both to renters and first-time home buyers; and to provide jobs for all Americans.

As you know, Mr. President, last year I joined with the distinguished Senator from Michigan, Senator RIEGLE, to introduce a bill to permanently extend the Mortgage Revenue Bond Program. This program has helped thousands of first-time home buyers acquire a home of their own in Rhode Island.

For many Americans, the dream of home ownership continues to become more and more difficult to achieve. The Nation's home ownership rate is at its lowest level in almost two decades. Most of these families will never be able to afford a home if the Mortgage Revenue Bond Program is permitted to expire. I am pleased that we are extending this program for an additional 18 months. But I also want to express my concern that we are once again dealing with this issue on a temporary basis. The Mortgage Revenue Bond Program's value has been demonstrated time and time again, and it is time that we recognize this fact and make the program permanent.

The bill also extends the low-income housing tax credit that was created in the Tax Reform Act of 1986. This credit encourages the construction and rehabilitation of housing for low-income Americans. Like the Mortgage Revenue Bond Program, the effectiveness of this credit in providing low-income housing has been proven during the 5 years since its enactment and we should not let it expire.

The credit provides a valuable tax incentive to both nonprofit and for-profit developers to fund the production and preservation of low-income rental housing. It is absolutely necessary to encourage the development and renovation of housing for the poor.

In my State, the Rhode Island Housing and Mortgage Finance Corporation [RIHMFC], the State housing agency, has used the tax credit to successfully address the needs of our citizens for safe and affordable housing. The loss of these credits would be devastating to their efforts. By combining the credit with bond financing and zero interest second mortgages, RIHMFC has been able to produce and preserve low-income housing in one of this country's most expensive housing markets.

Also provided in this bill is an extension of the research and experimentation [R&E] tax credit. This provision is very important to the continuation of technological innovation in this country. One area of tremendous importance in today's competitive environment is research and development [R&D] which leads to technological innovation. Since 1929, more than two-thirds of our economic growth has resulted from technological innovation.

The United States is falling behind in its development of new technologies. The nations winning the competitiveness race are those that recognize the importance of advanced technology, and work to attract companies that will establish research and development facilities within their borders. To achieve greater economic competitiveness we must foster, not impede, U.S. investment in research and development. We must expand, not export, our technological base.

The R&E tax credit is a very important incentive to encourage American companies to increase the level of research they are doing on new technologies and new products. This credit has served as a very effective incentive since it was first enacted in 1981.

I am sorry that we only extend this provision for eighteen months, since America needs a consistent and permanent R&E policy. Research projects often take years to complete and require businesses to make commitments of funds far in advance of when the benefits will be reaped. Because of this, we need to give them the assurance that a permanent R&E policy would provide.

There are other tax provisions that will be extended by this bill and each are important to the Americans who utilize them and rely on them to fulfill their intended purpose. We must extend them this year, we cannot allow them to expire and expect people to rely on our ability to extend them retroactively next year. I urge my colleagues to join us in cosponsoring this legislation and to support our effort to extend these provisions this year.

Finally, Mr. President, I want to comment on additional aspect of the bill being introduced today. I am very pleased that this bill will, once and for all, repeal the luxury tax. When enacted, this tax was aimed at the rich. But it has had a much different effect. Instead of paying the tax, the rich simply stopped buying those items that were determined to be luxuries.

The boatbuilding industry in Rhode Island, and across the country, has been devastated by the combination of the recession and this tax. I will be the first to admit that the boatbuilding industry was already losing sales as a result of the recession. However the industry has survived recessions that were much worse than the current one. The luxury tax has been the final blow that has devastated one of the few American industries that enjoyed a favorable balance of trade.

It is imperative that we act now to repeal this tax in order to save what remains of this once thriving industry. Many small, independent boatyards in Rhode Island have seen their business decline to virtually nothing. In the process, they have been forced to lay off thousands of workers.

As you know, Mr. President, the Senate has twice expressed its desire to eliminate this tax. In November of last year, 82 Senators voted in favor of a sense-of-the-Senate resolution supporting repeal of the luxury tax. Again early this year, the Senate included the repeal of the luxury tax as part of the tax bill passed by the Senate. Given the overwhelming level of support for repealing this tax, I hope that we can finally do just that.

I commend the efforts of Senators DANFORTH and BOREN in introducing this bill today. Through their efforts, we can take some positive steps toward helping our economy by extending these tax provisions and repealing the luxury tax.●

● Mr. MOYNIHAN. Mr. President, I am pleased today to join my distinguished colleagues, Senator DANFORTH and Senator BOREN, in once again introducing legislation to extend the effective date of several important tax provisions that are otherwise scheduled to expire on June 30, of this year. These provisions include such measures as the tax deduction for gifts of appreciated property, tax-free treatment of employer-provided educational assistance, the low income housing tax credit, the mortgage revenue bond program, and tax-free treatment of employer-provided group legal services benefits, to name a few.

The bill we introduce today would extend these provisions for another 18 months, which is perhaps the best we can do at the moment, though I must say that I would hope we could do better.

This legislation would also repeal the luxury excise tax on jewelry, boats, furs, and planes, and index the threshold for the tax on cars. This too is an important step forward. Since being enacted, this tax has hurt the industries affected and resulted in worker layoffs without generating significant tax revenues.

I am particularly pleased that this legislation would expand the current deduction for gifts of appreciated property so that donations of securities and real estate, as well as artwork and collectibles, are also fully deductible. Prior to the Tax Reform Act of 1986, taxpayers could fully deduct such gifts. That law substantially curtailed this deduction so that taxpayers subject to the alternative minimum tax could only deduct the original cost of the property, not its fair-market value when donated. At that time I thought restricting this deduction was a bad idea. I still do. And I have been working to restore it ever since.

In the Omnibus Budget Reconciliation Act of 1990, Congress enacted a modest version of relief for gifts of appreciated property, limited to gifts of art and collectibles. This change, effec-

tive during 1991 and then extended through the first 6 months of 1992, has resulted in all manner of gifts to museums and universities—everything from rare Benin bronze sculptures to antique race cars. Today's legislation would expand upon this change so that gifts of stock, bonds, and real estate are also eligible for the full deduction. This would especially help our institutions of higher education and advanced research that depend on such gifts to meet their capital needs. The Tax Code must not discourage the giving which maintains so many of our great educational, cultural, and research institutions. The bill we introduce helps to ensure that it does not.

Another important provision to be extended by this bill is the tax-free treatment of employer-provided educational assistance—covered under section 127 of the Internal Revenue Code. Since being enacted in 1978, this program has enabled over 7 million working men and women to advance their education and improve their job skills without incurring additional income tax liabilities by accepting such benefits.

Among the other provisions that this bill would extend are the Low Income Housing Tax Credit [LIHTC] and the Mortgage Revenue Bond [MRB] Program. The LIHTC has been responsible for the construction or rehabilitation of over 420,000 low-income rental housing units since 1987. MRB's have financed some 1.9 million loans to low- and moderate-income home buyers. I would add that I am pleased this bill includes provisions to allow for the use of MRB proceeds for mortgage loans on newly constructed two-family houses. Currently, MRB loans may only be used on existing two-family dwellings.

Thus far in the 102d Congress, legislation has been introduced to extend each of these provisions. I have sponsored S. 24 to permanently extend section 127; and I have cosponsored several others, including S. 359 which would permanently extend and expand the tax deduction for gifts of appreciated property. This comprehensive approach toward all the expiring provisions is a good one in the circumstances.

Regarding the luxury tax, we should repeal it without delay. Luxury taxes are an ineffective means of making the tax burden progressive, and instead arbitrarily impact workers and retailers in specific industries. When such a tax was briefly considered in the Finance Committee in 1987, I worked to defeat it. In 1990, the luxury tax idea resurfaced in an effort, I suppose, to make the Tax Code appear more progressive. The misguided attempt at making wealthier taxpayers pay more was enacted as part of the Omnibus Budget Reconciliation Act of 1990.

Since then, the tax has adversely affected the industries it is imposed upon—and their workers—without raising much money. There is real concern that the tax is costing more to enforce than it has generated in new revenue. I have cosponsored legislation introduced earlier to repeal this tax—S. 1261—and am pleased that today's legislation would do the same.

Mr. President, I applaud the efforts of Senators DANFORTH and BOREN in introducing this important legislation and urge my colleagues to join as consponsors.●

By Mr. HOLLINGS (for himself, Mr. ROCKEFELLER, Mr. BURNS, Mr. REID, Mr. DASCHLE, Mr. FORD, Mr. BRYAN, Mr. SHELBY, Mr. DOLE, Mr. EXON, Mr. BAUCUS, Mr. THURMOND, Mr. LOTT, Mr. BREAUX, Mr. KERREY, and Mr. MITCHELL):

S. 2774. A bill to authorize appropriations to the National Aeronautics and Space Administration for an experimental program to stimulate competitive research on space and aeronautics; to the Committee on Commerce, Science, and Transportation.

EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH ON SPACE AND AERONAUTICS ACT

Mr. HOLLINGS. Mr. President, today I am introducing legislation intended to strengthen the scientific research base throughout this country. Specifically, the bill would establish an experimental program to stimulate competitive research [EPSCoR] within the National Aeronautics and Space Administration [NASA], and authorize funds for the program for fiscal years 1993 through 1995.

In introducing this bill, I am pleased to be joined by 15 other Senators, including Senator ROCKEFELLER, who has been a leader in shaping the EPSCoR program at the National Science Foundation [NSF], as well as the distinguished majority and minority leaders.

Mr. President, Federal support for scientific research currently goes to a relatively small number of universities in a few States. Five States receive almost 50 percent of all Federal research dollars. In contrast, the 18 States and Puerto Rico that have been designated by NSF as participants in the EPSCoR program receive only 2 percent of those Federal research funds.

This concentration of research funding is not in the national interest. Our Nation is losing talented scientists who are not fully trained and are not able to compete simply because the institutions where they study do not have the appropriately advanced infrastructure to support their research efforts. This lack of resources, in turn, limits the diversity of scientific activities and neglects a wide range of promising research opportunities.

States that have been designated as EPSCoR States by NSF are at a distinct disadvantage in the competition to develop technologically sophisticated businesses and industries. A concentration of Federal funding contributes to the crisis of scientific manpower and science literacy by limiting the quality of science education in EPSCoR States. This is important, as over 75 percent of all students attend college in their home States.

This disparity exists also with respect to NASA, as most university education and research grants are typically awarded to a few States. For example, in fiscal year 1990, of the $511.3 million in research grants awarded by NASA, the State of South Carolina received just slightly more than $1 million. On a per capita basis, that translates into $.29 per person in South Carolina, compared to a national average of $2.03 per State. The situation is roughly the same for the other States that NSP has designated as EPSCoR States.

Mr. President, the bill I am introducing today would extend the benefits that have been achieved through the NSF's EPSCoR program to NASA and its education and research programs. It directs the NASA Administrator to conduct a merit grant competition among eligible EPSCoR States in areas of research important to NASA, including space science and applications, aeronautical research and technology, and space research and technology programs.

The bill lays out specific criteria that the NASA Administrator is to consider in awarding these grants, including the application's merit and relevance to NASA's mission, the potential for the grant to serve as a catalyst to enhance researchers in the EPSCoR States to become more competitive for regular NASA funding, the potential for the grant to improve the environment for science, mathematics, and engineering in the State, and the need to ensure the maximum distribution of grants among eligible States, consistent with merit.

At a funding level of $10 million, which this bill authorizes for fiscal year 1993, each EPSCoR State would average about $500,000 of NASA funding, matched by a similar amount from the State, providing about $1 million of additional support each year from each such State in space and aerospace-related research. The expectation of the EPSCoR program is that, at the end of a designated period, these research programs would become nationally competitive without EPSCoR status. Of course, through the peer review process, States with stronger proposals would receive somewhat more than average EPSCoR support, and States with weaker proposals would receive correspondingly less. Individual States could assess their strengths across the breadth of NASA-related research, identify core areas of capability that they propose to enhance, and develop full proposals as a part of a State

EPSCoR proposal. NASA then would review each of these proposed efforts, conduct a site visit to determine the institutional capability and commitment to carry out the proposed work and fund those programs of highest merit.

Our experience with the NSF EPSCoR Program has been highly successful, with numerous results that make it desirable to extend the program to NASA. For example, the process of applying for EPSCoR support has required States to contribute to improving statewide research activities, which have broad goals related to the advancement of science far beyond the Federal dollars made available.

EPSCoR support, usually in the form of expensive equipment otherwise unavailable or of seed money for specific projects, has improved the quality of education and research. The experience of the University of South Carolina have been illustrative of this fact, for as a result of the EPSCoR Program administered by the NSF, the chemistry department is now a national leader and it now ranks 13th in the country in the number of Ph.D.'s it issues. The NSF EPSCoR Program also has made possible the development of the Thermal Science Program at Clemson University. Half of its faculty members are nationally competitive, and the program is one of the strengths of the college of engineering.

The EPSCoR Program at NSF bolstered academic ties within States and across State lines. Cooperation among researchers at different colleges and universities within a State have grown through equipment sharing, multi-university projects, and joint publications. It also has led to increased interaction between business and academic communities. This cooperation means that the private sector contributes to basic research and that universities help create new businesses in their respective States or reinforce long standing ones.

Mr. President, by introducing this bill, I am affirming the need for an EPSCoR Program within NASA. Currently, NASA uses its National Space Grant College and Fellowship Program, through its Capability Enhancement Program, to assist those States that have been designated as NSF EPSCoR States. Without a doubt, the National Space Grant Program is an exceptional program. It builds an infrastructure within each State for the collaborative development of NASA outreach and student support services, provides a network among States for the sharing of ideas and cooperative efforts, and contributes a small amount of discretionary funding that nurtures a wealth of educational programs.

However the National Space Grant Program is not an EPSCoR Program. It does not provide the supplemental support needed to nurture faculty development, which is intended ultimately to improve the State's competitive capabilities relative to established NASA research programs. As chairman of the Committee on Commerce, Science, and Transportation, which oversees NASA and the Civil Space Program, I believe that NASA needs this type of research initiative.

Let me emphasize that by establishing an EPSCoR Program, we do not expect that NASA will drop designated States from the National Space Grant Program. The NASA EPSCoR Program is intended to supplement the existing capability enhancement segment of the National Space Grant Program, not replace it.

Mr. President, as policymakers, it is our responsibility to provide the science and engineering research base needed to ensure the long-term competitiveness of the United States. In that effort, we can no longer afford to waste our scientific talent. By broadening the geographical diversity of NASA's research grants, based on the merit of a peer preview process and in a manner that is consistent with the agency's mission, I am convinced that this bill will help achieve that objective. I urge my colleagues to join me in supporting this legislation.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today be printed in the RECORD.

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

S. 2774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Experimental Program to Stimulate Competitive Research on Space and Aeronautics Act".

FINDINGS

SEC. 2. Congress finds that—

(1) the report of the Advisory Committee on the Future of the United States Space Program has provided a framework within which a consensus on the goals of the space program can be developed;

(2) the National Aeronautics and Space Administration's space science and applications, aeronautical research and technology, and space research and technology programs will serve as the fulcrum for future initiatives by the United States in civil space and aviation;

(3) colleges and universities in many States are currently not able to compete successfully for research grants awarded by the National Aeronautics and Space Administration through its space science and applications, aeronautical research and technology, and space research and technology programs;

(4) balanced programs of space science and application, aeronautical research and technology, and space research and technology should include initiatives designed to foster competitive research capacity in all geographic areas of the Nation; and

(5) by strengthening the competitive research capacity in those geographic areas of the Nation which are not currently fully competitive, the education and training of scientists and engineers important to the future of the United States civil space and aviation programs will be fostered.

POLICY

SEC. 3. It is the policy of the United States that—

(1) the Administrator of the National Aeronautics and Space Administration (hereinafter referred to as the "Administrator"), in planning for national programs in space science and applications, aeronautical research, space flight, and exploration, should ensure the resiliency of the space and aeronautics research infrastructure;

(2) a stable and balanced program of space science and applications, aeronautical research and technology, and space research and technology should include programs to assure that geographic areas of the United States that currently do not successfully participate in competitive space and aeronautical research activities are enabled to become more competitive; and

(3) programs to improve competitive capabilities should be a part of the research and the educational activities of the National Aeronautics and Space Administration.

REQUIREMENTS

SEC. 4. (a) COMPETITION.—Making use of the existing infrastructure established in eligible States by the National Science Foundation, the Administrator shall conduct a merit grant competition among the eligible States in areas of research important to the mission of the National Aeronautics and Space Administration. With respect to a grant application by an eligible State, the Administrator shall consider—

(1) the application's merit and relevance to mission of the National Aeronautics and Space Administration;

(2) the potential for the grant to serve as a catalyst to enhance the ability of researchers in the State to become more competitive for regular National Aeronautics and Space Administration funding;

(3) the potential for the grant to improve the environment for science, mathematics, and engineering education in the State; and

(4) the need to assure the maximum distribution of grants among eligible States, consistent with merit.

(b) SUPPLEMENTAL GRANTS.—The Administrator shall endeavor, where appropriate, to supplement grants made under subsection (a) with such grants for fellowships, traineeships, equipment, or instrumentation as are available.

(c) ELIGIBLE STATES DEFINED.—In this section, the term "eligible State" means a State designated by the National Science Foundation as eligible to compete in the Foundation's Experimental Program to Stimulate Competitive Research.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated to the National Aeronautics and Space Administration, for purposes of establishing and developing an Experimental Program to Stimulate Competitive Research on Space and Aeronautics, the following amounts:

(1) $10,000,000 for fiscal year 1993.

(2) $15,000,000 for fiscal year 1994.

(3) $20,000,000 for fiscal year 1995.

By Mr. LUGAR (for himself and Mr. COATS):

S. 2775. A bill to designate the Federal building and U.S. courthouse located at 204 South Main Street in

South Bend, IN, as the "Robert A. Grant Federal Building and United States Courthouse"; to the Committee on Environment and Public Works.

ROBERT A. GRANT FEDERAL BUILDING AND UNITED STATES COURTHOUSE

• Mr. LUGAR. Mr. President, I rise today to introduce legislation to name the Federal courthouse in South Bend, IN, after 86-year-old Robert A. Grant, who represented the Third District of Indiana in Congress from 1939 to 1949. Grant then began a 34-year career on the Federal bench after appointment as an article III judge. The Chief Judge from 1961 to 1972, Grant still serves on the U.S. District Court for Northern Indiana.

Allen Sharp, the current chief judge of the court, came to me with the proposal for naming the courthouse in Judge Grant's honor, noting that in U.S. history, only a handful of article III judges, appointed for life, have served as long as Grant. A Marshall County native, Grant's career as a Federal judge and Congressman spans more than a half-century.

Hoosiers in northern Indiana have been fortunate to have a leader such as Judge Grant serve them in these challenging positions of public authority. Likewise, his generous involvement in the Methodist Church, American Bar Association, Indiana State Bar Association, and Scottish Rita demonstrates his concern for the greater well-being of his community. I am pleased to be a part of the effort to name the South Bend courthouse, as a tribute to his selfless service on behalf of his community and the State.•

By Mr. BRYAN (for himself and Mr. BOND):

S. 2776. A bill to amend the Fair Credit Reporting Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CONSUMER REPORTING REFORM ACT

• Mr. BRYAN. Mr. President, today I am introducing the Consumer Reporting Reform Act of 1992 with my distinguished colleague from Missouri, Senator BOND. This legislation makes important strides in updating the 20-year-old Fair Credit Reporting Act which regulates the credit reporting industry.

The Senate Commerce Committee held two hearings earlier this year in my State of Nevada on ways to provide greater consumer protection from inaccurate information on their credit reports. At those hearings, the Federal Trade Commission testified that credit bureaus are by the most frequent subject of complaint among consumers who contact them.

Credit bureaus keep files on 150 million Americans, make 2 billion updates on individual's credit histories every month, and sell 1.5 million credit reports each day. Credit reports have become instrumental in our high-technology economy.

The importance of credit to consumers in our society has grown tremendously. Our lifestyles have become increasingly dependent upon our access to credit for travel, education, household goods, health care, and home ownership.

I believe it is incumbent upon us to improve the credit reporting process to insure that the reports have the most accurate information. Not only are reputations at risk, a person's very livelihood may be seriously impacted by an inaccurate credit report.

Too many Americans have experienced serious inconvenience and hardship because of inaccurate credit reports and have experienced extreme difficulties getting these inaccuracies removed from their reports. I believe the most efficient method for increasing accuracy is for consumers to periodically review their own reports. To accomplish this, our bill provides for free reports every other year upon written request.

The main emphasis of the bill we are introducing today is to improve the accuracy of credit reports and the process for getting inaccurate information investigated and deleted. I believe this bill represents a bi-partisan compromise. I will continue to meet with interested parties in an effort to perfect the bill and to bring about its enactment.•

• Mr. BOND. Mr. President, I rise with my colleague, Senator BRYAN of Nevada, to introduce legislation to reform the Fair Credit Reporting Act. Reform in this area is long overdue and I think that it would be a shame for the Congress to adjourn this year without reforming this statute to protect consumers.

There are two major reasons to reform FCRA: to improve the accuracy of the information that is kept on consumers in credit bureau files and to protect consumers' financial privacy. This statute was enacted over 20 years ago, and there have been immense changes in computer technology since then which have greatly increased the amount of information that can be kept on individuals. The statute was written for an age of filing cabinets and folders rather than computers.

The deficiencies in the filing cabinet statute now on the books were dramatically described at Banking Committee hearings last fall when we heard from consumers who had been the victims of erroneous information in their credit files. The current law simply does not do the job. Consumers who are the victims of mistaken identity or fraud do not have the rights under current law to remedy the situation quickly. This means that consumers are denied mortgages, student loans, car loans, and credit cards because of information that is wrong. In far too many cases, consumers are unable to get the credit bureaus or the creditors that made the mistake to correct it. Mistaken and false information in consumers' credit history can destroy their finances and ruin their dreams.

I would like to draw my colleagues attention to two provisions in the bill which should help consumers fix their credit files. The first is expanded reinvestigation provisions which require the credit bureaus to investigate disputed information within 30 days, delete erroneous information, and notify consumers of the result of their investigation.

The legislation also gives consumers the right to a free copy of their credit report every other year after a request in writing, a free report after they have been turned down or the basis of a credit report, and a free report to verify that an error has been corrected. In this way consumers will know what is in their files and will be able to correct any mistakes. I am generally opposed to legislation mandating businesses to give anything away for free, but in this case I believe that this provision is justified because the information in the file is about the consumer and the consumer did not ask that it be collected.

In this age of computerization and rapid information transfer, consumers need help when they confront the confusing credit bureaucracy about their files. Basic access to their files and more rights to challenge that information will help protect consumers from credit abuses and mistakes.

There has been loud and contentious debate on the House side about the FCRA and whether state laws on this subject should be preempted by a new Federal statute. In this bill, we have tried to fashion a compromise on this subject by preempting the States only in those areas necessary for the efficient operation of a national marketplace and leaving the States free to levy additional penalties, stricter civil liability standards, additional disclosure or free reports. I hope that the warring factions will look carefully at our suggested compromise and will suggest ways it can be improved rather than letting this issue doom our chances for FCRA reform this year.

I ask unanimous consent that a copy of the bill be inserted in the RECORD.

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

S. 2776

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Consumer Reporting Reform Act of 1992".

(b) TABLE OF CONTENTS.—The following is a table of contents for this Act:

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO THE FAIR CREDIT REPORTING ACT

Sec. 101. Definitions.

Sec. 102. Furnishing and using reports; use of information obtained from reports.
Sec. 103. Amendments relating to prescreening of consumer reports.
Sec. 104. Amendments relating to obsolete information and information contained in consumer reports.
Sec. 105. Amendments relating to compliance procedures.
Sec. 106. Amendments relating to consumer disclosures.
Sec. 107. Amendments relating to procedures in case of the disputed accuracy of any information in a consumer's file.
Sec. 108. Amendment relating to charges for disclosure.
Sec. 109. Amendments relating to duties of users of consumer reports.
Sec. 110. Amendments relating to civil liability.
Sec. 111. Amendments relating to responsibilities of persons who furnish information to consumer reporting agencies.
Sec. 112. Preemption of certain State laws.
Sec. 113. State action to enforce Act.
Sec. 114. Administrative enforcement.
Sec. 115. Establishment of toll-free telephone number.
Sec. 116. Action by FTC.
Sec. 117. Effective dates.

TITLE II—CREDIT REPAIR ORGANIZATIONS

Sec. 201. Regulation of credit repair organizations.

TITLE I—AMENDMENTS TO THE FAIR CREDIT REPORTING ACT

SEC. 101. DEFINITIONS.

(a) ADVERSE ACTION.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following new subsection:

"(j) The term 'adverse action'—

"(1) has the same meaning as in section 701(d)(6) of the Equal Credit Opportunity Act;

"(2) also includes—

"(A) any denial of insurance for personal, family, or household purposes;

"(B) any denial of employment or any other decision for employment purposes which adversely affects any current or prospective employee;

"(C) any increase in any charge for, or any reduction in the amount of, insurance for personal, family, or household purposes;

"(D) any action taken, or determination made—

"(i) with respect to a consumer for—

"(I) an application for an extension of credit;

"(II) a report for the cashing of a check drawn by the consumer;

"(III) an application for a transaction account (as that term is defined in section 19(b)(1) of the Federal Reserve Act) at a depository institution (as that term is defined in section 3(c) of the Federal Deposit Insurance Act); and

"(IV) an application for the leasing of real estate; and

"(ii) which is adverse to the interest of the consumer; and

"(E) any action or determination that—

"(i) is taken or made in connection with an application made by, or any transaction initiated by, any consumer; and

"(ii) is adverse to the interest of the consumer; and

"(3) does not include a refusal to extend additional credit under an existing credit arrangement if the applicant is delinquent or otherwise in default on any account with the creditor or any affiliate of the creditor.".

(b) DEFINITION OF CONSUMER REPORT.—Section 603(d) of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)) is amended in the second sentence—

(1) by inserting before the semicolon at the end of clause (A) ", or any communication of that information or information (i) from a credit application by a consumer, provided that it is clearly and conspicuously disclosed with the application that the information may be provided to such entities and the consumer consents to such disclosure or (ii) among the person making the report, an entity related by common ownership to that person, and an entity affiliated by corporate control with that person";

(2) in clause (B), by striking "or" after the semicolon at the end; and

(3) by inserting before the period the following: "; (D) any communication of information about a consumer between persons who are affiliated by common ownership or common corporate control and in connection with a credit transaction which is not initiated by the consumer, if either of those persons has complied with section 615(d)(2)(B) with respect to a consumer report from which the information is taken and the consumer has consented to use of the report for the transaction in accordance with section 615(d)(2)(C); or (E) any report furnished for use in connection with a transaction which consists of an extension of credit to be used for a commercial purpose".

(c) FIRM OFFER OF CREDIT.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following:

"(k) The term 'firm offer of credit' means any offer of credit to a consumer that will be honored if, based on information in a consumer report on the consumer and other information bearing on the credit worthiness of the consumer, the consumer is determined to meet the criteria used to select the consumer for the offer.".

(d) CREDIT TRANSACTION WHICH IS NOT INITIATED BY THE CONSUMER.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following:

"(*l*) The term 'credit transaction which is not initiated by the consumer' does not include the use of a consumer report by a person with which the consumer has an account, for purposes of—

"(1) reviewing the account; or

"(2) collecting the account.".

SEC. 102. FURNISHING AND USING REPORTS; USE OF INFORMATION OBTAINED FROM REPORTS.

(a) USE OF REPORTS FOR EMPLOYMENT AND BUSINESS PURPOSES.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended—

(1) by striking "A consumer reporting agency may furnish" and inserting "(a) IN GENERAL.—A consumer reporting agency may furnish";

(2) in subsection (a)(3) (as designated by paragraph (1)), by amending subparagraph (E) to read as follows:

"(E) otherwise has a legitimate business need for the information in connection with a business transaction that—

"(i) is initiated by the consumer; or

"(ii) is a direct marketing transaction for which the furnishing of a consumer report by the agency is not prohibited under subsection (e)."; and

(3) by adding at the end the following new subsection:

"(b) CONDITIONS FOR FURNISHING AND USING CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.—

"(1) CERTIFICATION FROM USER.—A consumer reporting agency may furnish a consumer report for employment purposes only—

"(A) if the person who obtains such report from the agency certifies to the agency that—

"(i) the disclosure required under paragraph (2) or (3), as the case may be, with respect to such consumer report has been made; and

"(ii) information from the consumer report will not be used in violation of any applicable Federal or State equal employment opportunity law or regulation; and

"(B) if the consumer reporting agency provides with the report a summary of the consumer's rights under this title, as prescribed by the Federal Trade Commission under section 609(c)(3).

"(2) DISCLOSURES TO PROSPECTIVE AND CURRENT EMPLOYEES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any prospective or current employee unless—

"(i) the prospective or current employee has received, before the report is procured, a clear and conspicuous disclosure made in writing that consumer reports may be used for employment purposes; and

"(ii) the prospective or current employee authorizes in writing each such procurement of a report prior to such procurement.

"(B) WRITTEN MATERIAL CONSTITUTING NOTICE.—A written statement that consumer reports may be used for employment purposes which is contained in employee guidelines or manuals available to employees and prospective employees or included in written materials provided to such persons shall constitute a written disclosure for purposes of subparagraph (A).

"(3) CONDITIONS ON USE FOR ADVERSE ACTIONS.—Before taking any adverse action based on a consumer report used for employment purposes, a person shall provide to the consumer to whom the report relates—

"(A) a copy of the report;

"(B) a description of the consumer's rights under this title, as prescribed by the Federal Trade Commission under section 609(c)(3); and

"(C) a reasonable opportunity to respond to any information in the report that is disputed by the consumer.".

(b) USE OF INFORMATION OBTAINED FROM REPORTS.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is further amended by adding at the end the following new subsection:

"(c) CERTAIN USE OR OBTAINING OF INFORMATION PROHIBITED.—A person shall not use or obtain information from a consumer report for any purpose unless—

"(1) it is obtained for a purpose for which the consumer report is authorized to be furnished under subsection (a); and

"(2) the purpose is certified in accordance with section 607 by a prospective user of the report.".

(c) DISCLOSURE OF CONSUMER REPORTS BY USERS.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e) is amended by adding at the end the following new subsection:

"(c) DISCLOSURE OF CONSUMER REPORTS BY USERS ALLOWED.—A consumer reporting agency may not prohibit a user of a

consumer report furnished by the agency on a consumer from disclosing the contents of the report to the consumer if adverse action against the consumer has been taken or is contemplated by the user, based in whole or in part on the report.".

SEC. 103. AMENDMENTS RELATING TO PRESCREENING OF CONSUMER REPORTS.

(a) IN GENERAL.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b), as amended by section 102(b), is further amended—

(1) in subsection (a), by striking "A consumer reporting agency" and inserting "Subject to subsection (d), any consumer reporting agency"; and

(2) by adding at the end the following new subsections:

"(d) LIMITATIONS ON REPORTS RELATING TO CREDIT TRANSACTIONS NOT INITIATED BY THE CONSUMER.—

"(1) IN GENERAL.—A consumer reporting agency may furnish a consumer report relating to any consumer pursuant to subsection (a)(3)(A) to any person referred to in such subsection in connection with any solicitation for credit that is not initiated by the consumer only if—

"(A) the consumer authorizes the agency to provide such report to such person; or

"(B)(i) the transaction consists of a firm offer of credit;

"(ii) the consumer reporting agency has complied with subsection (f); and

"(iii) the consumer has not elected in accordance with subsection (f)(1) to have the consumer's name and address excluded from lists provided by the agency pursuant to paragraph (1)(B).

"(2) LIMITS ON INFORMATION RECEIVED UNDER PARAGRAPH (1)(B).—A person may receive pursuant to paragraph (1)(B) only—

"(A) the name and address of a consumer; and

"(B) information pertaining to a consumer that is not identified or identifiable with the consumer.

"(3) INFORMATION REGARDING INQUIRIES.—Except as provided in section 609(a)(4), a consumer reporting agency shall not furnish to any person a record of inquiries solely resulting from credit transactions which are not initiated by a consumer.

(b) FURNISHING CONSUMER REPORTS FOR DIRECT MARKETING TRANSACTIONS.—Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b), as amended by subsection (a), is amended by adding at the end the following:

"(e) FURNISHING CONSUMER REPORTS FOR DIRECT MARKETING TRANSACTIONS NOT INITIATED BY CONSUMER.—

"(1) FURNISHING REPORTS PROHIBITED.—A consumer reporting agency may not furnish a consumer report for use for a direct marketing transaction that is not initiated by the consumer to whom the report relates, if—

"(A) the consumer notifies the agency that the consumer does not consent to that use;

"(B) the report includes any information other than the name and address of the consumer; or

"(C) furnishing the information would disclose the credit payment history, credit limit, or credit balance of the consumer.

"(2) NOTIFICATION.—A consumer may notify a consumer reporting agency for purposes of paragraph (1)(A) either—

"(A) in writing; or

"(B) in the case of an agency which compiles and maintains files on consumers on a nationwide basis, by calling the toll-free telephone number established pursuant to subsection (f)(3).

"(f) ELECTION OF CONSUMER TO BE EXCLUDED FROM LISTS.—

"(1) IN GENERAL.—A consumer may elect to have his or her name and address excluded from any list provided by a consumer reporting agency pursuant to subsection (e)(2), by—

"(A) notifying the agency, through the notification system maintained by the agency under paragraph (3), that the consumer does not consent to any use of consumer reports relating to the consumer in connection with any credit transaction which is not initiated by the consumer; and

"(B) returning to the agency a signed written notice of the election, if provided by the agency in accordance with paragraph (2).

"(2) PROVISION OF WRITTEN NOTICE TO CONSUMER.—A consumer reporting agency shall mail to a consumer a written notice for purposes of paragraph (1)(B), not later than 5 business days after being notified of the election of the consumer in accordance with paragraph (1)(A).

"(3) NOTIFICATION SYSTEM.—Each consumer reporting agency which furnishes a consumer report pursuant to subsection (a)(3)(A) in connection with any credit transaction which is not initiated by a consumer shall—

"(A) establish and maintain a notification system, including a toll-free telephone number, which permits any consumer whose consumer report is maintained by the agency to notify the agency, with appropriate identification, of the consumer's election to have the consumer's name and address excluded from any list of names and addresses provided by the agency pursuant to subsection (d)(1)(B); and

"(B) publish by not later than 12 months after the date of the enactment of the Consumer Credit Reporting Reform Act of 1992, and at least annually thereafter, in a publication of general circulation in the area served by the agency—

"(i) a notification that information in consumer files maintained by the agency may be used in connection with solicitations of credit which are not initiated by consumers; and

"(ii) the address and toll-free telephone number for consumers to use to notify the agency of the consumer's election under subparagraph (A).

Establishment and maintenance of a nationwide notification system and publication by a consumer reporting agency on a nationwide basis in accordance with this paragraph shall be considered to be in compliance with this paragraph by each affiliate of the agency.

"(4) AGENCIES WHICH OPERATE NATIONWIDE.—Each consumer reporting agency which compiles and maintains files on consumers on a nationwide basis shall establish and maintain a notification system under paragraph (3) jointly with other such consumer reporting agencies.

"(5) EFFECTIVENESS OF ELECTION.—An election of a consumer under paragraph (1)—

"(A) shall be effective with respect to a consumer reporting agency beginning on the later of—

"(i) the date on which the consumer notifies the agency in accordance with paragraph (1)(A); or

"(ii) the date on which the consumer returns to the agency a signed written notification of the election in accordance with paragraph (1)(B), if provided by the agency;

"(B) shall be effective—

"(i) for a period of 2 years after that effective date; or

"(ii) permanently, as may be specified by the consumer in his or her notification of election under paragraph (1)(B), except that the consumer may notify the agency at any time of a change of election in accordance with paragraph (1); and

"(C) shall be effective with respect to each affiliate of the agency.".

(b) FIRST NOTIFICATIONS BY CONSUMERS.—A consumer may notify a consumer reporting agency through a notification system established and maintained by the agency under section 604(f) of the Fair Credit Reporting Act, as amended by subsection (a), on or after the date which is 1 year after the date of enactment of this Act.

SEC. 104. AMENDMENTS RELATING TO OBSOLETE INFORMATION AND INFORMATION CONTAINED IN CONSUMER REPORTS.

(a) REPEAL OF EXEMPTION PROVISIONS.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended—

(1) in subsection (a), by striking "(a) Except as authorized under subsection (b) of this section, no" and inserting "No"; and

(2) by striking subsection (b).

(b) ADDITIONAL INFORMATION ON BANKRUPTCY FILINGS REQUIRED.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following new subsection:

"(c) INFORMATION REQUIRED TO BE DISCLOSED.—Any consumer reporting agency which furnishes a consumer report which contains information regarding any case involving the consumer which arises under title 11, United States Code, shall include in the report an identification of the chapter of such title 11 under which such case arises if provided by the source of the information. If any case arising or filed under title 11, United States Code, is withdrawn by the consumer prior to a final judgment, the consumer reporting agency shall include in the report that such case or filing was withdrawn upon notification by the consumer of such withdrawal.".

(c) CLARIFICATION OF REPORTING PERIOD.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by subsection (b), is amended by adding at the end the following new subsection:

"(d) RUNNING OF REPORTING PERIOD.—The 7-year period referred to in paragraphs (4) and (6) of subsection (a) shall begin, with respect to any delinquent account which is placed for collection (internally or by referral to a third party, whichever is earlier), charged to profit and loss, or subjected to any similar action, upon the expiration of the 180-day period beginning on the date of the commencement of the delinquency which immediately preceded the collection activity, charge to profit and loss, or similar action.".

(d) DISCLOSURE OF PERSONAL INFORMATION.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by subsections (b) and (c), is amended by adding at the end the following new subsection:

"(e) DISCLOSURE OF PERSONAL INFORMATION.—A person who prepares any credit report which includes personal credit information on any consumer shall not include in the report any adverse item of information on the consumer with respect to transactions which antedate the report by more than 10 years or which could not be included in any consumer report on the consumer in accordance with this section.".

(e) INDICATION OF CLOSURE OF ACCOUNT.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by subsections (b), (c), and (d), is amended by adding at the end the following new subsection:

"(f) INDICATION OF CLOSURE OF ACCOUNT BY CONSUMER.—If a consumer reporting agency is notified pursuant to section 622(a)(4) that a credit account of a consumer was voluntarily closed by the consumer, the agency shall indicate that fact in any consumer report that includes information related to the account.".

(f) POSITIVE INFORMATION.—Section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c), as amended by subsections (b), (c), (d), and (e), is amended by adding at the end the following new subsection:

"(g) ACCEPTANCE OF CERTAIN INFORMATION.—A consumer reporting agency shall accept from a consumer and include in the consumer's file relevant and timely information that is not in computerized form if the information—

"(1) would have a positive impact on a determination of credit worthiness of the consumer; and

"(2) is submitted in a form and manner that comply with regulations of the Federal Trade Commission.".

(g) CLERICAL AMENDMENTS.—

(1) SECTION HEADING.—The heading for section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by striking "obsolete information" and inserting "requirements relating to information contained in consumer reports".

(2) CONFORMING AMENDMENT.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by striking "(a) Except as authorized" and inserting "(a) OBSOLETE INFORMATION.—Except as authorized".

(3) TABLE OF SECTIONS.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended by striking the item relating to section 605 and inserting the following:

"605. Requirements relating to information contained in consumer reports.".

SEC. 105. AMENDMENTS RELATING TO COMPLIANCE PROCEDURES.

(a) NOTICE TO USERS AND PROVIDERS OF INFORMATION TO ENSURE COMPLIANCE.—

(1) IN GENERAL.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e), as amended by section 102, is amended by adding at the end the following new subsection:

"(d) NOTICE TO USERS AND FURNISHERS OF INFORMATION.—A consumer reporting agency shall provide a notice to any person—

"(1) who regularly and in the ordinary course of business furnishes information to the agency with respect to any consumer; or

"(2) to whom a consumer report is provided by the agency;

of such person's responsibilities under this title.".

(2) CONTENT OF NOTICE.—The Federal Trade Commission shall prescribe the content of notices under section 607(d) of the Fair Credit Reporting Act, as amended by paragraph (1), by not later than 12 months after the date of enactment of this Act.

(b) RECORD OF IDENTITY OF USERS AND PURPOSES CERTIFIED BY USERS OF REPORTS.—Section 607 of the Fair Credit Reporting Act (15 U.S.C. 1681e) is further amended by adding at the end the following new subsection:

"(e) PROCUREMENT OF CONSUMER REPORT FOR RESALE.—

"(1) DISCLOSURE.—A person may not procure a consumer report for purposes of reselling the report (or any information in the report) unless the person discloses to the consumer reporting agency which originally furnished the report—

"(A) the identity of the ultimate end-user of the report (or information), and

"(B) each permissible purpose under section 604 for which the report is furnished to the ultimate end-user of the report (or information).

"(2) RESPONSIBILITIES OF PROCURERS FOR RESALE.—A person who procures a consumer report for purposes of reselling the report (or any information in the report) shall—

"(A) establish and comply with reasonable procedures designed to ensure that the report (or information) is resold by the person only for a purpose for which the report may be furnished under section 604, including by ensuring that the person—

"(i) identifies each prospective user of the resold report (or information);

"(ii) certifies each purpose for which the report (or information) will be used; and

"(iii) certifies that the report (or information) will be used for no other purpose; and

"(B) before reselling the report, makes reasonable efforts to verify the identifications and certifications made under subparagraph (A).".

SEC. 106. AMENDMENTS RELATING TO CONSUMER DISCLOSURES.

(a) ALL INFORMATION IN CONSUMER'S FILE REQUIRED TO BE DISCLOSED.—Section 609(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(1)) is amended to read as follows:

"(1) All information in the consumer's file at the time of the request.".

(b) MORE INFORMATION CONCERNING RECIPIENTS OF REPORTS REQUIRED.—Section 609(a)(3) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)(3)) is amended to read as follows:

"(3)(A) Identification of each person who procured a consumer report—

"(i) for employment purposes within the 2-year period preceding the request; and

"(ii) for any other purpose within the 1-year period preceding the request.

"(B) An identification of a person under subparagraph (A) shall include—

"(i) the name of the person or, if applicable, the trade name (written in full) under which such person conducts business; and

"(ii) upon request of the consumer, the address of the person.".

(c) INFORMATION REGARDING INQUIRIES.—Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding at the end the following:

"(4) A record of all inquiries received by the agency in the 1-year period preceding the request that identified the consumer in connection with a credit transaction which is not initiated by the consumer.".

(d) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH DISCLOSURE.—

(1) IN GENERAL.—Section 609 of the Fair Credit Reporting Act (15 U.S.C. 1681g) is amended by adding at the end the following new subsection:

"(c) SUMMARY OF RIGHTS REQUIRED TO BE INCLUDED WITH DISCLOSURE.—

"(1) SUMMARY OF RIGHTS.—A consumer reporting agency shall provide to a consumer, on or with each written disclosure by the agency to the consumer under this section—

"(A) a written summary of all rights the consumer has under this title; and

"(B) in the case of a consumer reporting agency which compiles and maintains consumer reports on a nationwide basis, a toll-free telephone number which the consumer can use to communicate with the agency.

"(2) SPECIFIC ITEMS REQUIRED TO BE INCLUDED.—The summary of rights required under paragraph (1) shall include—

"(A) a brief description of this title and all rights of consumers under this title;

"(B) an explanation of how the consumer may exercise the rights of the consumer under this title;

"(C) a list of all Federal agencies responsible for enforcing any provision of this title and the address and any appropriate phone number of each such agency, in a form that will assist the consumer in selecting the appropriate agency; and

"(D) a statement that a consumer reporting agency is not required to remove accurate derogatory information from a consumer's file, unless the information is outdated under section 605 or cannot be verified.

"(3) FORM OF SUMMARY OF RIGHTS.—For purposes of this subsection and any disclosure by a consumer reporting agency required under this title with respect to consumers' rights, the Federal Trade Commission (after consultation with each Federal agency referred to in section 621(b)) shall prescribe the form and content of any disclosure of the rights of consumers required under this title.".

(2) TECHNICAL AMENDMENT.—Section 606(a)(1)(B) of the Fair Credit Reporting Act (15 U.S.C. 1681d(a)(1)(B)) is amended by inserting "and the written summary of the rights of the consumer prepared pursuant to section 609(c)" before the semicolon.

(e) FORM OF DISCLOSURES.—

(1) IN GENERAL.—Subsections (a) and (b) of section 610 of the Fair Credit Reporting Act (15 U.S.C. 1681h) are amended to read as follows:

"(a) WRITTEN DISCLOSURE.—The disclosures required to be made under section 609 shall be provided to a consumer in writing.

"(b) OTHER FORMS OF DISCLOSURE.—

"(1) IN GENERAL.—In addition to the written disclosures required by subsection (a), a consumer reporting agency may make the disclosures required under section 609 other than in written form if authorized by the consumer, and in such form as may be specified by the consumer and available from the agency.

"(2) FORM.—A consumer may specify pursuant to paragraph (1) that disclosures under section 609 shall be made—

"(A) in person, upon—

"(i) the appearance of the consumer at the place of business of the consumer reporting agency where disclosures are regularly provided, during normal business hours, and on reasonable notice; and

"(ii) the furnishing of proper identification by the consumer;

"(B) by telephone, if the consumer has made a written request for disclosure by telephone that includes proper identification of the consumer;

"(C) by electronic means, if available from the agency; or

"(D) by any other reasonable means that is available from the agency.".

(2) SIMPLIFIED DISCLOSURE.—The Federal Trade Commission shall prescribe the form in which a consumer reporting agency shall make the disclosures required under section 609(a) of the Fair Credit Reporting Act, for the purpose of maximizing the comprehensibility and standardization of such disclosures.

(3) CONFORMING AMENDMENTS.—

(A) SECTION HEADING.—Section 610 of the Fair Credit Reporting Act (15 U.S.C. 1681h) is amended in the heading for the section by inserting "**AND FORM**" after "**CONDITIONS**".

(B) TABLE OF SECTIONS.—The table of sections at the beginning of the Fair Credit Reporting Act (15 U.S.C. 1681a et seq.) is amended in the item relating to section 610 by inserting "and form" after "Conditions".

SEC. 107. AMENDMENTS RELATING TO PROCEDURES IN CASE OF THE DISPUTED ACCURACY OF ANY INFORMATION IN A CONSUMER'S FILE.

(a) IN GENERAL.—Section 611(a) of the Fair Credit Reporting Act (15 U.S.C. 1681i(a)) is amended to read as follows:

"(a) REINVESTIGATION OF DISPUTED INFORMATION.—

"(1) IN GENERAL.—If the completeness or accuracy of any item of information contained in any consumer's file at any consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information before the end of the 30-day period beginning on the date the agency receives the notice of the dispute from the consumer.

"(2) PROMPT NOTICE OF DISPUTE TO FURNISHER OF INFORMATION.—Not later than 5 business days after the date on which a consumer reporting agency receives notice of a dispute from any consumer in accordance with paragraph (1), the agency shall notify any person who provided any item of information in dispute at the address and in the manner established with the person.

"(3) DETERMINATION THAT DISPUTE IS FRIVOLOUS OR IRRELEVANT.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under that paragraph if the agency determines that dispute by the consumer is frivolous or irrelevant, including by reason of a failure by a consumer to provide sufficient information to investigate the dispute.

"(B) NOTICE OF DETERMINATION.—Not later than 5 business days after making any determination in accordance with subparagraph (A) that a dispute is frivolous or irrelevant, a consumer reporting agency shall mail to the consumer a written notification of such determination (including the reasons for the determination), and, if authorized by the consumer for that purpose, by any other means available to the agency.

"(4) CONSIDERATION OF CONSUMER INFORMATION.—In conducting any reinvestigation under paragraph (1) with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in paragraph (1) with respect to such disputed information.

"(5) DELETION OF INACCURATE OR UNVERIFIABLE INFORMATION.—

"(A) IN GENERAL.—If, in the course of any reinvestigation under paragraph (1) of any information disputed by a consumer, an item of the information is found to be inaccurate or cannot be verified, the consumer reporting agency shall promptly delete that item of information from the consumer's file.

"(B) REQUIREMENTS RELATING TO REINSERTION OF PREVIOUSLY DELETED MATERIAL.—

"(i) CERTIFICATION OF ACCURACY OF INFORMATION.—If any information is deleted from a consumer's file pursuant to subparagraph (A), the information may not be reinserted in the file after the deletion unless the person who furnishes the information certifies that the information is complete and accurate.

"(ii) NOTICE TO CONSUMER.—If any information which has been deleted from a consumer's file pursuant to subparagraph (A) is reinserted in the file in accordance with clause (i), the consumer reporting agency shall, not later than 5 business days after such deletion, mail to the consumer written notification of the reinsertion, and, if authorized by the consumer for that purpose, by any other means available to the agency.

"(C) PROCEDURES TO PREVENT REAPPEARANCE.—A consumer reporting agency shall maintain reasonable procedures designed to prevent the reappearance in a consumer's file, and in consumer reports on the consumer, of information that is deleted pursuant to this paragraph (other than information that is reinserted in accordance with subparagraph (B)(i)).

"(6) NOTICE OF RESULTS OF REINVESTIGATION.—

"(A) IN GENERAL.—A consumer reporting agency shall mail to the consumer written notification of the results of a reinvestigation under this subsection not later than 5 business days after the completion of the reinvestigation, and, if authorized by the consumer for that purpose, by other means available to the agency.

"(B) CONTENTS.—As part of or in addition to the notice under subparagraph (A), a consumer reporting agency shall provide to a consumer in writing within the 5-business-day period referred to in subparagraph (B)—

"(i) a statement that the reinvestigation is completed;

"(ii) a consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;

"(iii) a description or indication of any changes made in the consumer report as a result of those revisions to the consumer's file;

"(iv) a notice to the consumer that, if requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the name, business address, and telephone number of any furnisher of information contacted in connection with such information;

"(v) a notification that the consumer has the right to add a statement to the consumer's file disputing the accuracy or completeness of the information; and

"(vi) a clear and conspicuous notification of the right of the consumer to request under subsection (d) that the consumer reporting agency furnish notifications under that subsection.

"(7) DESCRIPTION OF REINVESTIGATION PROCEDURE.—A consumer reporting agency shall provide to a consumer a description referred to in paragraph (6)(B)(iv) by not later than 15 days after receiving a request from the consumer for that description.".

(b) CONFORMING AMENDMENT.—Section 611(d) of the Fair Credit Reporting Act (15 U.S.C. 1681i(d)) is amended by striking "The consumer reporting agency shall clearly" and all that follows through the end of the subsection.

SEC. 108. AMENDMENT RELATING TO CHARGES FOR DISCLOSURE.

Section 612 of the Fair Credit Reporting Act (15 U.S.C. 1681j) is amended to read as follows:

"§ 612. Charges for certain disclosures

"(a) REASONABLE CHARGES ALLOWED FOR CERTAIN DISCLOSURES.—Except as provided in subsections (b), (c), and (d), a consumer reporting agency may impose a reasonable charge on a consumer—

"(1) for making a disclosure to the consumer pursuant to section 609, which—

"(A) shall not exceed $8, or such other amount as is prescribed by the Federal Trade Commission under subsection (e); and

"(B) shall be indicated to the consumer prior to making disclosure; and

"(2) for furnishing a notification, statement, summary, or codification to any person designated by the consumer pursuant to section 611(d), which—

"(A) shall not exceed the charge that the agency would impose on each designated recipient for a consumer report; and

"(B) shall be indicated to the consumer prior to furnishing such information.

"(b) FREE CONSUMER REPORTS.—Each consumer reporting agency that maintains a file on a consumer shall make all disclosures pursuant to section 609 without charge to the consumer—

"(1) if the consumer makes a request under section 609, not later than 60 days after receipt by such consumer of a notification pursuant to section 615 or of a notification from a debt collection agency affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected;

"(2) upon written request by the consumer, not more than once in any 2-year period, and not more than biannually thereafter; and

"(3) upon written request by the consumer not later than 1 year after the consumer receives a notification under subsection (c)(2).

"(c) CHARGE FOR CERTAIN NOTICES PROHIBITED.—A consumer reporting agency shall not impose any charge for—

"(1) providing a notice required under section 611(a)(6); or

"(2) notifying a person pursuant to section 611(d) of the deletion of information which is found to be inaccurate or which can no longer be verified, if the consumer designates that person to the agency before the end of the 30-day period beginning on the date of the notification of the consumer under section 611(a)(6).

"(d) ADJUSTMENT OF FEE.—The Federal Trade Commission shall annually adjust the maximum amount of the fee authorized under subsection (a)(1)(A), to reflect changes in the consumer price index.".

SEC. 109. AMENDMENTS RELATING TO DUTIES OF USERS OF CONSUMER REPORTS.

(a) DUTIES OF USERS TAKING ADVERSE ACTIONS.—Section 615(a) of the Fair Credit Reporting Act (15 U.S.C. 1681m(a)) is amended to read as follows:

"(a) DUTIES OF USERS TAKING ADVERSE ACTIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER REPORTS.—If any person takes any adverse action with respect to any consumer in connection with any transaction initiated by the consumer or any employment determination, which is based, in whole or in part, on any information contained in a consumer report, the person shall—

"(1) provide written notice of the adverse action to the consumer;

"(2) provide the consumer—

"(A) the name, address, and telephone number of the consumer reporting agency which furnished the report to the person; and

"(B) a statement that the consumer reporting agency did not make the decision to take the adverse action;

"(3) provide to the consumer a written notice of the consumer's right—

"(A) to obtain, under section 612, a free copy of a consumer report on the consumer, from the consumer reporting agency referred to in paragraph (2) and from any other consumer reporting agency which compiles and maintains files on consumers on a nationwide basis; and

"(B) to dispute, under section 611, with a consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the agency; and

"(4) in the case of an adverse action based in whole or in part on a credit score or other

credit scoring system, provide to the consumer—

"(A) notice that the credit scoring system was used; and

"(B) the principal reasons used to determine that predictor, if those reasons are required to be disclosed by the person for purposes of compliance with section 701(d)(3) of the Equal Credit Opportunity Act.".

(b) DUTIES OF USERS WHO MAKE CERTAIN SOLICITATIONS.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m) is amended by adding at the end the following new subsection:

"(d) DUTIES OF USERS WHO MAKE WRITTEN CREDIT SOLICITATIONS ON THE BASIS OF INFORMATION CONTAINED IN CONSUMER FILES.—

"(1) IN GENERAL.—Any person who uses a consumer report of any consumer in connection with any credit transaction which is not initiated by the consumer and which consists of a firm offer of credit shall provide on or with any written solicitation made to the consumer regarding the transaction a clear and conspicuous statement that—

"(A) information contained in the consumer's consumer report was used in connection with the transaction;

"(B) the consumer received the offer of credit because the consumer satisfied the criteria for credit worthiness under which the consumer was selected for the offer;

"(C) if applicable, the credit may not be extended if, after the consumer responds to the offer, the consumer does not meet the original criteria used to select the consumer for the offer;

"(D) no new criteria for credit worthiness will be imposed on the consumer other than the original criteria used to select the consumer for the offer;

"(E) the consumer has a right to prohibit information contained in the consumer's file with any consumer reporting agency to be used in connection with any credit transaction that is not initiated by the consumer; and

"(F) the consumer may exercise the right referred to in subparagraph (E) by using the joint notification system established under section 604(e)(4).

"(2) LIMITATION ON APPLICATION.—Paragraph (1) does not apply to the use of a consumer report by a person if—

"(A) the person is affiliated by common ownership or by common corporate control with the person who procured the report;

"(B) the person who procured the report clearly and conspicuously disclosed to the consumer to whom the report relates, before the report is provided to the person who will use the report, that the report might be provided to and used by other persons who are affiliated in the manner described in subparagraph (A) to the person who procured the report; and

"(C) that provision and use of the report is consented to by the consumer in writing.

"(3) FALSE AND MISLEADING STATEMENTS.—No statement accompanying a credit transaction that is not initiated by the consumer shall contain any false or misleading information concerning any condition or criteria for the extension of credit (or offer therefore) to the consumer.

"(4) MAINTAINING CRITERIA ON FILE.—A person who makes an offer of credit to a consumer under a credit transaction described in paragraph (1) shall maintain on file the criteria used to select the consumer to receive the offer, until the end of the 3-year period beginning on the date on which the offer is made to the consumer.".

(c) DUTIES OF USERS FOR DIRECT MARKETING TRANSACTIONS NOT INITIATED BY CONSUMERS.—Section 615 of the Fair Credit Reporting Act (15 U.S.C. 1681m) is further amended by adding at the end the following:

"(e) DUTIES OF USERS FOR DIRECT MARKETING TRANSACTIONS NOT INITIATED BY CONSUMERS.—Any person who, in connection with a direct marketing transaction that is not initiated by a consumer, uses information concerning the consumer that is provided by a consumer reporting agency shall provide to the consumer with each communication regarding the transaction made to the consumer a clear and conspicuous written statement—

"(1) that information concerning the consumer that was provided by a consumer reporting agency was used in connection with the transaction;

"(2) that the consumer has the right under section 604(e) to prohibit any information concerning the consumer from being provided by the consumer reporting agency for use in connection with any direct marketing transaction that is not initiated by the consumer;

"(3) that the consumer may exercise the right referred to in paragraph (2) by notifying the consumer reporting agency in writing or, in the case of a consumer reporting agency required to establish a toll-free telephone number pursuant to section 604(d)(4), by calling that number; and

"(4) disclosing the name, address, and, in the case of a consumer reporting agency required to establish a toll-free telephone number pursuant to section 604(d)(4), the toll-free telephone number at which the agency may be notified.".

SEC. 110. AMENDMENTS RELATING TO CIVIL LIABILITY.

(a) WILLFUL FAILURE TO COMPLY.—Section 616 of the Fair Credit Reporting Act (15 U.S.C. 1681n) is amended to read as follows:

"SEC. 616. CIVIL LIABILITY FOR WILLFUL NONCOMPLIANCE.

"(a) IN GENERAL.—Any person who willfully fails to comply with any requirement imposed under this title with respect to any consumer is liable to that consumer in an amount prescribed under subsection (c).

"(b) EXCEPTION.—A person has no liability to a consumer under this section for a violation of section 622(a)(1).

"(c) DAMAGES.—Liability for a willful failure to comply described in subsection (a) shall be in an amount equal to the sum of—

"(1) any actual damages sustained by the consumer as a result of the failure;

"(2) an amount not less than $300 nor greater than $1,000;

"(3) such punitive damages as the court may allow; and

"(4) in the case of any successful action to enforce any liability under this section—

"(A) the costs of the action; and

"(B) reasonable attorney's fees, as determined by the court.".

(b) NEGLIGENT FAILURE TO COMPLY.—Section 617 of the Fair Credit Reporting Act (15 U.S.C. 1681o) is amended to read as follows:

"SEC. 617. CIVIL LIABILITY FOR NEGLIGENT NONCOMPLIANCE.

"(a) IN GENERAL.—Any person who is negligent in failing to comply with any requirement of this title with respect to a consumer shall be liable to that consumer in an amount prescribed in subsection (c).

"(b) EXCEPTION.—A person has no liability to a consumer under this section for a violation of section 622(a)(1).

"(c) DAMAGES.—Liability for a negligent failure to comply described in subsection (a) shall be in an amount equal to the sum of—

"(1) any actual damage sustained by a consumer as a result of the failure;

"(2) in the case of any successful action to enforce liability under this section—

"(A) the costs of the action; and

"(B) reasonable attorney's fees, as determined by the court.".

SEC. 111. AMENDMENTS RELATING TO RESPONSIBILITIES OF PERSONS WHO FURNISH INFORMATION TO CONSUMER REPORTING AGENCIES.

(a) IN GENERAL.—The Fair Credit Reporting Act (15 U.S.C. 1681 et seq.) is amended by redesignating section 622 as section 623 and inserting after section 621 the following new section:

"SEC. 622. RESPONSIBILITIES OF FURNISHERS OF INFORMATION TO CONSUMER REPORTING AGENCIES.

"(a) DUTY OF FURNISHERS OF INFORMATION TO PROVIDE COMPLETE AND ACCURATE INFORMATION.—

"(1) IN GENERAL.—A person shall not furnish any information to any consumer reporting agency if the person knows or should know the information is incomplete or inaccurate.

"(2) DUTY TO CORRECT AND UPDATE INFORMATION.—A person who—

"(A) in the ordinary course of business, regularly and on a routine basis furnishes information to 1 or more consumer reporting agencies about their own transactions or experiences with a consumer; and

"(B) furnishes information to a consumer reporting agency, that the person determines is not complete or accurate;

shall promptly notify the consumer reporting agency of that determination and provide to the agency any corrections to that information, or any additional information, that is necessary to make the information provided by the person to the agency complete and accurate.

"(3) DUTY TO PROVIDE NOTICE OF CONTINUING DISPUTE.—If the completeness or accuracy of any information furnished by any person to any consumer reporting agency continues to be disputed to such person, the person may not furnish the information to any consumer reporting agency without notice that such information is disputed by the consumer.

"(4) DUTY TO PROVIDE NOTICE OF CLOSED ACCOUNTS.—A person who regularly furnishes information to a consumer reporting agency regarding a consumer who has a credit account with that person shall notify the agency of the closure of that account by the consumer in information regularly furnished for the period in which the account is closed.

"(5) DUTY TO PROVIDE NOTICE OF DELINQUENCY OF ACCOUNTS.—A person who furnishes information to a consumer reporting agency regarding a delinquent account being placed for collection, charged to profit or loss, or subjected to any similar action shall notify the agency of the commencement of the delinquency immediately preceding that action, by not later than 90 days after the date of that commencement.

"(b) NOTICE TO CONSUMERS OF INFORMATION FURNISHED TO CONSUMER REPORTING AGENCIES.—

"(1) NOTICE REQUIRED.—A person who in the ordinary course of business regularly and on a routine basis furnishes information about that person's transactions or experiences with any consumer to any consumer reporting agency, shall give notice of that fact in writing to the consumer before first providing any information about the consumer to any consumer reporting agency.

"(2) CONTENTS OF NOTICE.—Written notice provided to a consumer by a person pursuant to paragraph (1) shall contain—

"(A) a brief description of the type of information which may be furnished regularly to any consumer reporting agency; and

"(B) a brief description of the frequency with which or the circumstances under which information is furnished to any consumer reporting agency.

"(3) NOTICE BY CERTAIN PERSONS.—A person who furnishes information about consumers who have written checks with insufficient funds may give notice for purposes of paragraph (1) by posting the notice in a conspicuous manner at each location where checks are accepted by the person.

"(c) DUTIES OF FURNISHERS OF INFORMATION UPON NOTICE OF DISPUTE.—Upon receiving notice pursuant to section 611(a)(2) of a dispute with regard to the completeness or accuracy of any information provided by a person to a consumer reporting agency, the person shall—

"(1) complete an investigation with respect to the disputed information and report to the consumer reporting agency the results of that investigation before the end of the 30-day period beginning on the date the agency receives notices of a dispute from the consumer in accordance with section 611(a)(1); and

"(2) review relevant information submitted to the consumer reporting agency by the consumer in accordance with section 611(a)(4).

"(d) LIMITATIONS.—

"(1) CIVIL LIABILITY.—Sections 616 and 617 shall not apply to any failure to comply with subsection (a).

"(2) ENFORCEMENT.—Subsection (a) shall be enforced exclusively under section 621 by the agencies identified in that section.

"(3) INJUNCTIVE RELIEF.—In an action alleging a violation of subsection (a)(1), the court shall have jurisdiction to enjoin the violation only where the action is brought by the Federal Trade Commission or the attorney general of a State.".

(b) CLERICAL AMENDMENT.—The table of sections for title VI of the Consumer Credit Protection Act is amended by redesignating the item relating to section 622 as section 623 and inserting after the item relating to section 621 the following new item:

"622. Responsibilities of furnishers of information to consumer reporting agencies.".

SEC. 112. PREEMPTION OF CERTAIN STATE LAWS.

Section 623 of the Fair Credit Reporting Act (15 U.S.C. 1681t) (as redesignated by section 111) is amended—

(1) by striking "This title" and inserting the following: "(a) IN GENERAL.—This title"; and

(2) by adding at the end the following:

"(b) PREEMPTION OF CERTAIN STATE LAWS.—Notwithstanding subsection (a), the provisions of sections 603, 604, 607, 611, 615, and 622 shall preempt any provisions of State law pertaining to substantially the same matters as are addressed in those sections.".

SEC. 113. STATE ACTION TO ENFORCE ACT.

Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended by adding at the end the following new subsection:

"(d) STATE ACTION TO ENFORCE ACT.—If any person violates any requirement imposed under this title, the chief law enforcement officer of the State in which such violation occurred (or an official or agency designated by that State) may bring an action—

"(1) to restrain such violation;

"(2) to recover amounts for which such person is liable under this title to each person on whose behalf the action is brought;

"(3) to seek such remedies as are allowed under the law of such State; or

"(4) to collect a civil penalty of not more than $1,000 for each such violation.".

SEC. 114. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—Section 621(a) of the Fair Credit Reporting Act (15 U.S.C. 1681s(a)) is amended in the second sentence—

(1) by striking "Act and shall be subject to enforcement by the Federal Trade Commission under section 5(b) thereof with respect to any consumer reporting agency or person subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective" and inserting "Act. All functions and powers of the Federal Trade Commission under the Federal Trade Commission Act shall be available to the Commission to enforce compliance with this title by any person subject to enforcement by the Federal Trade Commission pursuant to this subsection, irrespective"; and

(2) by inserting before the period ", including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of any Federal Trade Commission trade regulation rule".

(b) FEDERAL RESERVE BOARD INTERPRETIVE AUTHORITY.—Section 621 of the Fair Credit Reporting Act (15 U.S.C. 1681s) is amended by adding at the end the following new subsection:

"(e) INTERPRETIVE AUTHORITY.—The Board of Governors of the Federal Reserve System may issue an interpretation of any provision of this title as it may apply to any person identified in paragraph (1), (2), or (3) of subsection (b), and the holding companies and affiliates of such person, in consultation with the Federal agencies identified in paragraph (1), (2), or (3) of subsection (b).".

SEC. 115. ESTABLISHMENT OF TOLL-FREE TELEPHONE NUMBER.

Each consumer reporting agency which compiles and maintains consumer reports on a nationwide basis shall establish (and thereafter maintain) a toll-free telephone number pursuant to section 609(c)(1)(B) of the Fair Credit Reporting Act, as amended by section 106(d), not later than 1 year after the date of enactment of this Act.

SEC. 116. ACTION BY FTC.

The Federal Trade Commission shall prescribe all matters required by this title (including the amendments made by this title) to be prescribed by that Commission, not later than 270 days after the date of enactment of this Act.

SEC. 117. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall become effective 1 year after the date of enactment of this Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply to any requirement that the Federal Trade Commission prescribe any matter under the amendments made by this title.

TITLE II—CREDIT REPAIR ORGANIZATIONS

SEC. 201. REGULATION OF CREDIT REPAIR ORGANIZATIONS.

Title IV of the Consumer Credit Protection Act is amended to read as follows:

"TITLE IV—CREDIT REPAIR ORGANIZATIONS

"Sec.
"401. Short title.
"402. Findings and purposes.
"403. Definitions.
"404. Prohibited practices by credit repair organizations.
"405. Disclosures.
"406. Credit repair organizations contracts.
"407. Right to cancel contract.
"408. Noncompliance with this title.
"409. Civil liability.
"410. Administrative enforcement.
"411. Relation to State law.

"SEC. 401. SHORT TITLE.

"This title may be cited as the 'Credit Repair Organizations Act'.

"SEC. 402. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) Consumers have a vital interest in establishing and maintaining their credit worthiness and credit standing in order to obtain and use credit. As a result, consumers who have experienced credit problems may seek assistance from credit repair organizations which offer to improve the credit standing of such consumers.

"(2) Certain advertising and business practices of some companies engaged in the business of credit repair services have worked a financial hardship upon consumers, particularly those of limited economic means and who are inexperienced in credit matters.

"(b) PURPOSES.—The purposes of this title are as follows:

"(1) To ensure that prospective buyers of the services of credit repair organizations are provided with the information necessary to make an informed decision regarding the purchase of such services.

"(2) To protect the public from unfair or deceptive advertising and business practices by credit repair organizations.

"SEC. 403. DEFINITIONS.

"For purposes of this title:

"(1) CONSUMER.—The term 'consumer' means an individual.

"(2) CONSUMER CREDIT TRANSACTION.—The term 'consumer credit transaction' means any transaction in which credit is offered or extended to an individual for personal, family, or household purposes.

"(3) CREDIT REPAIR ORGANIZATION.—The term 'credit repair organization'—

"(A) means any person who uses any instrumentality of interstate commerce or the mails to sell, provide, or perform (or represent that such person can or will sell, provide, or perform) any service, in return for the payment of money or other valuable consideration, for the express or implied purpose of—

"(i) improving any consumer's credit record, credit history, or credit rating;

"(ii) removing adverse credit information that is accurate and not obsolete from the consumer's record, history, or rating;

"(iii) altering the consumer's identification to prevent the display of the consumer's credit record, history, or rating for the purpose of concealing adverse credit information that is accurate and not obsolete; and

"(iv) providing advice or assistance to any consumer with regard to any activity or service described in clause (i), (ii), or (iii); and

"(B) does not include—

"(i) any nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986; or

"(ii) any attorney-at-law who is a member of the bar of the highest court of any State or otherwise licensed under the laws of any State, with respect to services rendered which are within the scope of regulations applicable to members of such bar or such licensees.

"(4) CREDIT.—The term 'credit' has the meaning given to such term in section 103(e) of this Act.

"SEC. 404. PROHIBITED PRACTICES BY CREDIT REPAIR ORGANIZATIONS.

"No credit repair organization, and no officer, employee, agent, or other person partici-

pating in the conduct of the affairs of any credit repair organization, may—

"(1) charge or receive any money or other valuable consideration for the performance of any service which the credit repair organization has agreed to perform for any consumer before such service is fully performed;

"(2) make any statement, or counsel or advise any consumer to make any statement, which is untrue or misleading (or which, upon the exercise of reasonable care, should be known by the credit repair organization, officer, employee, agent, or other person to be untrue or misleading) with respect to any consumer's credit worthiness, credit standing, or credit capacity to—

"(A) any consumer reporting agency (as defined in section 603(f) of this Act); or

"(B) any person—

"(i) who has extended credit to the consumer; or

"(ii) to whom the consumer has applied or is applying for an extension of credit;

"(3) make any statement, or counsel or advise any consumer to make any statement, the intended effect of which is to alter the consumer's identification to prevent the display of the consumer's credit record, history, or rating for the purpose of concealing adverse credit information that is accurate and not obsolete to—

"(A) any consumer reporting agency;

"(B) any person—

"(i) who has extended credit to the consumer; or

"(ii) to whom the consumer has applied or is applying for an extension of credit;

"(4) make or use any untrue or misleading representation of the services of the credit repair organization; or

"(5) engage, directly or indirectly, in any act, practice, or course of business that constitutes or results in the commission of, or an attempt to commit, a fraud or deception on any person in connection with the offer or sale of the services of the credit repair organization.

"SEC. 405. DISCLOSURES.

"(a) DISCLOSURE REQUIRED.—Before any contract or agreement between a consumer and a credit repair organization is executed, the credit repair organization shall provide the consumer with the following written statement:

"'Consumer Credit File Rights Under State and Federal Law

"'You have a right to dispute inaccurate information in your credit report by contacting the credit bureau directly. However, neither you nor any "credit repair" company or credit repair organization has the right to have accurate, current, and verifiable information removed from your credit report. The credit bureau must remove accurate, negative information from your report only if it is over 7 years old. Bankruptcy information can be reported for 10 years.

"'You have a right to obtain a copy of your credit report from a credit bureau. You may be charged a reasonable fee. There is no fee, however, if you have been turned down for credit, employment, insurance, or a rental dwelling because of information in your credit report within the preceding 60 days. The credit bureau must provide someone to help you interpret the information in your credit file. A credit report is available annually at no charge.

"'You have a right to sue a credit repair company that violates the Credit Repair Organization Act. This law prohibits deceptive practices by credit repair companies.

"'You have the right to cancel your contract with any credit repair organization for any reason within 3 days from the date you signed it.

"'Credit bureaus are required to follow reasonable procedures to ensure that creditors report information accurately. However, mistakes may occur.

"'You may, on your own, notify a credit bureau in writing that you dispute the accuracy of information in your credit file. The credit bureau must then reinvestigate and modify or remove inaccurate information. The credit bureau may not charge any fee for this service. Any pertinent information and copies of all documents you have concerning an error should be given to the credit bureau.

"'If reinvestigation does not resolve the dispute to your satisfaction, you may send a brief statement to the credit bureau, to be kept in your file, explaining why you think the record is inaccurate. The credit bureau must include your statement about disputed information with any report it issues about you.

"'The Federal Trade Commission regulates credit bureaus and credit repair organizations. For more information contact:

"'The Division of Credit Practices
Federal Trade Commission
Washington, D.C. 20580.'.

"(b) SEPARATE STATEMENT REQUIREMENT.—The written statement required under this section shall be provided as a document which is separate from any written contract or other agreement between the credit repair organization and the consumer or any other written material provided to the consumer.

"(c) RETENTION OF COMPLIANCE RECORDS.—

"(1) IN GENERAL.—The credit repair organization shall maintain a copy of the statement signed by the consumer acknowledging receipt of the statement.

"(2) MAINTENANCE FOR 2 YEARS.—The copy of any consumer's statement shall be maintained in the organization's files for 2 years after the date on which the statement is provided to the consumer.

"SEC. 406. CREDIT REPAIR ORGANIZATIONS CONTRACTS.

"(a) WRITTEN CONTRACTS REQUIRED.—A credit repair organization may not provide services for any consumer unless a written and dated contract (for the purchase of such services) which meets the requirements of subsection (b) has been signed by the consumer.

"(b) TERMS AND CONDITIONS OF CONTRACT.—No contract referred to in subsection (a) meets the requirements of this subsection unless such contract includes the following information (in writing):

"(1) The terms and conditions of payment, including the total amount of all payments to be made by the consumer to the credit repair organization or to any other person.

"(2) A full and detailed description of the services to be performed by the credit repair organization for the consumer, including—

"(A) all guarantees and all promises of full or partial refunds; and

"(B) an estimate of—

"(i) the date by which the performance of the services (to be performed by the credit repair organization or any other person) will be complete; or

"(ii) the length of the period necessary to perform such services.

"(3) The credit repair organization's name and principal business address.

"(4) A conspicuous statement in bold face type, in immediate proximity to the space reserved for the consumer's signature on the contract, which reads as follows: 'You may cancel this contract without penalty or obligation at any time before midnight of the third day after the date on which you signed the contract. See the attached notice of cancellation form for an explanation of this right.'.

"SEC. 407. RIGHT TO CANCEL CONTRACT.

"(a) IN GENERAL.—Any consumer may cancel any contract with any credit repair organization without penalty or obligation by notifying the credit repair organization of the consumer's intention to do so at any time before midnight of the third business day which begins on the date on which the contract or agreement between the consumer and the credit repair organization is executed or would, but for this subsection, become enforceable against the parties.

"(b) CANCELLATION FORM AND OTHER INFORMATION.—Each contract shall be accompanied by a form, in duplicate, which has the heading 'Notice of Cancellation' and contains in bold face type the following statement:

"'You may cancel this contract, without any penalty or obligation, at any time before midnight of the third day which begins after the date the contract is signed by you.

"'If you cancel, any payment you made under this contract will be returned before the end of the 10-day period beginning on the date the seller receives your cancellation notice.

"'To cancel this contract, mail or deliver a signed, dated copy of this cancellation notice, or any other written notice to [*name of credit repair organization*] at [*address of credit repair organization*] before midnight on [*date*]

I hereby cancel this transaction,

[*date*]

[*purchaser's signature*].'.

"(c) CONSUMER COPY OF CONTRACT REQUIRED.—Any consumer who enters into any contract with any credit repair organization shall be given, by the organization—

"(1) a copy of the completed contract and the disclosure statement required under section 405; and

"(2) a copy of any other document the credit repair organization requires the consumer to sign,

at the time the contract or the other document is signed.

"SEC. 408. NONCOMPLIANCE WITH THIS TITLE.

"(a) CONSUMER WAIVERS INVALID.—Any waiver by any consumer of any protection provided by or any right of the consumer under this title—

"(1) shall be treated as void; and

"(2) may not be enforced by any Federal or State court or any other person.

"(b) ATTEMPT TO OBTAIN WAIVER.—Any attempt by any credit repair organization to obtain a waiver from any consumer of any protection provided by or any right of the consumer under this title shall be treated as a violation of this title.

"(c) CONTRACTS NOT IN COMPLIANCE.—Any contract for services which does not comply with the applicable provisions of this title—

"(1) shall be treated as void; and

"(2) may not be enforced by any Federal or State court or any other person.

"SEC. 409. CIVIL LIABILITY.

"(a) LIABILITY ESTABLISHED.—Any credit repair organization which fails to comply with any provision of this title with respect to any person shall be liable to such person in an amount equal to the sum of the amounts determined under each of the following paragraphs:

"(1) ACTUAL DAMAGES.—The greater of—

"(A) the amount of any actual damage sustained by such person as a result of such failure; or

"(B) any amount paid by the person to the credit repair organization.

"(2) PUNITIVE DAMAGES.—

"(A) INDIVIDUAL ACTIONS.—In the case of any action by an individual, such additional amount as the court may allow.

"(B) CLASS ACTIONS.—In the case of a class action, the sum of—

"(i) the aggregate of the amount which the court may allow for each named plaintiff; and

"(ii) the aggregate of the amount which the court may allow for each other class member, without regard to any minimum individual recovery.

"(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

"(b) FACTORS TO BE CONSIDERED IN AWARDING PUNITIVE DAMAGES.—In determining the amount of any liability of any credit repair organization under subsection (a)(2), the court shall consider, among other relevant factors—

"(1) the frequency and persistence of noncompliance by the credit repair organization;

"(2) the nature of the noncompliance;

"(3) the extent to which such noncompliance was intentional; and

"(4) in the case of any class action, the number of consumers adversely affected.

"(c) JURISDICTION.—Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, before the later of—

"(1) the end of the 2-year period beginning on the date of the occurrence of the violation involved; or

"(2) in any case in which any credit repair organization has materially and willfully misrepresented any information which—

"(A) the credit repair organization is required, by any provision of this title, to disclose to any consumer; and

"(B) is material to the establishment of the credit repair organization's liability to the consumer under this section,

the end of the 2-year period beginning on the date of the discovery by the consumer of the misrepresentation.

"SEC. 410. ADMINISTRATIVE ENFORCEMENT.

"(a) IN GENERAL.—Compliance with the requirements imposed under this title with respect to credit repair organizations shall be enforced under the Federal Trade Commission Act by the Federal Trade Commission.

"(b) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF FEDERAL TRADE COMMISSION ACT.—

"(1) IN GENERAL.—For the purpose of the exercise by the Federal Trade Commission of the Commission's functions and powers under the Federal Trade Commission Act, any violation of any requirement or prohibition imposed under this title with respect to credit repair organizations shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act.

"(2) ENFORCEMENT AUTHORITY UNDER OTHER LAW.—All functions and powers of the Federal Trade Commission under the Federal Trade Commission Act shall be available to the Commission to enforce compliance with this title by any person subject to enforcement by the Federal Trade Commission pursuant to this subsection, including the power to enforce the provisions of this title in the same manner as if the violation had been a violation of any Federal Trade Commission trade regulation rule, without regard to whether the credit repair organization—

"(A) is engaged in commerce; or

"(B) meets any other jurisdictional tests in the Federal Trade Commission Act.

"(c) STATE ENFORCEMENT OF TITLE.—

"(1) IN GENERAL.—The attorney general of any State, or an official or agency designated under the law of any State, may enforce the provisions of this title in Federal or State court.

"(2) CIVIL ENFORCEMENT ACTIONS.—Any State may bring a civil action in any Federal or State court to enjoin any violation of this title and recover damages under this title for consumers who reside in such State.".•

By Mr. BRADLEY:

S. 2777. A bill to finance an educational exchange program with the independent states of the former Soviet Union and the Baltic States, to authorize the admission to the United States of certain scientists of the former Soviet Union and Baltic States as employment-based immigrants under the Immigration and Nationality Act, and for other purposes; to the Committee on Foreign Relations.

FREEDOM EXCHANGE ACT

• Mr. BRADLEY. Mr. President, I rise to introduce the Freedom Exchange Act. Joining me to sponsor this legislation is my colleague, Mr. KERREY, from Nebraska. The bill is also being introduced in the other body by Congressman LEACH of Iowa.

Mr. President, this legislation will provide for the creation of massive exchange programs with the former Soviet Union and the Baltics. The legislation will also provide for an increase in immigrant visas available to scientists and others involved in the production of nuclear weapons. We hope these programs will become components of any assistance package the U.S. Government provides to the region.

The purpose of these educational exchanges is to bring young people from the region to the United States so that they might experience firsthand how a free market democracy functions. Person-to-person contact—not dollars—will create the bonds that will construct an era of mutual respect to replace the cold war era of mutual suspicion. On a long-term basis, it's not food or supplies they need, but a vision. A vision of what their new societies could look like. A vision of what their societies should look like. And by accepting students into their homes and lives, Americans can help to provide this. This program calls for a personal involvement that other aid programs do not demand of Americans. Instead of shipping over a plane full of advisers, we will bring in a plane full of talented youth. They will come into our communities to live, to study, to work. We believe this is what the situation demands.

The dramatic changes we have all witnessed in the world in recent years should prompt us to reflect on our own Nation's task in years ahead: How can we adapt to the altered world?

Mr. President, I believe that recent events will lead to a redefinition of our superpower role. We will continue to exercise a leadership role, but in a new form. In a multipolar, multicultural world, we must lead by example. We should be able to lead the world by our example of a pluralist nation that is a free and democratic society—a nation striving to accommodate ethnic and religious minorities, a nation of economic opportunity. We recognize our problems, and that, too, we can show others is a key element of a democratic society.

But in order to lead by example, we should give the youth of these former Communist republics the chance to see for themselves what a free market democracy means and how our institutions work. By doing so, we can provide the type of aid they most need. The needs of the states of the former Soviet Union and the Baltics are many. They need skill building and institution building so that they can begin he process of nation building. All of this will require increased understanding of democratic principles.

We must move swiftly. The people of the newly independent states must be brought out of their isolation now. We must make up for 40 years of barriers between our citizens and theirs. We cannot afford to be complacent. A slow response risks retrenchment of economic and democratic reforms. It also risks the growth of new versions of authoritarian rule.

We want to see large numbers of people coming into our high schools, community colleges, universities or businesses as early as January 1993. Over the course of the program's 5-year duration, hundreds of thousands of students and young managers should come over at a minimal cost and significant benefit to the American taxpayer.

There are five components to this program: First, there will be a high school student exchange; second, an undergraduate student exchange; third, a graduate student exchange; fourth, a sister university program; and fifth, a small business exchange.

The key component is high school exchanges. We need to reach the youth of these new states early in their development. When this program is fully implemented, 50,000 high school kids will come to America each year. They will live with families, attend schools, and return to their own homes having learned about our institutions, skills, and values. They will have acquired a better appreciation of how they—the future leaders—can create their own institutions.

The undergraduate and university exchanges would be on a smaller but still significant scale. The goals are about 10,000 college students and 1,000 grad-

uate students coming over to study each year.

The sister university program would create links between our universities, colleges, and community colleges, and their institutions of higher learning.

The small business exchange would provide a means for young managers to work with small businesses in the United States and experience first hand what it means to be an entrepreneur. We would like to see them spread to each of our 435 congressional districts, with local community groups helping to sponsor the trainees.

Cultural exchanges benefit both sides. Not only would we be assuring peaceful ties between these nations and ours, we can also learn much. Americans can learn from having foreign students in their homes and classrooms. Americans studying in Kiev, St. Petersburg, Vilnius, and Alma-Alta will return with a better understanding of the people of these new republics; they will also have the unique privilege of witnessing first hand the new frontiers of democratic capitalism.

United States businesses serving as sponsors to young managers from the former Soviet Union will be establishing future business contacts in a market that includes 300 million potential new consumers. Their ability to get involved in the new states depends to a certain extent on their knowledge of local conditions, opportunities and their ability to work with people who are already familiar with Western business practices.

The Iron Curtain between our societies has parted, Mr. President, but contact between our people and the people of the former Soviet Union remains woefully limited. In the 1990-91 school year, the total number of undergraduate and graduate students from the former Soviet Union was 1,210. China had almost 40,000 for the same period. Even Switzerland had more students at American universities than did the former Soviet Union. There are over 5 million college and graduate level students in the former Soviet Union. We should see thousands more over here.

This legislation will also provide the means for larger numbers of highly skilled Russian scientists and others to immigrate to the United States. Faced with hardships in the Soviet Union, scientists with valuable skills, particularly those knowledgeable in the production of nuclear weapons, might consider aiding countries such as Libya in developing nuclear weapon capability. Instead, we can provide opportunities for these talented people to benefit America by enhancing American competitiveness through their own special expertise.

Mr. President, these exchange programs are cost-effective. For far less than the cost of one Stealth bomber, we can bring over 70,000 students here in any given year. Also, public funds alone will not support this program; private assistance is also envisioned.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

BILL SUMMARY—FREEDOM EXCHANGE ACT

This bill would provide for the creation of massive exchange programs with the former Soviet Union and the Baltics. The purpose is to bring young people of the region to the United States so that they might experience first-hand how a free market democracy functions. The legislation would also increase the number of immigrant visas available to scientists and others knowlegeable in the production of nuclear weapons in the former Soviet Union.

There are five different exchange programs envisioned: high school, undergraduate and graduate student exchanges; a sister university program and a small business exchange.

In the first fiscal year, the program would provide the means for bringing over to the United States 5,000 high school students, 2,000 college students, 300 graduate students, and 2,000 managers to work in small businesses throughout the United States. The managers would spend 6 months interning in U.S. businesses. The training will enhance their ability to participate in economic restructuring on their return to the independent states.

The numbers would increase during the course of the program. By the fifth year, participants would include 50,000 high school students, 10,000 college students, 1,000 graduate students, and 10,000 managers. Grants to sister university programs would be available to 50 university pairings by the fifth year.

In the total 5 years, there would be over a quarter of a million students moving on this exchange program. This would include 177,000 high school students, 37,000 college students, 3,900 graduate students and 38,000 on a small business exchange program.

Funding would be provided in the first year through USIA. Private voluntary agencies involved in international youth or citizen exchange programs would be eligible to apply for grants. By the second year, the program would be run by a newly encorporated private not-for-profit organization. The exchange programs would sunset after 5 years.

The program would make available $150 million in grants during the first fiscal year and $335 million the second year. By the fifth year, a total of $475 million would be granted to nonprofits for the purposes of these exchange programs.

Public support would be supplemented by private funding. Colleges and universities, receiving students would be expected to supplement public resources, wherever possible. Small businesses or local communities receiving managers would be resposible for housing and medical insurance. In addition, the newly encorporated foundation would be able to raise funding from private donors.●

By Mr. JEFFORDS (for himself, Mr. LEAHY, and Mr. MOYNIHAN):

S. 2778. A bill to require the Secretary of the Interior to conduct a study to assess the suitability and feasibility of establishing a heritage corridor composed of certain sites located in the Upper Hudson River Valley, in the Champlain Valley, and in the area around Lake George, and for other purposes; to the Committee on Energy and Natural Resources.

CHAMPLAIN VALLEY HERITAGE CORRIDOR STUDY ACT

Mr. JEFFORDS. Mr. President, the land I come from is an ancient one with a history that goes back far before things were written down. And as written history emerged, it recorded such storied names as Fort William Henry, Ticonderoga, Saratoga, Bennington, Crown Point, Hubbardton. They are places where European nations battled for a continent, where America won its independence, and then defended it in the War of 1812. People such as George Washington, Ethan Allen, Anthony Wayne, John Stark, Benjamin Franklin, Robert Rogers have walked there.

The corridor that holds the upper Hudson River, Lake George, Lake Champlain, and the Richelieu River holds scores of places important to the history of this Nation, of the continent and of the world. And the people along that corridor have long cared for their historic sites. Much has been preserved from the decisive battlefield of Saratoga, to the stone ramparts of Ticonderoga, to the towering earthworks at Crown Point to the rude foundations of huts at Mount Independence where American soldiers shivered and died through a winter worse than Valley Forge.

Yet much of the history of this area goes unappreciated for the simple fact that it is impossible, save for a few historians who have devoted lives to study, for the layman to understand the history of the upper Hudson, Lake George, Champlain, Richelieu Corridor.

I am happy to join with Senator LEAHY of my State, and Senator MOYNIHAN of the great State of New York, in introducing today the bill which will be entitled the Champlain Valley Heritage Corridor Study Act, directing the Park Service to undertake a study of this corridor. The historic sites there need to be studied, to be inventoried, assessed. Then down the road it is my hope that we might move forward to make the historic sites of this corridor more accessible, more understandable, to the people of this nation and of the world.

I have in mind a new Park Service concept, an historic corridor. It would not require land taking and the creation of great new facilities, but would be developed around the more than 8,000 acres of historic land I have discovered that are already protected in private, State, and Federal ownership along the corridor. But that is a step that would be taken only after a study.

My bill asks that the study be done in a year and in cooperation with the Canadian and Quebec Province governments for the historic corridor crosses and international border and runs

north to Montreal and beyond. Montreal, Fort Chambly, even Quebec City's Plains of Abraham are as much a part of this area's history as Valcour Island, Arnold's Bay, Bennington.

Last summer I invited Edwin Bearss, the chief historian of the National Park Service, to inspect Mount Independence in Vermont with me. Mr. Bearss also visited Hubbardton Battlefield and was deeply impressed by what he saw and suggested that the new concept of a heritage corridor be considered for our area, a corridor based on 200 years of conflict, from Champlain's exploration to the Battle of Plattsburg. We have expanded the idea by 50 years to include the Confederate raid on St. Albans, VT, in 1864 the northernmost land action of the Civil War.

Also, of course, the native American sites in the corridor must be studied for the entire corridor is a native American site. And many of the great sites tied in with the Revolution and French and Indian Wars are important native American places.

And beyond that, all the people of this country, indeed of two nations, might one day come to fully understand and appreciate the immense history of the upper Hudson, Lake George, Lake Champlain, and the Richelieu.

It is a heritage with ancient roots and it is a heritage we are most proud of and that we wish to tell the world about.

The economic benefits to the Northeast could be considerable, and at little cost. For the corridor's history is there, tangible, preserved. It is a story only waiting to be told. The results could only be beneficial to this Nation and to the people of the corridor, and to the owners of the historic places of the corridor.

Few, if any, places in this hemisphere have such a rich and important history as this old and beautiful Northeastern corridor. We could bring it forth to our and future generations.

Mr. President, it is important, especially at the time around Memorial Day, to remember those gallant men and women of the past who sacrificed to make this Nation so great, and I hope we can by this bill preserve some of those wonderful sites that bring back those memories.

Mr. MOYNIHAN. Mr. President, I rise as a cosponsor of Senator Jeffords' Champlain Valley Heritage Corridor Study Act. The land surrounding the Upper Hudson, Lake George, and Lake Champlain is rich in American history, and so is most deserving of the study authorized in this bill.

Exploration of the region began in 1609, only 2 years after the first settlement at Jamestown. With Henry Hudson and the Dutch traveling up river and Samuel de Champlain descending from Canada on behalf of France, it was a banner year for discovery.

As settlers from the two nations, and later from Britain, came in closer and closer contact in the following years, tensions rose. The French and Indian War was the result. The Algonquin Indians sided with the French, the Iroquois with the British. Battles were fought up and down this area, most notably at Ticonderoga and Crown Point. These conflicts ended with the Treaty of Paris in 1763, but they were soon followed by even greater bloodshed.

A third of the battles in the Revolutionary War took place in New York, and most of them were in the region this bill considers. Most notable was Saratoga, 1 of the 10 most significant land battles in history and a decisive defeat for the British.

With a background as the crucible in which the country was founded, the Hudson-Champlain region grew and prospered. Water was the key to its development in the 19th century, for no other mode of transportation could penetrate the Green Mountains or the Adirondacks. Today much of the region is protected as part of Adirondack Park, and the lakes are greatly valued for recreation.

There is much to be known and much to be preserved in the Hudson-Champlain region. This bill is a sound effort to do so, and I ask my colleagues to join us in supporting it.

By Mr. THURMOND (for himself, Mr. HOLLINGS, and Mr. MCCAIN):

S. 2779. A bill to amend title 10, United States Code, to provide that enlisted members of the Armed Forces who have completed 18, but less than 20, years of active duty shall be treated in the same manner as officers with respect to retention on active duty until becoming eligible for retired pay; to the Committee on Armed Services.

RETENTION OF CERTAIN MEMBERS OF THE ARMED FORCES

Mr. THURMOND. Mr. President, I rise today to introduce legislation that will provide our noncommissioned officers the same safety net that currently protects commissioned officers from involuntary separation upon completion of more than 18 years, but less than 20 years, of active duty. I am joined in sponsoring this legislation by Senator HOLLINGS and Senator MCCAIN.

Mr. President, over the past few years my office has received requests for assistance from enlisted members of the Armed Forces who were denied reenlistment after having served honorably for 18 years, which is just 2 years short of retirement eligibility.

Subsequent inquiries to the military services confirmed that the denial of the reenlistment was appropriate under current statutes and that there were no means, short of the respective service changing its mind, that could rescind the denial. Since the services rarely change their minds, the service members were discharged. They were denied the opportunity to continue in uniform until they reached their 20th year—that magical number that would allow the service member to retire and receive retirement pay.

Mr. President, this sort of adverse action would not have occurred if the service members had been commissioned officers. Once an officer attains 18 years, but less than 20 years, he has a protective statute to fall back on. No such law exists for noncommissioned officers.

Mr. President, we should not allow two sets of values in determining whether a service member, officer and enlisted, is to leave the military or be retained. Little by little, the Congress has changed outdated laws that have no place in the All-Volunteer Force. In 1990, the Congress addressed the inequity in the military's separation policy. It offered separation pay to enlisted personnel for the first time in nearly 100 years.

Other inequities between officer and enlisted, such as special pay, have also been corrected. Hazardous duty or incentive pay has been equalized for both. So has temporary duty per diem, accumulated leave, family separation allowances. SGLI coverage, and deductibles for CHAMPUS.

Mr. President, there is no reason why this inequity cannot be resolved during this session of Congress. It will require little, if any, additional funds for the military personnel account to support the legislation. It will, however, offer fairness in the treatment we afford our career enlisted personnel who have served honorably for more than 18 years. In my judgment, they should certainly be given the same opportunity as officers to serve another 2 years to qualify for retirement.

Mr. President, in closing I want to thank the Non-Commissioned Officers Association, especially Sgt. Maj. Mack McKinney, for their assistance and background information that was used in formulating this proposal.

Mr. President, I ask unanimous consent that the entire bill be printed following my remarks, and I urge my colleagues to join me in supporting this legislation.

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

S. 2779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RETENTION ON ACTIVE DUTY OF ENLISTED MEMBERS WITHIN TWO YEARS OF ELIGIBILITY FOR RETIREMENT.

(a) IN GENERAL.—Chapter 59 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1175. Enlisted members: retention after completion of 18 or more, but less than 20, years of service

"(a) REGULAR MEMBERS.—A regular enlisted member who is selected to be involuntarily separated, or whose term of enlistment expires and who is denied reenlistment,

and who on the date on which the member is to be discharged is within two years of qualifying for retirement under section 3914 or 8914 of this title, or of qualifying for transfer to the Fleet Reserve or Fleet Marine Corps Reserve under section 6330 of this title, shall be retained on active duty until the member is qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve, as the case may be, unless the member is sooner retired or discharged under any other provision of law.

"(b) RESERVE MEMBERS.—A reserve enlisted member serving on active duty who is selected to be involuntarily separated, or whose term of enlistment expires and who is denied reenlistment, and who on the date on which the member is to be discharged or released from active duty is entitled to be credited with at least 18 but less than 20 years of service computed under section 1332 of this title, may not be discharged or released from active duty without the member's consent before the earlier of the following:

"(1) If as of the date on which the member is to be discharged or released from active duty the member has at least 18, but less than 19, years of service computed under section 1332 of this title—

"(A) the date on which the member is entitled to be credited with 20 years of service computed under section 1332 of this title; or

"(B) the third anniversary of the date on which the member would otherwise be discharged or released from active duty.

"(2) If as of the date on which the member is to be discharged or released from active duty the member has at least 19, but less than 20, years of service computed under section 1332 of this title—

"(A) the date on which the member is entitled to be credited with 20 years of service computed under section 1332 of this title; or

"(B) the second anniversary of the date on which the member would otherwise be discharged or released from active duty.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1175. Enlisted members: retention after completion of 18 or more, but less than 20, years of service.".

By Mr. GLENN (for himself and Mr. ROCKEFELLER):

S. 2781. A bill to amend the Solid Waste Disposal Act to require the preparation of a rural community impact statement prior to the issuance of a permit for the construction of an off site hazardous waste treatment, storage, or disposal facility in a rural area; to the Committee on the Environment and Public Works.

RURAL COMMUNITIES HAZARDOUS WASTE INFORMATION ACT OF 1992

• Mr. GLENN. Mr. President, I rise today to introduce the Rural Communities Hazardous Waste Information Act of 1992. I am pleased to have my colleague, Mr. ROCKEFELLER, as an original cosponsor of this bill. This legislation addresses a critical need for people in rural areas to have more access to information about hazardous waste facilities proposed for siting in their communities.

The Rural Communities Hazardous Waste Information Act will expand the very limited public information requirements that currently exist in the Resource Conservation and Recovery Act [RCRA]. Access to information about the economic and environmental impact of hazardous waste facilities is particularly important in rural communities. Over 75 percent of the hazardous waste landfills and incinerators in the country are located in rural areas. Many of these communities lack the resources to gather sound data about the potential effects of hazardous waste facilities.

Mr. President, this legislation establishes a process to allow citizens to review important information during the planning process for siting a hazardous waste facility. The bill requires that within 12 months of the permit application by a facility, a community impact statement must be completed and made available to the public. This statement must be prepared by an independent contractor selected jointly by the permit applicant and elected officials in the community. The impact statement must include findings on the economic and social impact of the facility, the effect on employment and recreation, the effect on emergency services and transportation and potential costs of mitigating any impact on the community.

The availability of sound and objective information is crucial for citizens in a community being considered for a hazardous waste facility. It is clearly in the public interest to undertake a full examination of the effects of a hazardous waste facility prior to issuance of a permit for that facility.

Mr. President, hazardous waste disposal is one of the most significant problems facing State and local governments. I believe that we must aggressively pursue waste reduction at the source and recycling as the most environmentally sound ways to handle hazardous waste. Not only does waste reduction provide health and environmental benefits, but it can also provide cost savings nationally by decreasing the amount spent on waste management. Until these methods become more widely utilized, waste incineration and disposal will be necessary.

The Rural Communities Hazardous Waste Information Act will provide citizens a mechanism for learning about facilities proposed for their neighborhood. This knowledge is a basic right. I urge my colleagues to join me in supporting this legislation. Congressmen CLINGER and SYNAR have introduced this bill in the House of Representatives, and we will work together for its enactment.•

By Mr. EXON:

S. 2782. A bill to amend the Internal Revenue Code of 1986 to repeal the luxury tax on passenger vehicles; to the Committee on Finance.

REPEAL OF LUXURY TAX ON PASSENGER VEHICLES

Mr. EXON. Mr. President, I rise for the purpose of introducing a piece of legislation to amend the Internal Revenue Code to repeal the luxury tax on passenger vehicles. I send the bill to the desk and ask it be printed in the RECORD and appropriately referred.

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

S. 2782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF LUXURY TAX ON PASSENGER VEHICLES.

(a) IN GENERAL.—Section 4001 of the Internal Revenue Code of 1986 (relating to luxury tax on passenger vehicles) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 4004(b) of such Code is amended—

(A) in subparagraph (A)(iii), by striking "passenger vehicle, boat," and inserting "boat", and

(B) in subparagraph (B)—

(i) by striking "$30,000 in the case of a passenger vehicle,", and

(ii) by striking "boat," and inserting "boat".

(2) Subpart A of part I of subchapter A of chapter 31 of such Code is amended by redesignating sections 4002, 4003, and 4004 as sections 4001, 4002, and 4003, respectively.

(3)(A) Subsection (b) of section 4011 of such Code is amended by striking paragraph (3), and by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(B) Paragraph (2) of section 4011(c) of such Code is amended—

(i) in the paragraph caption, by striking "PASSENGER VEHICLES, BOATS," and inserting "BOATS",

(ii) in subparagraph (A), by striking "passenger vehicle, boat," and inserting "boat",

(iii) in subparagraph (B), by striking "means—" and all that follows and inserting "means any lease.", and

(iv) in subparagraph (C)(iii), by striking "section 4004(c)" inserting "section 4003(c)".

(4) Subsection (c) of section 4221 of such Code is amended by striking "4001(c), 4002(b), 4003(c), 4004(a)" and inserting "4001(b), 4002(c), 4003(a)".

(5) Subsection (d) of section 4222 of such Code is amended by striking "4001(c), 4002(b), 4003(c), 4004(a)" and inserting "4001(b), 4002(c), 4003(a)".

(6) The table of sections for subpart A of part I of subchapter A of chapter 31 of such Code is amended—

(A) by striking the item relating to section 4001, and

(B) by striking "4002", "4003", and "4004" and inserting "4001", "4002" and "4003", respectively.

(7)(A) The heading for subpart A of part I of subchapter A of chapter 31 of such Code is amended by striking "**Passenger Vehicles, Boats**".

(B) The table of subparts for part I of subchapter A of chapter 31 of such Code is amended by striking "Passenger vehicles, boats," in the item relating to subpart A and inserting "Boats".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 2784. A bill to amend part A of title IV of the Social Security Act to remove barriers and disincentives in the program of aid to families with dependent children so as to improve educational and business opportunities for recipients; to the Committee on Finance.

SELF-SUFFICIENCY OPPORTUNITIES ACT

• Mr. DODD. Mr. President, I rise today to introduce legislation that addresses one aspect of a welfare system that discourages initiative and, even worse, destroys hope. We must begin to turn that system around. The Self-sufficiency Opportunities Act of 1992, which I am introducing with my colleague from Connecticut, Senator LIEBERMAN, would bring the dreams of education and owning a business closer to the grasp of families on welfare. Helping them realize those dreams would benefit the American taxpayer as well as the families themselves.

Over the past 2 years, the Subcommittee on Children, Families, Drugs, and Alcoholism, which I chair, has held a series of hearings on the state of the American family and parents' struggles to provide a decent life for their children. The Senate Democratic Task Force on Welfare Reform, of which I am a member, is exploring how to address the barriers families in the Aid to Families with Dependent Children [AFDC] Program face in becoming self-sufficient. These families have such a tough time getting off welfare in part because they lack resources for activities that could help them achieve that goal.

The recent case in Connecticut of Sandra Rosado, who was discovered saving for college while her family was on AFDC, has become a symbol of stifling welfare policies. AFDC rules do not permit a family more than $1,000 in assets. Sandra was required to spend her savings, and her family to repay welfare payments of over $9,000. Sandra was able to win a scholarship and enter college, but her family still faces the overpayment charges. Earlier this week, Senator LIEBERMAN and I introduced legislation to provide relief specifically for Sandra's family.

This case is almost as absurd as it is tragic. Each year 400,000 children drop out of high school. Here is a young woman who not only stayed in school, but also got a job and saved to continue her education after graduation. If ever there was a wrong signal to send young people in poor families, this is it.

Children trying to save for college aren't the only ones stymied by the welfare system. For some recipients, the path off welfare is through starting their own businesses, but it is not easy. A witness at a March 10, 1992, subcommittee hearing on public-private partnerships described many difficulties in reconciling AFDC rules with standard business practices.

A model entrepreneurial program at the Hartford College for Women in Connecticut, which has a special component for welfare women, has solved administratively a number of these problems. However, several barriers remain. Under current rules, the purchase of capital equipment is not a legitimate business expense. The result is a reduction in benefits proportionate to the amount of the purchase. Similarly, you cannot repay principal on a loan or carry over cash reserves needed to operate your business without reducing your welfare grant. In short, it's very difficult to conduct your business in a business-like manner—a business that can help you get off welfare.

The Self-Sufficiency Opportunities Act would make it easier for families on welfare to save for education and operate their own businesses. It may be too late for Sandra Rosado to have the satisfaction of paying her own way through college—although she certainly should feel proud of her initiative and scholastic achievement. But we must enable other children to have both the dream of an education and the sense of empowerment that they can make that dream come true. This legislation would allow States to set up mechanisms, such as escrow accounts or education savings bonds, through which children could work and save for post-secondary education without jeopardizing their family's economic well-being.

The Self-Sufficiency Opportunities Act also addresses the barriers to successfully operating a small business, based on the considerable experience of the Connecticut program. It would allow AFDC recipients a one-time purchase of capital equipment which would be counted as a business expense. The bill also specifies that loan principal repayments and funds carried forward for future business expenditures are legitimate business expenses. As such, they would be deducted from the gross receipts of the business in determining net income. Most of these self-employment provisions have been introduced in the other body by our colleague from Connecticut, Representative KENNELLY.

Finally, welfare recipients starting their own businesses could benefit immensely from the business expertise in the community. The legislation would authorize $5 million to establish public-private partnerships through which local business people would provide assistance such as mentoring and training in how to run a business. This approach also should increase the business community's receptivity to helping welfare recipients who choose this avenue to self-sufficiency.

I would emphasize, Mr. President, that this bill represents only a fraction of the issues involved in altering our welfare system to encourage work. Many work incentives were pared back or eliminated by the Omnibus Budget Reconciliation Act of 1981, which I opposed. Now, the growing deficit impedes our ability to turn back the clock. Moreover, the disincentives to work are not all within the AFDC program. Welfare reform also lies in policies to support working families—such as providing the child care services and better tax treatment which I have long advocated. And we must never lose sight of our Nation's most critical need: more jobs paying a decent wage that families can live on. Clearly, Mr. President, we have a long road ahead of us in creating a full range of opportunities for self-sufficiency. I hope our colleagues will join in taking this one small step.

Mr. President, I ask unanimous consent that the text of the bill be inserted in the RECORD.

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

S. 2784

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 "Self-Sufficiency Opportunities Act of 1992".

SEC. 2. DISREGARD OF EDUCATION SAVINGS FOR AFDC ELIGIBILITY.

(a) DISREGARD AS RESOURCE.—Subparagraph (B) of section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)) is amended—

(1) by striking "or" before "(iv)", and

(2) by inserting ", or (v) any amount in a qualified education account (as defined in section 406(i)) of such child" before "; and".

(b) DISREGARD AS INCOME.—Subparagraph (A) of section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) is amended—

(1) by striking "and" at the end of clause (vii), and

(2) by inserting after clause (viii) the following new clause:

"(ix) shall disregard any qualified distributions made from any qualified education account (as defined in section 406(i)); and".

(c) QUALIFIED EDUCATION ACCOUNTS.—Section 406 of such Act (42 U.S.C. 606) is amended by adding at the end the following:

"(i)(1) The term 'qualified education account' means a mechanism established by the State (such as escrow accounts or education savings bonds) that allows savings from earned income of a child in a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distributions' means distributions for expenses directly related to the attendance at an eligible post-secondary institution of a child on behalf of whom a qualified education account has been established or, in the absence of such a need, of any other child of such family.

"(3) A post-secondary institution's eligibility under this subsection shall be determined by the State under guidelines established by the Secretary.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments under part A of title IV of the Social Security Act for calendar quarters beginning on or after October 1, 1992.

SEC. 3. AUTHORITY FOR STATES TO PERMIT CERTAIN SELF-EMPLOYMENT PROGRAM PARTICIPANTS A ONE-TIME ELECTION TO PURCHASE CAPITAL EQUIPMENT FOR A SMALL BUSINESS IN LIEU OF DEPRECIATION; REPAYMENTS BY SUCH PERSONS OF THE PRINCIPAL PORTION OF SMALL BUSINESS LOANS TREATED AS BUSINESS EXPENSES FOR PURPOSES OF AFDC.

(a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) is amended—

(1) in subparagraph (B)(ii)(II), by striking "and" after the semicolon;

(2) in subparagraph (C), by inserting "and" after the semicolon; and

(3) by adding at the end the following:

"(D) provide that, in determining the earned income of a family any of the members of which owns a small business and is a participant in a self-employment program offered by a State in accordance with section 482(d)(1)(B)(ii), the State may—

"(i)(I) during the 1-year period beginning on the date the family makes an election under this clause, treat as an offset again the gross receipts of the business the sum of the capital expenditures for the business by any member of the family during such 1-year period; and

"(II) allow each such family eligible for aid under this part not more than 1 election under this clause; and

"(ii) treat as an offset against the gross receipts of the business—

"(I) the amounts paid by any member of the family as repayment of the principal portion of a loan made for the business; and

"(II) cash retained by the business for future use by the business;"

(b) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 167 of the Internal Revenue Code of 1986 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(g) CERTAIN PROPERTY OF AFDC RECIPIENTS NOT DEPRECIABLE.—No depreciation deduction shall be allowed under this section (and no depreciation or amortization deduction shall be allowed under any other provision of this subtitle) with respect to the portion of the adjusted basis of any property which is attributable to expenditures treated as an offset against gross receipts under section 402(a)(8)(D)(i) of the Social Security Act.".

(c) EFFECTIVE DATE.—

(1) SOCIAL SECURITY ACT AMENDMENTS.—The amendments made by subsection (a) shall apply to payments made under part A of title IV of the Social Security Act on or after October 1, 1992.

(2) INTERNAL REVENUE CODE AMENDMENT.—The amendment made by subsection (b) shall apply to property placed in service on or after October 1, 1992.

SEC. 4. GRANTS FOR PUBLIC-PRIVATE PARTNERSHIPS FOR TECHNICAL ASSISTANCE TO SELF-EMPLOYED AFDC RECIPIENTS.

(a) IN GENERAL.—Section 406 of the Social Security Act (42 U.S.C. 606), as amended by section 2, is amended by adding at the end the following:

"(k)(1) The Secretary shall make grants to States to develop partnerships between State agencies and community businesses or educational institutions to provide assistance for recipients of aid to families with dependent children seeking to become self-employed.

"(2) Subject to paragraph (3), the Secretary shall make grants to each State under paragraph (1) upon application of the State agency (in such form and manner as the Secretary determines) proposing one or more partnerships with community businesses or educational institutions.

"(3) The Secretary may not make grants to a State under paragraph (1) unless the State provides matching funds in an amount that is not less than 50 percent of the amount of the grant.

"(4) Funds from any grant may be used to pay the costs associated with developing and implementing a process through which businesses or educational institutions would work with the State agency to provide assistance to recipients of aid to families with dependent children seeking to start or operate small businesses, including—

"(A) mentoring,

"(B) training for recipients in administering a business,

"(C) technical assistance in preparing business plans, and

"(D) technical assistance in the process of applying for business loans, marketing services, and other activities related to conduct of such small businesses.

This assistance may continue after the recipient is no longer eligible for aid under this part.

"(5) For grants under this subsection, there is authorized to be appropriated to the Secretary $5,000,000, for fiscal year 1993, and such sums as are necessary for fiscal years 1994 and 1995.".●

● Mr. LIEBERMAN. Mr. President, I am pleased to join with my colleague from Connecticut [Mr. DODD] in introducing legislation to begin the process of reforming our welfare system.

This bill will make a simple change in welfare—simple, yet revolutionary. Our hope for this bill is that it will unleash a tremendous potential that exists among those who are now on welfare—a potential to improve their education, start a small business, and make a break with the cycle of poverty that oppresses their lives.

The most dramatic example of why this legislation is needed is the story of Sandra Rosado and her brother Angel. As I related to my colleagues earlier this week, they are two of eight children living on welfare in New Haven. Sandra wanted to go to college—a dream that is out of the reach of too many children living in poverty. So she found a job, worked hard, saved her money, and put together nearly $5,000.

Her brother Angel, inspired by his older sister's example, got his own job in a supermarket and put away nearly $1,000 for his own college education.

Then the State found out and, pursuant to a Federal law, demanded that the children spend their money. After the money was gone, the State ordered the mother to pay the Government a fine of nearly $10,000, since the law says a family on welfare can't have more than $1,000 in assets. What kind of system do we have that tells young kids there's no use in working and saving for an education, that punishes mothers for motivating their children?

What is even more ironic about this outrageous situation is that current welfare rules allow children of welfare families to work—and to make as much as they can—as long as they spend every penny they earn above the $1,000 asset limit per family. In other words, once a welfare family has $1,000 in assets, every cent anyone in that family earns above that amount must be spent in the month it is earned. You can work; but you can't save. What kind of message is that?

Earlier this week, I introduced special relief legislation to guarantee that this family will not have to pay the $10,000 the Government says they owe as a penalty for working and saving for an education. I urge my colleagues to join me and Senator DODD as cosponsors of that bill.

Today, I join with Senator DODD in introducing legislation to make it possible for any child of a welfare family to set up a bank account and save for a college education. If this bill had been law, Sandra Rosado's family would not owe the State any money, and she would be able to pay at least some of her way through college, or help her brothers and sisters if they choose to go to college, too.

The bill would also allow people on welfare to deduct the capital expenses of setting up a small business from the profits of that business during any 1-year period. For example, if someone on welfare wanted to start a child care center, an auto repair or carpentry shop, a beauty salon, an appliance repair business, or any self-employment enterprise, they could get started without being kicked off welfare before they even had a chance to get the business off the ground.

These two changes—encouraging young people in welfare families to find work and save for their education, and enabling adults on welfare to get a small enterprise operational—will open the door for many Americans who are currently trapped in poverty. Education and employment is so desperately needed among the poor in this nation that our welfare system must be reformed to help those who are poor achieve such worthy goals.●

By Mr. THURMOND:

S. 2785. A bill to make technical amendment to the False Claims Act; to the Committee on the Judiciary.

FALSE CLAIMS TECHNICAL AMENDMENT ACT OF 1992

Mr. THURMOND. Mr. President, I rise to introduce important legislation which will bring greater credibility to our efforts against Government fraud. This bill, the False Claims Technical Amendment Act of 1992 corrects several Federal court decisions which have held that the False Claims Act permits Government employees to file Government fraud law suits for a personal reward of up to 30 percent of the Government's recovery. It is important that we enact this legislation to ensure that damages from Government fraud cases

end up in the U.S. Treasury rather than in the hands of government employees. This measure is strongly supported by the Department of Justice.

The False Claims Act permits private citizens who have independent information about a fraud against the Government to file what are known as "qui tam" law suits. These suits are brought in the name of the U.S. Government and are designed to bring new information about a possible fraud against the government to the attention of the Department of Justice. Those who bring these "qui tam" suits are permitted to share in the recovery. While the law requires the diversion of a substantial amount of the Government's damages away from the Treasury—between 15 and 30 percent of the recovery—the statute is intended to work as an incentive for private citizens with independent information not known to the Government to come forward.

The problem this bill addresses is that Federal courts have determined that Government employees may also file "qui tam" suits and share in the recovery. Previously, no Government employee had ever been permitted to bring such a claim. However, technical amendments to the False Claims Act in 1986 removed the language that had been interpreted to prohibited such suits. As a result, Government employees have now filed suits all over the country.

One particular case warrants mention. According to the Department of Justice, a lawsuit was filed by an Air Force attorney after he had been directed by his superior to conduct an investigation on a case of suspected fraud. Despite the fact that the Government spent over 11,000 hours investigating the case over a 2-year period, a Federal court has ruled that the Government attorney is entitled to up to 30 percent of the $34 million settlement simply because he filed a "qui tam" suit.

Clearly, Government employees who fortuitously happen to be working on fraud cases and manage to rush to the courthouse first, should not be permitted to divert millions of dollars from the Treasury for their own personal gain. When the Congress amended the False Claims Act in 1986, it surely did not intend to give Government employees this type of windfall for performing their Government jobs.

This bill will correct this problem by restoring the pre-1986 understanding that no personal reward suit may be brought based on information obtained from within the Government. Some have suggested that rather than completely barring recovery may go too far. It has been suggested that the Department of Justice be given the authority to reward Government employees who file meritorious suits. I believe that this suggestion warrants consideration.

In closing, this problem with the False Claims Act must be rectified. As many of my colleagues know, Senator GRASSLEY has been a leader in the revitalization of the False Claims Act and has been working tirelessly on legislation which will balance the interests of the Government and those of potential whistle blowers. While my colleague from Iowa's proposal, when completed, may differ somewhat from what I am introducing today, I look forward to working with him on this matter.

I ask unanimous consent that a copy of the bill, a section-by-section analysis, and the Department of Justice's official letter of transmittal be made a part of the RECORD.

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

S. 2785

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 "False Claims Technical Amendment Act of 1992."

SEC. 2. PURPOSE.

It is the purpose of this Act to make a technical amendment to section 3730 of title 31, United States Code, as amended by section 3 of the False Claims Amendments Act of 1986 (Pub. L. 99-562).

SEC. 3. TECHNICAL AMENDMENT.

Section 3730(e) of title 31, United States Code is amended by adding at the end thereof the following new paragraph:

"(5) No court shall have jurisdiction over an action under subsection (b) of this section that is based, in whole or in part, upon information obtained in the course or scope of government employment."

SEC. 4. EFFECTIVE DATE.

The amendment made by section 3 of this Act shall take effect immediately upon enactment, and shall apply to all cases pending on the date of enactment, and to all cases filed thereafter.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, November 4, 1991.

Hon. DAN QUAYLE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for your consideration and appropriate reference is a bill, the "False Claims Technical Amendment Act of 1991." The purpose of the bill is to overturn several Circuit Court decisions, including an Eleventh Circuit decision issued May 29, 1991, holding that the False Claims Act permits government employees who participate in a government fraud investigation to file suits for a personal reward of up to 30% of the government's recovery. *United States ex rel. Williams v. NEC Corp.*, 931 F.2d 1493 (11th Cir. 1991).

The False Claims Act permits private citizens who have independent information about fraud against the government to file what are known as "qui tam suits." The qui tam provision is designed as a mechanism to bring new information to the attention of the Department of Justice, and to allow those who bring this new information to share in the government's recovery as a reward. While the qui tam statute diverts a substantial percentage of the government's damages away from the Treasury to private citizens—private citizens may obtain between 15% and 30% of the government's recovery—the statute is designed as an incentive for more private citizens with independent information not known to the government to come forward, so that the Treasury as a whole will be better off though larger numbers of recoveries.

Suits by government employees based on information already in the possession of the government that the government is already acting upon do not increase the volume of cases; they merely divert up to 30% of the government's recovery to the government employee who fortunately happens to be working on the matter and manages to get to the courthouse first. For this reason, from the date of the Act's enactment in 1863 to 1991, no government employee has ever been permitted to sue.

In 1986 Congress changed the language of the statute in order to make clear that it intended a broad class of private individuals to have standing to sue. Neither the new language nor the legislative history addressed government employee suits, but the statutory change removed the language that had been interpreted to prohibit such suits. Government employees have now filed suits all over the country,[1] and we have been resisting them because we believe that these suits will deplete rather than augment the Treasury and will create dual loyalties on the part of government employees. On May 29, 1991 the Eleventh Circuit held that Congress' failure to address the issue specifically in 1986 when it changed the statutory language means that government employees can now sue. *Williams, supra.* Within the last few months the Ninth Circuit has also held that government employees may sue, *United States ex rel. Hagood v. Sonoma County Water Agency*, 929 F.2d 1416 (9th Cir. 1991), and the First Circuit issued a similar decision that, while prohibiting the particular employee there from bringing suit, opened the way generally for such suits. *United States ex rel. LeBlanc v. Raytheon Co.*, 913 F.2d 17 (1st Cir. 1990), *cert. denied*, 111 S. Ct. 1312 (1991).

The facts in the Eleventh Circuit case are a good illustration of the extremely adverse effects upon the government as a whole should the decision stand. The lawsuit was filed by an Air Force attorney after he had been directed by his superior officer to conduct an investigation to determine whether

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[1] *United States v. CAC-Ramsay, Inc.*, 744 F. Supp. 1158 (S.D. Fla. 1990), *appeal pending*, No. 90-5848 (11th Cir.); *United States v. Roche*, No. 90-6103-Civ-King (S.D. Fla), *appeal pending*, No. 90-5546 (11th Cir.); *United States v. Stern*, No. 90-153-CIV-T-17A (M.D. Fla.), *appeal pending*, No. 90-3556; *United States v. Ikpe Medical Center*, No. 90-0397-CIV-Moreno (S.D. Fla), *appeal pending*, No. 90-5545; *United States v. Shore*, No. 90-6106-Civ-Gonzalez (S.D. Fla.), *United States v. Cristino Enriguez*, No. 90-6105-Civ-Paine (S.D. Fla.); *United States v. Drs. Medical Associates*, No. 90-6107-Civ-Moreno (S.D. Fla.); *United States v. North Federal Medical Center*, No. 90-6014-Civ-Roettger (S.D. Fla); *U.S. ex rel. McDowell v. McDonnell Douglas Corp.*, 755 F. Supp. 1038 (M.D. Ga. 1991); *Erickson ex rel. U.S. v. American Inst. of Biological Sciences*, 716 F. Supp. 908 (E.D. Va. 1989); *United States ex rel. Kelley v. Hughes Aircraft Co.*, No. CV-89-4832-WJR (C.D. Cal.); *U.S. ex rel. Mobin v. Desert Constr. Co.*, Civ. No. S90-297-HDM (D. Nev. June 11, 1991); *U.S. ex rel. Daly v. John Brown Co.*, Civ. No. C90-237 (D. Wyo.); *U.S. ex rel. Ruth Regnerus v. Calvin Ford and Big Truck Center*, No. 90-CV-60003-AA (E.D. Mich.); *U.S. ex rel. Simpson v. Lear Siegler, Inc.*, No. 91-2323 DT(Tx) (C.D. Cal.); *United States ex rel. LeBlanc v. Raytheon Co., infra; United States ex rel. Hagood v. Sonoma County Water Agency, infra;* other cases are pending where the 60-day seal imposed on the case by the False Claims Act has not yet been lifted.

bids on contracts over a period of years showed any suspicious pattern. The attorney spent a large percentage of his official time as well as government resources working on the case. Within days of his reporting his conclusions to his superior officer, that officer referred the case to the Air Force Office of Special Investigations, which opened an investigation. The Air Force Office of Special Investigations ultimately spent over 11,000 hours investigating the case over a two-year period, and conducted over 200 interviews.

The government attorney's personal case was dismissed by the lower court in 1989. On May 20, 1991, based entirely on the efforts of the Air Force Office of Special Investigations and the Department of Justice, the Department negotiated a $34 million settlement with the bidrigger, NEC Information Technologies, Ltd., one of the largest overseas recoveries in a fraud case in the Department's history. On May 29, 1991, the Eleventh Circuit reversed the lower court's decision dismissing the government attorney's personal reward case, and cleared the way to a claim by that attorney for up to 30% of the government's settlement, or more than $10 million from the Treasury.

We do not believe that in liberalizing private *qui tam* suits in 1986, Congress intended to give government employees this type of windfall for performing their government jobs. Moreover, the decision will impair the government's anti-fraud program tremendously. We expect that in many current government fraud investigations a government employee or attorney working on the case will file a *qui tam* suit for a personal recovery. The smallest percentage permitted to the *qui tam* plaintiff in the statute is a 15% diversion of the government's recovery.

The impairment in our anti-fraud program cannot be measured only by the drop in recoveries. Under the regime established by the *Williams* decision, government employees will have an incentive to rush to the courthouse as soon as they have any information about a criminal or civil investigation involving a loss to the Treasury. The unsealing of the case sixty days after it is filed (with no enlargement of this time granted unless the government can show "good cause") will alert the target of the criminal or civil investigation to the government's inquiry, and thus will impair the investigation and substantially lessen the chance of a criminal conviction or recovery in the future.

Moreover, allowing government employees to reap rewards based on the fortuity of their work assignments will create conflicts of interest among employees and create morale problems among those employees not assigned to fraud cases. This issue was specifically addressed by Congress when it amended the False Claims Act in 1943 to overrule a Supreme Court decision that had concluded, like the *Williams* decision, that there was no statutory barrier to private suits based on information obtained from within the government. The 1943 law reflected a congressional conclusion that to permit such suits would create a "tremendous temptation and opportunity" for government employees "to take advantage of the information they discover in the course of" government business "to enrich themselves by instigating informer's suits." Congress at the time stated that "[t]hat is a temptation we wish to remove." 89 Cong. Rec. 10849, 78th Cong., 1st Sess. (1943). The concern surrounding conflicts of interest on the part of government employees has, if anything, increased since 1943.

The proposed legislation will eliminate these problems by restoring the pre-1986 understanding that no personal reward suit may be brought based on information obtained from within the government. The proposal is similar to a provision included in the recent savings and loan fraud legislation, prohibiting the payment of rewards for information relating to financial institution offenses to anyone who has furnished "information discovered or gathered in the course of his government employment." 18 U.S.C. §3059A(b)(1). The proposed legislation will be made applicable to all pending cases so as to eliminate pending cases brought by government employees. In order to avoid a loss to the Treasury of up to $11 million in this case, we ask that this legislation be expedited.

The Omnibus Budget Reconciliation Act (OBRA) requires that all revenue and direct spending legislation meet a pay-as-you-go requirement. That is, no such bill should result in an increase in the deficit; and if it does, it will trigger a sequester if it is not fully offset. Recoveries for government employees are not included in the budget baselines; therefore, the pay-as-you-go impact of this proposal is zero.

The Office of Management and Budget advises us that there is no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

SECTION-BY-SECTION ANALYSIS OF THE FALSE CLAIMS TECHNICAL AMENDMENT ACT OF 1992

SECTION 1. SHORT TITLE

This section provides that the bill, if enacted, would be known as the False Claims Technical Amendment Act of 1992.

SEC. 2. PURPOSE

This section provides that the purpose of the bill is to make a technical amendment to a provision of the False Claims Amendments Act of 1986, 31 U.S.C. §§3729–3733. The amendment is made to the *qui tam* provision of that statute, 31 U.S.C. §3730, which permits private individuals with knowledge of fraud against the government to file private suits in the name of the United States and recover a portion of the government's damages. The technical amendment is designed to clarify that the 1986 amendments to the *qui tam* provision were not intended to eliminate the previously existing bar on the use of information obtained in the course or scope of government employment for a personal *qui tam* suit, and to overrule the decisions in *United States ex rel. Williams v. NEC Corp.*, 931 F.2d 1493 (11th Cir. 1991) and in *United States ex rel. Hagood v. Sonoma County Water Agency*, 929 F.2d 1416 (9th Cir. 1991).

SEC. 3. TECHNICAL AMENDMENT

This section clarifies that a suit for a personal reward under section 3730 of title 31 that is based on information obtained in the course or scope of government employment is barred, whether the plaintiff is a current or former government employee, or whether the plaintiff obtained the information upon which the suit is based directly or indirectly from a current or former government employee.

SEC. 4. EFFECTIVE DATE

The amendment made by section 3 of this Act shall take effect immediately upon enactment, and shall apply to all cases pending on the date of enactment, and to all cases filed thereafter. This section makes clear that causes of action that arose prior to the effective date of the statute that are based on information obtained in the course and scope of government employment, which are either pending on the date of enactment or filed thereafter, will be barred.

By Mr. SANFORD (for himself, Mr. GARN, and Mr. DIXON):

S. 2787. A bill to permit national banks to underwrite municipal revenue bonds; to the Committee on Banking, Housing, and Urban Affairs.

MUNICIPAL REVENUE BONDS

Mr. SANFORD. Mr. President, I rise today to introduce legislation to improve the state of our economy and to give greater opportunities to municipal governments. Economic recovery is imperative to our Nation's future. Action taken should have short-term effects, but more importantly, any action should be good public policy and result in long-term benefits. I am pleased to be joined in this effort by the distinguished ranking member of the Senate Banking Committee, Senator GARN, as well as Senator DIXON.

In January, I outlined an economic recovery package for our country. My package has many components, and today I am introducing the statutory changes necessary to implement one of the ideas which I believe will subtly contribute to the improvement of our economy. My reform package included some bold new ideas and some small, but no less important, policy changes that seek to spur recovery all over the Nation. We need to look for ways to generate improvement starting in our local communities. Mr. President, my bill does just that.

Investment in the nuts and bolts of our country—public works—is simply good public policy. City officials all across the country have devised plans to improve the infrastructure in their localities, however, they are stalled by the obvious shortage of funds. Numerous project proposals, tailor-made for each town by local folks, are sitting on shelves collecting dust.

The inability of the Federal Government to provide sufficient funding has resulted in increasing burdens on State and local governments. In light of these increasing burdens, it is understandable that simply maintaining the status quo is a challenge for local officials. Raising funds for local public works projects is extremely difficult and thus many ideas generated by local people for local improvements are considered wishful thinking. This is simply unacceptable; our infrastructure is decaying. The quality of our country's future is at stake. Short-term band-aids will not suffice. Investment in our infrastructure is an investment in our future.

My bill calls for no Federal moneys, but simply creates opportunities for State and local governments to obtain direct, local financing for infrastructure investments. Specifically, my bill would amend the National Bank Act to authorize national banks to underwrite

municipal revenue bonds. Part of the difficulty towns experience in finding adequate financial services can be alleviated by simply updating laws to permit local banks to underwrite all types of municipal revenue bonds. At one time, the Comptroller of the Currency permitted national banks to underwrite municipal revenue bonds. However, a 1968 court decision interpreted the legislative history of the Glass-Stegall Act as indicating a congressional intent to permit underwriting only of general obligation bonds that are backed by the full faith and credit and taxing power of the issuing government.

As a result, banks have only been allowed to underwrite municipal revenue bonds for certain specific projects. In order to finance other local infrastructure projects like bridges and schools, local governments are forced to solicit help from major underwriters. Many of these large financial services firms are reluctant to underwrite bond referendums for small projects, thus many good projects that would benefit communities are passed over. My bill would get these local projects off the shelves and into action with the help of local banks.

Enabling national banks to underwrite such bonds will result in substantial new financing sources for municipalities. A local bank would in all likelihood be more interested in and more likely to underwrite small community projects, and local citizens would more likely buy these bonds because they are typically safe, community-minded investments. Subsequently, this legislation, through competition, could lead to a lower financial services costs for State and local governments as well as the overall costs of local improvement projects. This will benefit taxpayers who must ultimately bear the cost of public borrowing. In short, this bill will allow local banks to address the needs of its community, resulting in important local improvements, at local costs.

Similar legislation has been passed by the Senate three times. This is not a new idea, but one that needs to be implemented. True economic recovery will not be achieved overnight as a result of a national economic plan. Our communities are on the front lines, fighting the battle for economic recovery. This bill simply seeks to assist them in their efforts.

By Mr. KERRY (for himself, Mr. HOLLINGS, and Mr. STEVENS):

S. 2788. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations for fiscal years 1993 through 1995, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL MARINE SANCTUARIES PROGRAM AMENDMENTS ACT OF 1992

Mr. KERRY. Mr. President, today I am introducing a bill to amend title III of the Marine Protection, Research, and Sanctuaries Act [MPRSA] of 1972 and to authorize appropriations for fiscal years 1993 through 1995. Our national marine sanctuaries protect and preserve marine environments of special ecological, historical, educational, recreational, and esthetic importance. This marine sanctuary system, like our system of national parks, includes a startling diversity of aquatic habitats and animals such as migrating whales, giant kelp forests, and coral reefs. Importantly, marine sanctuaries provide protected waters and secure habitats for endangered or threatened species of fish, marine mammals, and birds. It is a system in which we can all take pride, and a system that we should continue to support.

Since enactment of the MPRSA in 1972, eight sanctuaries have been designated including sites such as the Channel Islands of California and the Florida Keys. This list is soon to grow, with three more sites to be designated this year, and I am pleased to say that Stellwagen Bank located in Massachusetts Bay—a site I nominated for designation in 1988—is one of those new sites. Currently, many competing factors such as pollution in Massachusetts Bay, dumping of dredged materials, and the potential of mineral and gravel mining threaten this unique marine resource. I look forward to this designation in order to ensure long-term management and protection of this area.

But as the number of sanctuaries grows larger, we should ensure that adequate resources are provided for management; not only for sites presently operating, but also for sites that will be designated. Historically, funding for marine sanctuaries has been insufficient to allow for comprehensive management of marine areas. The bill I am introducing today would authorize additional funding for program management. According to NOAA's marine sanctuary review team, none of the sanctuaries now in place is adequately staffed or provided with the facilities, equipment, or supplies required to do the job. This funding authorization moves in a responsible direction that recognizes the complex reality of managing marine sanctuaries, and ensures that new sites like Stellwagen Bank receive the necessary support they deserve.

However, Federal funding alone may not be enough. This bill would increase the amount of civil penalties imposed for violations of sanctuary regulations. The increased penalties should serve to deter violations, which will benefit the users of these sanctuaries and reduce enforcement costs. But where the deterrence is ineffective, the proceeds from these penalties will be applied to the cost of sanctuary management and argument Federal spending. In addition, this bill authorizes the Secretary of Commerce to enter into cooperative agreements and to solicit and receive donations from nonprofit organizations. This authority will provide additional resources for marine sanctuaries and their management.

This bill also addresses specific needs of the marine sanctuary program that either delay sanctuary designations or hinder sanctuary planning and management.

Specifically, the bill addresses interagency cooperation, especially NOAA's authority to review activities—both inside and outside of sanctuary boundaries—that affect sanctuary resources. The bill requires all Federal agencies including private activities authorized by licenses, leases or permits to submit written statements to the Secretary of Commerce describing activities potentially detrimental to sanctuary resources. It also allows the Secretary to recommend reasonable and prudent alternatives in order to protect sanctuary resources and quality. Required notifications and responses should promote more timely evaluations of potentially harmful activities and appropriate responses.

Hazardous materials located close to sanctuaries have emerged as a substantive obstacle to sanctuary designation and management. This has, for example, been a major obstacle in the Stellwagen Bank designation. Obviously, hazardous materials may threaten living marine resources. Knowing the location of hazardous materials and the extent of contamination is essential to comprehensive management and resource protection. The bill will enhance NOAA's ability to obtain from other Federal agencies information regarding the past, present, or proposed future disposal of hazardous materials in or near marine sanctuaries in order to evaluate environmental risks.

In addition, the bill directs NOAA to promote and coordinate research, monitoring and education in marine sanctuaries so that the public might better understand the complexities of the marine environment. Greater emphasis on marine research and education should benefit several marine institutions in my own State such as Woods Hole Oceanographic, MIT Sea Grant, and the New England Aquarium. Undoubtedly, sanctuaries in other areas will provide similar benefits.

There is also a need to focus the marine sanctuaries program on the future. This bill requires NOAA to review sanctuary management plans every 5 years in order to evaluate progress in reaching long-term goals. The bill also allows for the establishment of one or more advisory councils for marine sanctuaries. These councils should provide direct assistance, guidance, and vision for sanctuary designations and management.

The National Marine Sanctuary Program preserves, protects and manages for future generations invaluable marine environments that are part of our common natural heritage. I am pleased to introduce this bill to reauthorize this program and 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. 2788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Marine Sanctuaries Program Amendments Act of 1992".

FINDINGS

SEC. 2. Section 301(a)(2) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431(a)(2)) is amended by inserting "and, in some instances, international" immediately after "national".

PURPOSES AND POLICIES

SEC. 3. Section 301(b) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431(b)) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5); and

(3) by adding at the end the following new paragraphs:

"(6) to develop coordinated plans for the protection and management of these areas with appropriate Federal agencies, State and local governments, Native American tribes and organizations, international organizations, and other public and private interests concerned with the continuing health and resilience of these marine areas; and

"(7) to create models of and incentives for ways to protect and conserve these marine areas.".

DEFINITIONS

SEC. 4. Section 302(6) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1432(6)) is amended—

(1) by striking "and" at the end of subparagraph (A)(ii);

(2) by adding "and" at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph;

"(C) the cost of long-term monitoring of the affected sanctuary resources;".

SANCTUARY DESIGNATION STANDARDS

SEC. 5. (a) FINDINGS OF SECRETARY.—Section 303(a)(2)(B) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1433(a)(2)(B)) is amended by striking "are inadequate" and inserting in lieu thereof "should be supplemented".

(b) RESOURCE ASSESSMENT REPORT.—Section 303(b)(3) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1433(b)(3)) is amended by inserting ", governmental," immediately after "commercial" in the last sentence.

(c) INFORMATION ON DISPOSAL OF MATERIALS.—Section 303(b) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1433(b)) is amended by adding at the end the following new paragraph:

"(4) INFORMATION ON DISPOSAL OF MATERIALS.—The Secretary of Defense, the Secretary of Energy, and the Administrator should furnish the Secretary with information in their possession regarding any past, present, or proposed future disposal of materials in the area under consideration, including any disposal of hazardous substances, hazardous wastes, or radioactive wastes. Public disclosure by the Secretary of information received under this paragraph shall be subject to any national security or other restrictions that apply to the agency head furnishing the information.".

PROCEDURES FOR DESIGNATION AND IMPLEMENTATION

SEC. 6. (a) SANCTUARY PROPOSAL.—Section 304(a) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434(a)) is amended—

(1) in paragraph (1)(C) by striking "a prospectus on the proposal which shall contain" and inserting in lieu thereof "documents, including an executive summary, that provide";

(2) in paragraph (5) by inserting immediately before the last sentence the following new sentence: "In preparing the fishing regulations, the Secretary shall cooperate with other appropriate fishery management authorities (including international, Federal, State, and Native American fishery management authorities with rights or responsibilities within the sanctuary to which the regulations would apply) at the earliest practicable stage."; and

(3) in paragraph (6) by striking "prospectus" each place it occurs and inserting in lieu thereof "documents".

(b) ISSUANCE OF DESIGNATION NOTICE.—Section 304(b)(1) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434(b)(1)) is amended by striking the third sentence.

(c) INTERAGENCY COOPERATION.—Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended by adding at the end the following new subsection:

"(d) INTERAGENCY COOPERATION—

"(1) REVIEW OF AGENCY ACTIONS.—

"(A) IN GENERAL.—Federal agency actions internal or external to a national marine sanctuary, including private activities authorized by licenses, leases, or permits, that are likely to destroy, cause the loss of, or injure any sanctuary resource or quality are subject to review by and consultation with the Secretary.

"(B) AGENCY STATEMENTS REQUIRED.—Each Federal agency proposing an action described in subparagraph (A) shall provide the Secretary with a written statement describing the action and its potential effects on sanctuary resources and qualities at the earliest practicable time, but in no case later than 90 days before the final approval of the action unless both the Federal agency and the Secretary agree to a different schedule.

"(2) SECRETARY'S RECOMMENDED ALTERNATIVES.—If the Secretary finds that a Federal agency action is likely to destroy, cause the loss of, or injure a sanctuary resource or quality, the Secretary shall (within 60 days of receipt of complete information on the proposed agency action) recommend reasonable and prudent alternatives, which may include conduct of the action elsewhere, which can be taken by the Federal agency in implementing the agency action that will protect sanctuary resources and qualities.

"(3) RESPONSE TO RECOMMENDATIONS.—The agency head who receives the Secretary's recommended alternatives under paragraph (2) shall promptly consult with the Secretary on the alternatives. If the agency head decides not to follow the alternatives, the agency head shall provide the Secretary with a detailed written statement explaining the reasons for that decision.".

(d) REVIEW OF MANAGEMENT PLANS.—Section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434), as amended by subsection (c) of this section, is further amended by adding at the end the following new subsection:

"(e) REVIEW OF MANAGEMENT PLANS.—Not more than 5 years after the date of designation of any national marine sanctuary, and thereafter at intervals not exceeding 5 years, the Secretary shall evaluate the substantive progress toward implementing the management plan and goals for the sanctuary, especially the effectiveness of site-specific management techniques, and shall revise the management plan and regulations as necessary to fulfill the purposes and policies of this title.".

(e) TECHNICAL AMENDMENT.—Section 304(a)(5) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434(a)(5)) is amended by striking "Fishery Conservation Zone" and inserting in lieu thereof "exclusive economic zone".

APPLICATION OF REGULATIONS; INTERNATIONAL COOPERATION

SEC. 7. (a) ENFORCEABILITY.—Section 305 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1435) is amended—

(1) in subsection (a)—

(A) by striking "The" in the first sentence and inserting in lieu thereof "This title and the"; and

(B) by inserting "or be enforced against" immediately after "apply to";

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting immediately after subsection (a) the following new subsection:

"(b) AREA OF APPLICATION AND ENFORCEABILITY.—The area of application and enforceability of this title and the regulations and permits issued under this title includes the United States 12-nautical-mile territorial sea and the United States exclusive economic zone.".

(b) INTERNATIONAL COOPERATION.—Section 305 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1435), as amended by subsection (b) of this section, is further amended by adding at the end the following new paragraph:

"(d) INTERNATIONAL COOPERATION.—The Secretary, in consultation with the Secretary of State and other appropriate Federal agencies, shall cooperate with other governments and international organizations in furtherance of the purposes and policies of this title and consistent with applicable regional and multilateral arrangements for the protection and management of special marine areas.".

(c) TECHNICAL AMENDMENT.—The section heading for section 305 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1435) is amended by striking all after "REGULATIONS" and inserting in lieu thereof "; INTERNATIONAL NEGOTIATIONS AND COOPERATION.".

PROHIBITED ACTIVITIES

SEC. 8. Section 306 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1436) is amended to read as follows:

"SEC. 306. PROHIBITED ACTIVITIES.

"It is unlawful for any person to—

"(1) violate this title or any regulation or permit issued under this title;

"(2) refuse to allow any officer authorized to enforce this title to board a vessel subject

to such person's control for the purposes of conducting any search or inspection in connection with the enforcement of this title or any regulation or permit issued under this title; or

"(3) assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any lawful search or inspection.".

ENFORCEMENT

SEC. 9. (a) CIVIL PENALTIES.—Section 307(c) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1437(c)) is amended—

(1) in paragraph (1), by striking "$50,000" and inserting in lieu thereof "$125,000"; and

(2) in paragraph (3)—

(A) by striking "and may be proceeded" and all that follows through "jurisdiction"; and

(B) by adding at the end the following sentence: "Such penalty shall constitute a maritime lien on the vessel and may be recovered in an action in rem in the district court of the United States having jurisdiction over the vessel.".

(b) PROCEEDS FROM CIVIL FORFEITURES.—Section 307(d)(1) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1437(d)(1)) is amended by adding at the end the following new sentence: "The proceeds from forfeiture actions under this subsection shall constitute a separate recovery in addition to any amounts recovered as civil penalties under this section or as civil damages under section 312. None of those proceeds shall be subject to set-off.".

(c) PAYMENT OF STORAGE, CARE, AND OTHER COSTS.—Section 307(e)(1) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1437(e)(1)) is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(C) the reasonable and necessary costs for the enforcement of this title or of any regulation or permit issued under this title, including any necessary expenses for equipment, training, travel, witnesses, and contracting services for enforcement investigations or proceedings; and

"(D) any valid liens or mortgages against any property that has been forfeited.".

RESEARCH, MONITORING, AND EDUCATION

SEC. 10. Section 309 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1440) is amended to read as follows:

"SEC. 309. RESEARCH, MONITORING, AND EDUCATION.

"(a) IN GENERAL.—The Secretary shall conduct research, monitoring, evaluation, and education programs as are necessary and reasonable to carry out the purposes and policies of this title.

"(b) PROMOTION AND COORDINATION OF SANCTUARY USE.—The Secretary shall take such action as is necessary and reasonable to promote and coordinate the use of national marine sanctuaries for research, monitoring, and education purposes. Such action may include consulting with Federal agencies, States, local governments, regional agencies, interstate agencies, or other persons to promote use of one or more sanctuaries for research, monitoring, and education, including coordination with the National Estuarine Research Reserve System.".

COOPERATIVE AGREEMENTS AND DONATIONS

SEC. 11. Section 311 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1442) is amended to read as follows:

"SEC. 11. COOPERATIVE AGREEMENTS AND DONATIONS.

"(a) COOPERATIVE AGREEMENTS, GRANTS, AND OTHER AGREEMENTS.—The Secretary may enter into cooperative agreements, grants, contracts, or other agreements with States, local governments, regional agencies, interstate agencies, or other persons to carry out the purposes and policies of this title.

"(b) AUTHORIZATION TO SOLICIT DONATIONS.—The Secretary may enter into such agreements with any nonprofit organization authorizing the organization to solicit private donations to carry out the purposes and policies of this title.

"(c) DONATIONS.—The Secretary may accept donations of funds, property, and services for use in designating and administering national marine sanctuaries under this title. For the purposes of Federal income, estate, and gift taxes, donations accepted under this section shall be considered as a gift or bequest to or for the use of the United States.".

DESTRUCTION OR LOSS OF, OR INJURY TO, SANCTUARY RESOURCES

SEC. 12.(a) LIABILITY IN GENERAL.—Section 312(a)(1) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1443(a)(1)) is amended by adding at the end the following new sentence: "Nothing in the Act of March 3, 1851 (46 U.S.C. 183 et seq.), shall in any way limit the liability of any person under this title.".

(b) DEFENSES.—Section 312(a)(3) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1443(a)(3)) is amended—

(1) by striking subparagraphs (B) and (C);

(2) by adding "or" at the end of subparagraph (A); and

(3) by adding at the end the following new subparagraph:

"(B) the destruction or loss of, or injury to, the sanctuary resource was specifically authorized by a valid license or permit issued in accordance with Federal or State law and implementing regulations, and the activity was conducted in compliance with all terms and conditions of that license or permit.".

(c) RECOVERY OF ADMINISTRATIVE COSTS; INTEREST.—Section 312(a) of the Marine Protection, Research and Sanctuaries Act of 1972 (16 U.S.C. 1443(a)) is amended by adding at the end the following new paragraphs:

"(4) ADMINISTRATIVE COSTS.—The Secretary shall recover administrative costs and expenses, including direct and indirect costs of attorney time, necessary for, and incidental to, the response, the damage assessment and restoration planning, any restoration, replacement, or acquisition of the equivalent undertaken, and any actions necessary to recover damages for such activities.

"(5) INTEREST.—The amounts recoverable in an action under this section shall include interest on the amounts recoverable as damages and response costs as defined under section 302 and any regulations issued thereunder. Interest (including prejudgment interest) is in addition to damages and response costs as defined under section 302 and any regulations issued thereunder. Such interest shall be paid for the period beginning on the date of the destruction, loss, or injury involved. The accrued interest shall be used for the purposes established under this section.

"(6) CALCULATION OF INTEREST.—The interest paid under this section shall be calculated at the average of the highest rate for commercial and finance company paper of maturities of 180 days or less obtaining on each of the days included within the period for which interest must be paid to the claimant, as published in the Federal Reserve Bulletin.".

(d) USE OF RECOVERED AMOUNTS.—Section 312(d) of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1443(d)) is amended—

(1) by striking paragraph (3);

(2) by redesignating paragraph (4) as paragraph (3);

(3) in paragraph (3), as so redesignated, by inserting "the court decree or settlement agreement, and" immediately after "in accordance with"; and

(4) by adding at the end of paragraph (3) the following new sentence: "However, if the Secretary and the governor have not entered into an agreement within 120 days after the date of recovery of those amounts, the Secretary may use those amounts under paragraphs (2)(A) and (B) in accordance with the court decree or settlement agreement.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. Section 313 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1444) is amended to read as follows:

"SEC. 313. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary to carry out this title $10,000,000 for fiscal year 1993, $12,500,000 for fiscal year 1994, and $15,000,000 for fiscal year 1995.".

ADVISORY COUNCILS

SEC. 14. The Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1431 et seq.) is amended by adding at the end the following new section:

"SEC. 315. ADVISORY COUNCILS.

"(a) ESTABLISHMENT.—The Secretary may establish one or more Advisory Councils in order to obtain assistance in the designation or management of one or more national marine sanctuaries.

"(b) MEMBERSHIP.—Members of the Advisory Councils may be appointed from among—

"(1) members or officers of Federal or State agencies with management responsibilities for the environment;

"(2) members of Regional Fishery Management Councils; and

"(3) representatives of local industries, commercial user groups, conservation or other public interest organizations, scientific organizations, educational organizations, recreational user groups, or other persons interested in the protection of sanctuary resources and the multiple-use management of national marine sanctuaries.

"(c) ADMINISTRATION.—Each Advisory Council shall elect a chairperson and may establish subcommittees and adopt bylaws, rules, and such other administrative requirements and procedures as are necessary for the administration of its functions.

"(d) STAFFING AND OTHER ASSISTANCE.—The Secretary may make available to an Advisory Council such staff, information, and administrative services and assistance as the Secretary determines are reasonably required for such Advisory Council to carry out its functions.".

Mr. HOLLINGS. Mr. President, today I join my colleague Senator KERRY in cosponsoring the National Marine Sanctuaries Program Amendments of 1992. This bill authorizes funding for the National Marine Sanctuaries Program for fiscal year 1993 through 1995 and makes certain legislative refinements to the overall program.

This year marks the 20th anniversary of title III of the Marine Protection,

Research, and Sanctuaries Act of 1972 [MPRSA]. As we introduce this reauthorization bill, I remind my colleagues of some of the important successes of this program. During recent years, the National Marine Sanctuaries Program has grown in size and in stature. Three new sanctuaries have been added to the program in the past 3 years, and at least six additional sites are under consideration for designation. The National Marine Sanctuaries Program is being called upon to meet greater challenges, such as the development of a management plan for the 2,600-square-mile Florida Keys National Marine Sanctuary. Clearly, from its relative obscurity in the early 1980's, the National Marine Sanctuaries Program has become a well-recognized and critical key to protecting marine ecosystems.

This bill would continue the progress of the National Marine Sanctuaries Program by providing the program with 3-year reauthorization to develop and implement management plans for the present and future additions to the National Marine Sanctuaries Program. This bill also provides an increase in authorized funding commensurate with the increased responsibilities of the program.

Reauthorization of the National Marine Sanctuaries Program will help to ensure our Nation's continued efforts to preserve our precious marine environment.

By Mr. GRAHAM (for himself and Mr. MACK):

S. 2789. A bill to encourage the growth and development of commercial space activities in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL SPACE COMPETITIVENESS ACT OF 1992

Mr. GRAHAM. Mr. President, today I am pleased to introduce the Commercial Space Competitiveness Act of 1992.

This legislation will further an important goal for America—that of encouraging the growth and development of commercial space activities in the United States by establishing coherent policies for Federal activities which affect commercial space businesses.

This legislation is almost identical to the bill H.R. 3848, introduced by Representative RALPH HALL and marked up by the Subcommittee on Space, which Mr. HALL chairs. My bill does not include title III of H.R. 3848, which addresses missile assets.

My colleagues know the importance of the space industry to the State of Florida.

Several times each year, America turns its eyes to John F. Kennedy Space Center to marvel at the launching of the space shuttle, the most sophisticated and awe-inspiring space vehicle in history.

The Kennedy Center, like its namesake, is a symbol of American pride in our ambition, our frontier spirit, and our quest for leadership.

Mr. President, the commercial applications of space continue to expand. We are living in the information age, and the importance of space to global communications cannot be understated.

Unfortunately, we are losing the battle right now when it comes to launching that space-based communications infrastructure.

It is my hope that the bill I am introducing today will put in place the right policies to allow American companies to win back market share.

This task will not be easy. Most of our competitors are heavily subsidized by their governments.

Financing, infrastructure, insurance, and even more direct subsidies from foreign governments are commonplace.

With that fact in mind, I want to point my colleagues' attention to one particular facet of this bill in which I am the most interested, and that is the section on space transportation infrastructure matching grants.

The matching grant program would help industry upgrade some of its ailing infrastructure.

One example from Florida illustrates the need for this program.

A quick tour of the launch facilities at Cape Canaveral Air Force Station would stun each and every one of my colleagues.

Each one of us has more sophisticated and modern computer and communications equipment in our offices than will be found in the launch control centers at the Cape. Vacuum tubes. Remember them? And tape readouts instead of digital monitors. The manpower required to maintain and monitor this antiquated equipment, and the added risk of error involved in each launch, adds significantly to the cost of launching.

Frankly, knowing the types of equipment in use at these launch sites, compared to what is available from some foreign competitors, it is testimony to the quality of our industry that we are able to maintain any commercial market share at all.

Money spent on upgrading this equipment is money very well spent.

After all, recall that these sites are used for Government launches as well. We can no better afford the tremendous loss of a failed launch than can other payload owners.

Mr. President, the grant program I have just described is but one component of a comprehensive bill long in the making. I am pleased to have Senator MACK as an original cosponsor and am hopeful that other Senators will join the drive to advance our commercial space industry.

I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

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

S. 2789

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 "Commercial Space Competitiveness Act of 1992".

TITLE I—GENERAL PROVISIONS

SEC. 101. FINDINGS.

The Congress finds that—

(1) commercial activities of the private sector have substantially contributed to the strength of both the United States space program and the national economy;

(2) a robust United States space transportation capability remains a vital cornerstone of the United States space program;

(3) the availability of commercial launch services is essential for the continued growth of the United States commercial space sector;

(4) a timely extension of the excess third party claims payment provisions of the Commercial Space Launch Act is appropriate and necessary to enable the private sector to continue covering maximum probable liability risks while protecting the private sector from uninsurable levels of liability which could hinder international competitiveness;

(5) greater Federal use of commercial launch services for suborbital launches would increase the efficiency of the United States space science program and improve the capabilities of the United States commercial launch industry;

(6) a program to demonstrate how the space science community can purchase launch services directly from the private sector has the potential to increase the efficiency of the United States space science program and improve the capabilities of the United States commercial launch industry;

(7) improvements and additions to the Nation's space transportation infrastructure contribute to a robust and cost effective space transportation capability for both public sector and private sector users;

(8) private sector use of available Government facilities on a reimbursable basis contributes to a stronger commercial space sector;

(9) the Federal Government should purchase space goods and services which are commercially available, or could be made available commercially in response to a Government procurement request, whenever such goods or services meet Government mission requirements in a cost effective manner;

(10) it is appropriate for the Government to act as an anchor tenant for commercial space development projects which have a reasonable potential to develop non-Federal markets and which meet Federal needs in a cost effective manner; and

(11) the provision of compensation to commercial providers of space goods and services for termination of contracts at the convenience of the Government assists in enabling the private sector to invest in space activities which are initially dependent on Government purchases.

SEC. 102. DEFINITIONS.

For the purposes of this Act—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration;

(2) the term "agency" means an executive agency as defined by section 105 of title 5, United States Code;

(3) the term "anchor tenancy" means an arrangement in which the United States Government agrees to procure sufficient quantities of a commercial space product or service needed to meet Government mission requirements so that a commercial venture is made viable;

(4) the term "commercial" means having—

(A) private capital at risk; and

(B) primary financial and management responsibility for the activity reside with the private sector;

(5) the term "cost effective" means costing no more than the available alternatives, taking into account all related costs including, in the case of Government costs, applicable Government labor and overhead costs as well as contractor charges;

(6) the term "launch" means to place, or attempt to place, a launch vehicle and payload, if any, in a suborbital trajectory, in Earth orbit in outer space, or otherwise in outer space;

(7) the term "launch services" means activities involved in the preparation of a launch vehicle and its payload for launch and the conduct of a launch;

(8) the term "launch support facilities" means facilities required to support launch activities, including launch vehicle assembly, launch vehicle operations and control, communications, flight safety functions, and payload operations, control, and processing;

(9) the term "launch vehicle" means any vehicle constructed for the purpose of operating in, or placing a payload in, outer space or in suborbital trajectories, and includes components of that vehicle;

(10) the term "payload" means an object which a person undertakes to launch, and includes subcomponents of the launch vehicle specifically designed or adapted for that object;

(11) the term "payload integration services" means activities involved in integrating multiple payloads into a single payload for launch or integrating a payload with a launch vehicle;

(12) the term "space recovery support facilities" means facilities required to support activities related to the recovery of payloads returned from space to a space recovery site, including operations and control, communications, flight safety functions, and payload processing;

(13) the term "space transportation infrastructure" means facilities, associated equipment, and real property, including launch sites, launch support facilities, space recovery sites, and space recovery support facilities, required to perform launch or space recovery activities;

(14) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the United States Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States; and

(15) the term "United States" means the States, collectively.

TITLE II—SPACE TRANSPORTATION

SEC. 201. EXTENSION OF GOVERNMENT PAYMENT OF EXCESS THIRD PARTY CLAIMS.

Section 16 of the Commercial Space Launch Act (49 U.S.C. App. 2615) is amended in subsection (b)(5) by striking "the date that is 5 years following the date of enactment of the Commercial Space Launch Act Amendments of 1988" and inserting in lieu thereof "January 1, 2000".

SEC. 202. REQUIREMENT TO PROCURE COMMERCIAL LAUNCH SERVICES.

(a) AMENDMENT.—Section 204 of the Launch Services Purchase Act of 1990 (42 U.S.C. 2465d) is amended to read as follows:

"SEC. 204. REQUIREMENT TO PROCURE COMMERCIAL LAUNCH SERVICES.

"(a) IN GENERAL.—Except as otherwise provided in this section, the Federal Government shall purchase launch services for its primary payloads, including suborbital payloads, from commercial providers whenever such services are required in the course of its activities.

"(b) EXCEPTIONS.—The Federal Government shall not be required to purchase launch services as provided in subsection (a) if, on a case by case basis the appropriate agency head determines that—

"(1) the payload requires the unique capabilities of the space shuttle;

"(2) cost effective commercial launch services to meet specific mission requirements are not reasonably available, would not be reasonably available when required, and could not be made available in response to a procurement request;

"(3) the use of commercial launch services poses an unacceptable risk of loss of a unique scientific opportunity; or

"(4) the payload serves national security or foreign policy purposes.

Any determination of such circumstances shall be made by the appropriate agency head and shall not be delegated. The appropriate agency head shall, within 30 days after such determination, notify the Committee on Science, Space, and Technology and the Committee on Armed Services of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate in writing of the determination and its rationale.

"(c) REPORT ON SUBORBITAL PROGRAMS.—Not later than 1 year after the date of enactment of the Commercial Space Competitiveness Act of 1992, the Administrator of the National Aeronautics and Space Administration shall submit to Congress a report providing a plan for the National Aeronautics and Space Administration to make greater use of commercial launch services for its suborbital launch programs. Such plan shall identify planned or potential suborbital payloads which cannot utilize commercial launch services, and describe in detail why commercial launch services cannot meet the mission requirements or be made available in a reasonable and cost effective manner for such payloads.

"(d) FEDERAL GOVERNMENT LAUNCH VEHICLES.—Launch vehicles shall be acquired or owned by the Federal Government only—

"(1) as required under circumstances described in subsection (b); or

"(2) for conducting research and development on, and testing of, launch technology.

"(e) PHASE-IN PERIOD.—Subsections (a) and (d) shall not apply to launch services and launch vehicles for which a purchase contract has been signed before the date of enactment of the Commercial Space Competitiveness Act of 1992.

"(f) HISTORICAL PURPOSES.—This title shall not be interpreted to prohibit the Federal Government from acquiring, owning, or maintaining launch vehicles solely for historical display purposes.".

(b) EFFECTIVE DATE.—The application of section 204 of the Launch Services Purchase Act of 1990 to suborbital payloads shall begin with respect to payloads scheduled for launch after December 31, 1993.

SEC. 203. PURCHASE OF LAUNCH SERVICES.

Section 205 of the Launch Services Purchase Act of 1990 (42 U.S.C. 2465e) is amended to read as follows:

"SEC. 205. PURCHASE OF LAUNCH SERVICES.

"(a) COMPETITIVE BIDDING.—(1) Contracts to provide launch services to the Federal Government under section 204 shall be awarded subject to applicable Federal law requiring full, fair, and open competition, consistent with section 2304 of title 10, United States Code, and section 311 of the National Aeronautics and Space Act of 1958.

"(2) Submission of cost or pricing data for the purpose of supporting a bid or proposal or for the fulfillment of a contract shall not be required of the bidders, except in cases where only one credible bid meeting minimal technical standards as set forth in the original solicitation is received.

"(b) SPECIFICATION SYSTEMS.—Reasonable performance specifications, rather than Federal civilian or military design or construction specifications, shall be used to the maximum extent feasible to define requirements for a commercial provider bidding to provide launch services. This subsection shall not preclude the Federal Government from requiring compliance with applicable safety standards.".

SEC. 204. LAUNCH VOUCHER DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Administrator shall establish a demonstration program to award vouchers for the payment of commercial launch services and payload integration services for the purpose of launching small scientific payloads.

(b) AWARD OF VOUCHERS.—The Administrator shall award vouchers under subsection (a) to scientific researchers, research teams, and research institutes as part of grants administered by the National Aeronautics and Space Administration for the development and construction of—

(1) scientific payloads to be placed in suborbital trajectories; and

(2) small scientific payloads to be placed in orbit.

(c) ASSISTANCE.—The Administrator may provide awardees with such assistance, including contract formulation and technical support during proposal evaluation, as may be necessary to ensure the purchase of cost effective and reasonably reliable commercial launch services and payload integration services.

(d) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator shall submit to Congress a report providing a plan for carrying out this section, identifying which planned or potential payloads will be included in the launch voucher demonstration program, and listing which commercially available launch vehicles will be included in the program.

SEC. 205. SPACE TRANSPORTATION INFRASTRUCTURE MATCHING GRANTS.

(a) FEDERAL GRANT PROGRAM.—The Secretary of Transportation may make grants for projects recommended pursuant to subsection (b) to assist the United States space transportation industry and the States in financing—

(1) the improvement or development of space transportation infrastructure within the United States;

(2) the engineering and designing of such space transportation infrastructure projects; and

(3) technical studies to define how new or improved space transportation infrastructure can best meet Federal space transportation needs and the needs of the United

States commercial space transportation industry.

(b) SELECTION OF PROJECTS.—(1) There is established a Selection Committee which shall include 1 representative each from the Department of Transportation, the Department of Defense, and the National Aeronautics and Space Administration. The Selection Committee shall be chaired by the representative from the Department of Transportation.

(2) The Selection Committee shall review grant applications under this section and shall make recommendations to the Secretary of Transportation for awarding such grants.

(3) The Selection Committee shall take into account the following factors in its review of grant applications:

(A) The contribution of the proposed grant activity to Federal space transportation needs.

(B) The extent of industry's financial contribution to the proposed grant activity.

(C) The extent of industry participation in the proposed grant activity.

(D) The positive impact of the proposed grant activity on the international competitiveness of the United States space transportation industry.

(E) The extent of State contributions to the proposed grant activity.

(F) The impact of the proposed grant activity on launch operations and other activities at Federal launch ranges.

(4) The Secretary of Transportation shall give preference to those applications with greater levels of industry financial contributions, all other factors being equal.

(c) LIMITATIONS AND CONDITIONS.—(1) The Federal grant for any project under this section shall not exceed 50 percent of the cost of such project.

(2) No grant shall be awarded under this section for projects for which less than 10 percent of the cost of such projects will be borne by the private sector.

(3) No grant shall be awarded under this section unless the Selection Committee determines that the applicant has or will have the legal, financial, and technical capacity to carry out the proposed project.

(4) For grants which do not utilize Federal Government property, no grant shall be awarded under this section unless the Secretary of Transportation, in consultation with the Administrator and the Secretary of Defense, determines that the applicant—

(A) has or will have satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and the equipment for which the grant is provided; and

(B) has or will have sufficient capability to maintain the facilities and equipment, and will maintain such facilities and equipment.

SEC. 206. COMMERCIAL SPACE TRANSPORTATION TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the Commercial Space Transportation Trust Fund (hereafter in this section referred to as the "Trust Fund"). The Trust Fund shall consist of all revenues from any fees assessed by the Department of Transportation for the licensing of commercial launch activities.

(b) PURPOSE.—Subject to the availability of appropriations, revenues deposited in the Trust Fund shall be used only to fund projects that directly benefit the United States space transportation industry.

(c) SELECTION OF PROJECTS.—The Secretary of Transportation shall select projects recommended by an Industry Selection Committee composed of 1 representative from each of the companies which have paid, or will have paid, fees described in subsection (a) within a period, not to exceed 2 years, to be determined by the Secretary of Transportation. Voting of such Industry Selection Committee shall be weighted according to the dollar amount of each company's fee payments within such period.

(d) LIMITATION.—Trust Fund revenues shall not be used to pay the operating or other expenses of the Department of Transportation.

SEC. 207. IDENTIFICATION OF EXCESS FACILITIES.

(a) IDENTIFICATION.—The Administrator, in coordination with the Secretary of Defense and the Secretary of Transportation, shall conduct an inventory and identify all launch support facilities owned by the United States Government that are excess or are otherwise not needed for public use. To the extent practicable, the Administrator shall also identify any launch support facilities which, due to their capacity and their utility to non-Federal entities, could be made available for use by non-Federal entities on a reimbursable basis without interfering with Federal activities.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Administrator shall submit to Congress a report containing the results of the identification required under subsection (a). Portions of such report may be classified and protected from public disclosure if such classification is necessary to protect national security.

TITLE III—MISCELLANEOUS

SEC. 301. ANCHOR TENANCY AND TERMINATION LIABILITY.

(a) ANCHOR TENANCY CONTRACTS.—The Administrator may enter into anchor tenancy contracts for the purchase of a good or service in order to increase the viability of a commercial space venture if the Administrator determines that—

(1) the good or service meets the mission requirements of the National Aeronautics and Space Administration;

(2) the commercially procured good or service is cost effective;

(3) the good or service is procured through a competitive process;

(4) existing or potential customers for the good or service other than the United States Government have been specifically identified;

(5) the long-term viability of the venture is not dependent upon a continued Government market or other nonreimbursable Government support; and

(6) private capital is at risk in the venture.

(b) TERMINATION LIABILITY.—Section 203(c) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473(c)) is amended—

(1) by redesignating paragraphs (7) through (13) as paragraphs (8) through (14) respectively;

(2) by inserting after paragraph (6) the following new paragraph:

"(7) to enter into contracts for commercially provided goods and services for periods that are in excess of the period for which funds are available for obligation; and to provide for the payment of contingent liability which may accrue in excess of available appropriations, in the event the Government for its convenience terminates such contracts, from appropriations originally available for the performance of the contract, or from other unobligated appropriations currently available for the procurement of related goods and services;";

(3) by inserting "and" at the end of paragraph (13), as so redesignated by paragraph (1) of this section; and

(4) by striking "; and" at the end of paragraph (14), as so redesignated by paragraph (1) of this section, and inserting in lieu thereof a period.

SEC. 302. USE OF GOVERNMENT FACILITIES.

(a) AUTHORITY.—Federal agencies, including the National Aeronautics and Space Administration and the Department of Defense, may allow non-Federal entities to use their space-related facilities on a reimbursable basis if the Administrator, the Secretary of Defense, or the appropriate agency head determines that—

(1) the facilities will be used to support commercial space activities;

(2) such use can be supported by existing or planned Federal resources;

(3) such use is compatible with Federal activities;

(4) equivalent commercial services are not available on reasonable terms; and

(5) such use is consistent with public safety, national security, and international treaty obligations.

In carrying out paragraph (5), each agency head shall consult with appropriate Federal officials.

(b) REIMBURSEMENT PAYMENT.—(1) The reimbursement referred to in subsection (a) may be an amount equal to the direct costs (including salaries of United States civilian and contractor personnel) incurred by the United States as a result of the use of such facilities by the private sector. For the purposes of this paragraph, the term "direct costs" means the actual costs that can be unambiguously associated with such use, and would not be borne by the United States Government in the absence of such use.

(2) The amount of any payment received by the United States for use of facilities under this subsection shall be credited to the appropriation from which the cost of providing such facilities was paid.

SEC. 303. PROTECTION OF INFORMATION DEVELOPED UNDER SPACE ACT AGREEMENTS.

Section 303 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2454) is amended—

(1) by inserting "(a)" after "SEC. 303.";

(2) by striking "and (B)" and inserting in lieu thereof "(B)";

(3) by inserting ", and (C) information described in subsection (b)" after "national security"; and

(4) by adding at the end the following new subsection:

"(b) The Administrator, for a period of up to 5 years after the development of information that results from activities conducted under an agreement entered into under section 203(c) (5) and (6) of this Act, and that would be a trade secret or commercial or financial information that is privileged or confidential under the meaning of section 552(b)(4) of title 5, United States Code, if the information had been obtained from a non-Federal party participating in such an agreement, may provide appropriate protections against the dissemination of such information, including exemption from subchapter II of chapter 5 of title 5, United States Code.".

SEC. 304. COMMERCIAL SPACE ACHIEVEMENT AWARD.

(a) ESTABLISHMENT.—There is established a Commercial Space Achievement Award. The award shall consist of a medal, which shall be of such design and materials and bear inscriptions as determined by the Secretary of Commerce. A cash prize may also be awarded

if funding for the prize is available under subsection (d).

(b) CRITERIA FOR AWARD.—The Secretary of Commerce shall periodically make, and the Chairman of the National Space Council shall present, awards under this section to individuals, corporations, corporate divisions, or corporate subsidiaries substantially engaged in commercial space activities who in the opinion of the Secretary of Commerce best meet the following criteria:

(1) For corporate entities, at least one-half of the revenues from the space-related activities of the corporation, division, or subsidiary is derived from sources other than the United States Government.

(2) The activities and achievements of the individual, corporation, division, or subsidiary have substantially contributed to the United States gross national product and the stature of United States industry in international markets, with due consideration for both the economic magnitude and the technical quality of the activities and achievements.

(3) The individual, corporation, division, or subsidiary has substantially advanced space technology and space applications directly related to commercial space activities.

(c) LIMITATIONS.—No individual or corporate entity may receive an award under this section more than once every 5 years.

(d) FUNDING FOR AWARD.—The Secretary of Commerce may seek and accept gifts of money from public and private sources for the purpose of making cash prize awards under this section. Such money may be used only for that purpose, only such money may be used for that purpose, and the Secretary of Commerce shall make publicly available an itemized list of the sources of such funding.

By Mrs. KASSEBAUM:

S. 2790. A bill to establish a boot camp program for juvenile delinquents, provide grants for State and local law enforcement, and authorize additional appropriations for the Head Start Program; to the Committee on the Judiciary.

URBAN INITIATIVE

Mrs. KASSEBAUM. Mr. President, I rise today to introduce legislation setting forth what I believe to be an appropriate balance of initiatives to deal with the current crisis in our cities. This bill combines law enforcement initiatives aimed at restoring security to inner city communities, with additional funding for the successful Head Start and Follow-Through Programs.

I think nearly all would agree that a top priority must be to establish an environment conducive to creating growth and opportunity in the inner city. The events in Los Angeles—if they have taught us anything—demonstrate the critical importance of creating secure, stable communities.

It is imperative that we restore security to our cities' streets. We are not going to attract businesses to the inner city—enterprise zones or not—without riding these neighborhoods of crime. More importantly, we need to protect the innocent yet hard-working families that live in the midst of this never ending cycle of crime, who are afraid to even step outside their homes after dark.

One of the sad things that is often overlooked when we talk about urban crime, are the elderly, who frequently are living in the inner cities because they can't get out, and are easy prey to street crime.

One of the most effective ways of reducing street crime is to have more cops on the beat, who are familiar with the neighborhood, and get to know members of the community, young and old. This legislation would provide $200 million in grants to the States to be used exclusively for hiring additional police officers used in community-based or neighborhood-oriented policing programs.

This legislation would also provide an additional $200 million for the Head Start Program, with funds to be directed specifically to program improvements. Half of the funds will be targeted directly to urban areas and $6.4 million will be designated for Follow-Through. The Head Start Program, with its proven effectiveness, should be expanded and targeted for the most efficient use of our limited Federal funds.

I also believe we must do something more to reach young people early on, where there are clear signals that intervention is needed. This must be done before a young person becomes committed to a life of crime. This bill would provide $150 million in grants to the States for establishing up to 10 boot camps for juvenile offenders.

Camps would be established on existing or closed military bases, using military personnel. The program will emphasize physical discipline, combined with remedial and vocational education, with States submitting a follow-up plan once the juvenile is released. This would be an alternative to the State detention homes, where juvenile delinquency is often the first step to further and more serious crime.

Finally, Mr. President, I believe it is important to spend existing funds on these initiatives, rather than further increase our deficit. The bill would not add to the Federal debt. Rather, funding would be provided by halting all spending on the superconducting super collider until these initiatives are funded. Now is the time for us to seriously reconsider our priorities, to deal effectively with the needs of our inner cities.

Mr. President, we must be creative and innovative with the resources we now have, and which also have a proven track record. The initiatives I propose—more police officers, boot camps for juveniles, and increased funding for Head Start—all represent a balanced and effective approach that is tough, but supportive, and makes sure that Federal funds are used effectively. Before we can have inner city opportunity and growth, we must restore the streets to the people who live and work there.

By Mr. KOHL:

S. 2792. A bill to amend and authorize appropriations for the continued implementation of the Juvenile Justice and Delinquency Prevention Act of 1974; to the Committee on the Judiciary.

REAUTHORIZATION OF THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

Mr. KOHL. Mr. President, as chairman of the Juvenile Justice Subcommittee, today I am introducing a bill to reauthorize the Juvenile Justice and Delinquency Prevention Act.

Some 700,000 young people enter the Juvenile Justice System each year. Over the past 5 years, arrests of adolescents for murder, assault, and weapons violations have skyrocketed. And it appears that the small subset of juveniles who commit the most serious offenses are becoming increasingly violent.

Reauthorizing Juvenile Justice and Delinquency Prevention Act must therefore be a Senate priority. In a series of five oversight hearings, the subcommittee identified gaps in such critical services as delinquency prevention and street-based services for runaway and homeless youth. We also received testimony describing some fundamental problems with the implementation of the act by the Office of Juvenile Justice and Delinquency. We have attempted to address these gaps and problems in the legislation we are introducing today.

First and foremost, the bill doubles the authorized level of funding for State formula grants. And it provides a series of incentive grants for State seeking to improve the administration and delivery of justice for juveniles and their families. Second, the bill establishes a new title encouraging local communities to invest in delinquency prevention programs. Third, it creates a new title to improve the response of the justice system to child abuse and neglect, which is all too often a precursor of juvenile delinquency. And fourth, it strengthens prevention, intervention, and treatment programs for juveniles who have joined or are at risk of joining gangs.

The bill also invigorates the Office of Juvenile Justice and Delinquency Prevention itself by establishing a direct reporting relationship with the Attorney General. And it sets up street-based outreach services and enhances other programs for runaway and homeless youth and their families.

I urge my colleagues to cosponsor this bill and join in an effort to prevent and combat youth crime. I ask unanimous consent that a copy of the legislation be printed in the RECORD in its entirety.

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

S. 2792

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND DECLARATION OF PURPOSE.

(a) FINDINGS.—Section 101(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601(a)) is amended—

(1) by redesignating paragraphs (2), (3), (4), (5), (6), (7), and (8) as paragraphs (4), (5), (6), (7), (8), (9), and (10), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

"(2) recent trends show an upsurge in arrests of adolescents for murder, assault, and weapon use;

"(3) the small number of youths who commit the most serious and violent offenses are becoming more violent;";

(3) in paragraph (4), as redesignated by paragraph (1), by inserting "prosecutorial and public defender offices," after "juvenile courts,";

(4) by striking "and" at the end of paragraph (7), as redesignated by paragraph (1);

(5) by striking the period at the end of paragraph (8), as redesignated by paragraph (1), and inserting "; and"; and

(6) by adding at the end the following new paragraph:

"(11) emphasis should be placed on preventing youth from entering the juvenile justice system to begin with.".

(b) PURPOSE.—Section 102 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5602) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking "delinquency" and inserting "justice and delinquency prevention";

(B) in paragraph (2) by striking "agencies, institutions, and individuals in developing and implementing juvenile delinquency programs" and inserting "nonprofit juvenile justice and delinquency prevention programs";

(C) by striking "and" at the end of paragraph (7);

(D) by redesignating paragraph (8) as paragraph (9);

(E) by inserting after paragraph (7) the following new paragraph:

"(8) to strengthen families in which juvenile delinquency has been a problem;";

(F) by striking the period at the end of paragraph (9), as redesignated by subparagraph (D), and inserting a semicolon; and

(G) by adding at the end the following new paragraphs:

"(10) to assist State and local governments in improving the administration of justice and services for juveniles who enter the system; and

"(11) to assist States and local communities to prevent youth from entering the justice system to begin with."; and

(2) in subsection (b) by striking "maintaining and strengthening the family unit" and inserting "preserving and strengthening families".

SEC. 2. JUVENILE JUSTICE AND DELINQUENCY PREVENTION.

(a) OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION.—Part A of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended—

(1) by amending section 201 to read as follows:

"ESTABLISHMENT OF OFFICE

"SEC. 201. (a) ESTABLISHMENT.—There is established within the Department of Justice the Office of Juvenile Justice and Delinquency Prevention (referred to in this title as the "Office") under the general authority of the Attorney General.

"(b) ADMINISTRATOR.—

"(1) APPOINTMENT.—The Office shall be headed by an Administrator (referred to in this title as the 'Administrator') appointed by the President, by and with the advice and consent of the Senate, from among individuals who have had experience in juvenile justice programs.

"(2) AUTHORITY.—The Administrator may prescribe regulations consistent with this Act to award, administer, modify, extend, terminate, monitor, evaluate, reject, or deny all grants and contracts from, and applications for, funds made available under this title. There shall be a direct reporting relationship between the Administrator and the Attorney General.

"(3) LINE OF AUTHORITY.—In the performance of the functions of the Administrator, the Administrator shall be directly responsible to the Attorney General. The Attorney General may not delegate any power, duty, or function vested under this title or title II in the Attorney General.

"(c) DEPUTY ADMINISTRATOR.—

"(1) APPOINTMENT.—There shall be in the Office a Deputy Administrator who shall be appointed by the Attorney General.

"(2) FUNCTIONS.—The Deputy Administrator shall perform such functions as the Administrator may from time to time assign or delegate and shall act as the Administrator during the absence or disability of the Administrator.";

(2) by amending section 204 to read as follows:

"CONCENTRATION OF FEDERAL EFFORTS

"SEC. 204. (a) IN GENERAL.—The Administrator shall implement overall policy and develop objectives and priorities for all Federal juvenile delinquency programs and activities relating to prevention, diversion, training, treatment rehabilitation, evaluations, research, and improvement of the juvenile justice system in the United States.

"(b) ACTIVITIES.—In carrying out this title, the Administrator shall—

"(1) assist Federal agencies that have direct responsibilities for the prevention and treatment of juvenile delinquency in the development and promulgation of regulations, guidelines, requirements, criteria, standards, procedures, and budget requests in accordance with the policies, priorities, and objectives that the Commission establishes;

"(2) conduct and support evaluations and studies of the performance and results achieved by Federal juvenile delinquency programs and activities and of the prospective performance and results that might be achieved by alternative programs and activities supplementary to or in place of those currently being administered;

"(3)(A) develop for each fiscal year, and publish annually in the Federal Register for public comment, a proposed comprehensive plan describing the particular activities that the Commission intends to carry out; and

"(B) taking into consideration comments received during the 45-day period beginning on the date the proposed plan is published, develop and publish a final plan, before December 31 of the fiscal year, describing the particular activities that the Administrator intends to carry out; and

"(4) provide for the auditing of monitoring systems required under section 223(a)(15) to review the adequacy of those systems.

"(c) PROVISION OF INFORMATION.—The Administrator may request a Federal department or agency that engages in activity involving any Federal juvenile delinquency prevention program to provide the Administrator with programmatic and other information, and the head of such department or agency shall comply with such request.

"(d) GRANTS AND CONTRACTS.—The Administrator may make grants and enter into contracts with public or private nonprofit agencies, organizations, institutions, and natural persons to carry out of this title.

"(e) REVIEW OF PROGRAMS AND PRACTICES.—The Administrator shall review the programs and practices of Federal agencies and report to the President and the Congress on the degree to which Federal agency funds are used for purposes that are either consistent or inconsistent with the requirements of section 223(a) (12), (13), and (14). The Administrator shall review the reasons why Federal agencies take juveniles into custody and shall make recommendations regarding how to improve Federal practices and facilities for holding juveniles in custody."; and

(3) by amending section 207 to read as follows:

"ANNUAL REPORT

"SEC. 207. Not later than 180 days after the close of a fiscal year, the Administrator shall submit to the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate a report that contains, with respect to the fiscal year—

"(1) a description of the activities for which funds are expended under parts A, B, C, D, E, and F;

"(2) a description, based on the most recent data available, of the extent to which each State complies with section 223 and of the plan submitted under that section by the State for such fiscal year; and

"(3) a description of exemplary delinquency programs for which assistance is provided under this title, with particular attention to community-based alternatives to juvenile incarceration that involve and assist families of juveniles.".

(b) FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS.—

(1) AUTHORITY TO MAKE GRANTS AND CONTRACTS.—Section 221 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5613) is amended—

(A) in subsection (a) by striking "agencies" and all that follows through "system" and inserting "nonprofit agencies for the development of more effective programs of juvenile justice and delinquency prevention and treatment"; and

(B) in subsection (b)—

(i) in paragraph (1) by inserting "nonprofit" after "private" each place it appears; and

(ii) in paragraph (2)—

(I) by inserting "nonprofit" after "private"; and

(II) by striking "existence" and inserting "experience".

(2) ALLOCATION.—Section 222 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5632) is amended—

(A) by striking "allotted" each place it appears and inserting "allocated" and striking "allotment" each place it appears and inserting "allocation"; and

(B) in subsection (a)—

(i) in paragraph (2)(A)—

(I) by striking "part D" and inserting "parts D and F";

(II) by inserting "or such greater amount, up to $390,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992" after "$325,000,"; and

(III) by inserting ", or such greater amount, up to $90,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992," after "$75,000";

(ii) in paragraph (2)(B)—

(I) by inserting "or such greater amount, up to $600,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992" after "$400,000,"; and

(II) by inserting ", or such greater amount, up to $90,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992" after "$100,000"; and

(iii) in paragraph (3) by striking "1988" each place it appears and inserting "1992".

(3) STATE PLANS.—Section 223 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5633) is amended—

(A) in subsection (a)—

(i) in the second sentence by striking "programs, and the State" and inserting "programs and challenge activities subsequent to State participation in part F. The State";

(ii) by amending paragraph (3) to read as follows:

"(3) provide for an advisory group, which—

"(A) shall consist of not less than 15 and not more than 30 members appointed by the chief executive officer of the State—

"(i) which members have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice;

"(ii) which members include—

"(I) at least 1 locally elected official representing general purpose local government;

"(II) representatives of law enforcement and juvenile justice agencies, including juvenile and family court judges, prosecutors, and counsel for children and youth;

"(III) representatives of public agencies concerned with delinquency prevention or treatment, such as welfare, social services, mental health, education, special education, and youth services;

"(IV) representatives of private nonprofit organizations, including persons with a special focus on preserving and strengthening families, parent groups and parent self-help groups, youth development, delinquency prevention and treatment, neglected or dependent children, the quality of juvenile justice, education, and social services for children;

"(V) volunteers who work with delinquents or potential delinquents;

"(VI) youth workers involved with programs that are alternatives to incarceration;

"(VII) persons with special experience and competence in addressing problems related to school violence and vandalism and alternatives to suspension and expulsion; and

"(VIII) persons with special experience and competence in addressing problems related to learning disabilities, emotional difficulties, child abuse and neglect, and youth violence;

"(iii) a majority of which members (including the chairperson) shall not be full-time employees of the Federal, State, or local government;

"(iv) at least one-fifth of which members shall be under the age of 24 at the time of appointment; and

"(v) at least 3 members who have been under the jurisdiction of the juvenile justice system at some time;

"(B) shall participate in the development and review of the State's juvenile justice plan prior to submission to the supervisory board for final action;

"(C) shall be afforded the opportunity to review and comment, not later than 30 days after their submission to the advisory group, on all juvenile justice and delinquency prevention grant applications submitted to the State agency designated under paragraph (1);

"(D) shall, consistent with this title—

"(i) advise the State agency designated under paragraph (1) and its supervisory board;

"(ii) submit to the chief executive officer and the legislature of the State at least annually recommendations regarding State compliance with the requirements of paragraphs (12), (13), and (14) and with progress relating to challenge activities carried out pursuant to part F; and

"(iii) contact and seek regular input from juveniles currently under the jurisdiction of the juvenile justice system; and

"(E) may, consistent with this title—

"(i) advise on State supervisory board and local criminal justice advisory board composition; and

"(ii) review progress and accomplishments of projects funded under the State plan.";

(iii) in paragraph (5)(B) by inserting "nonprofit" after "private" each place it appears;

(iv) in paragraph (9) by inserting "nonprofit" after "private";

(v) by amending paragraph (10) to read as follows:

"(10) provide that not less than 75 percent of the funds available to the State under section 222, other than funds made available to the State advisory group under section 222(d), whether expended directly by the State, by the unit of general local government, or by a combination thereof, or through grants and contracts with public or private nonprofit agencies, shall be used for—

"(A) community-based alternatives to incarceration and institutionalization, specifically—

"(i) for youth who can remain at home with assistance: home probation and programs providing professional supervised group activities or individualized mentoring relationships with adults that involve the family and provide counseling and other supportive services;

"(ii) for youth who need temporary placement: crisis intervention, shelter, and aftercare; and

"(iii) for youth who need residential placement: a continuum of foster care or group home alternatives that provide access to a comprehensive array of services;

"(B) community-based programs and services to work with parents and other family members to strengthen families, including parent self-help groups, so that juveniles may be retained in their homes;

"(C) comprehensive juvenile justice and delinquency prevention programs that meet the needs of youth through the collaboration of the many local systems before which a youth may appear, including schools, courts, law enforcement agencies, child protection agencies, mental health agencies, welfare services, health care agencies, and private nonprofit agencies offering youth services;

"(D) projects designed to develop and implement programs stressing advocacy activities aimed at improving services for and protecting the rights of youth affected by the juvenile justice system;

"(E) educational programs or supportive services for delinquent or other youth, provided equitably regardless of sex, race, or family income, designed to encourage them to remain in school, including—

"(i) education in settings that promote experiential, individualized learning and exploration of academic and career options;

"(ii) assistance in making the transition to the world of work and self-sufficiency; and

"(iii) alternatives to suspension and expulsion;

"(F) expanded use of home probation and recruitment and training of home probation officers, other professional and paraprofessional personnel, and volunteers to work effectively to allow youth to remain at home with their families as an alternative to incarceration or institutionalization;

"(G) youth-initiated outreach programs designed to assist youth who otherwise would not be reached by traditional youth assistance programs;

"(H) programs designed to develop and implement projects relating to juvenile delinquency and learning disabilities, including on-the-job training programs to assist law enforcement and juvenile justice personnel to more effectively recognize and provide for learning disabled and other handicapped youth;

"(I) projects designed both to deter involvement in illegal activities and to promote involvement in lawful activities on the part of gangs whose membership is substantially composed of youth;

"(J) programs and projects designed to provide for the treatment of youths' dependence on or abuse of alcohol or other addictive or nonaddictive drugs;

"(K) law-related education programs (and projects) for delinquent and at-risk youth designed to prevent juvenile delinquency; and

"(L) programs for positive youth development that assist delinquent and other at-risk youth in obtaining—

"(i) a sense of safety and structure;

"(ii) a sense of belonging and membership;

"(iii) a sense of self-worth and social contribution;

"(iv) a sense of independence and control over one's life;

"(v) a sense of closeness in interpersonal relationships; and

"(vi) a sense of competence and mastery including health and physical competence, personal and social competence, cognitive and creative competence, vocational competence, and citizenship competence, including ethics and participation.";

(vi) in paragraph (14) by striking "1993" and inserting "1997";

(vii) by amending paragraph (16) to read as follows:

"(16) provide assurance that youth in the juvenile justice system are treated equitably on the basis of gender, race, family income, and mentally, emotionally, or physically handicapping conditions;"; and

(viii) in paragraph (17) by striking "and maintain the family units" and inserting "the families";

(B) by amending subsection (c) to read as follows:

"(c)(1) Subject to paragraph (2), the Administrator shall approve any State plan and any modification thereof that meets the requirements of this section.

"(2) If a State fails to comply with the requirements of paragraph (12)(A), (13), (14), or (23) in any fiscal year beginning after January 1, 1993—

"(A) subject to subparagraph (B), the amount allotted under section 222 to the State for that fiscal year shall be reduced by 25 percent for each such paragraph with respect to which noncompliance occurs; and

"(B) the State shall be ineligible to receive any allotment under that section for such fiscal year unless—

"(i) the State agrees to expend all the remaining funds the State receives under this part (excluding funds required to be expended to comply with section 222 (c) and (d)

and with section 223(a)(5)(C)) for that fiscal year only to achieve compliance with any such paragraph with respect to which the State is in noncompliance; or

"(ii) the Administrator determines, in the discretion of the Administrator, that the State—

"(I) has achieved substantial compliance with each such paragraph with respect to which the State was not in compliance; and

"(II) has made, through appropriate executive or legislative action, an unequivocal commitment to achieving full compliance within a reasonable time."; and

(C) in subsection (d)—

(i) by inserting ", excluding funds the Administrator shall make available to satisfy the requirement specified in section 222(d)," after "section 222(a)";

(ii) by striking "the purposes of subsection (a)(12)(A), subsection (a)(13), or subsection (a)(14)" and inserting "activities of the kinds described in subsection (a) (12)(A), (13), (14) and (23)"; and

(iii) by striking "under subsection (a)(12)(A) and subsection (a)(13)" and inserting "subsection (a) (12)(A), (13), (14) and (23)".

(c) NATIONAL PROGRAMS.—

(1) NATIONAL INSTITUTE FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION.—Section 241(d)(2) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5651(d)(2)) is amended by inserting "prosecutors and defense attorneys," after "probation personnel,".

(2) TECHNICAL ASSISTANCE AND TRAINING FUNCTIONS.—Section 244(3) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5654(3)) is amended by inserting "prosecutors and defense attorneys" after "judges".

(3) SPECIAL STUDIES AND REPORTS.—Section 248 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5662) is amended—

(A) by striking "(a) Not later" and inserting "(a) PURSUANT TO 1988 AMENDMENTS.—(1) Not later";

(B) by striking "(1) to review" and inserting "(A) to review";

(C) by striking "(A) conditions" and inserting "(i) conditions";

(D) by striking "(B) the extent" and inserting "(ii) the extent";

(E) by striking "(2) to make" and inserting "(B) to make";

(F) by striking "(b)(1) Not later" and inserting "(2)(A) Not later";

(G) by striking "(A) how" and inserting "(i) how";

(H) by striking "(B) the amount" and inserting "(ii) the amount";

(I) by striking "(C) the extent" and inserting "(iii) the extent";

(J) by striking "(2)(A) for purposes" and inserting "(B)(i) for purposes";

(K) by striking "(B) For purposes" and inserting "(ii) for purposes";

(L) by striking "(c) NOT LATER" and inserting "(3) NOT LATER";

(M) by striking "subsection (a) or (b)" and inserting "paragraph (1) or (2)"; and

(N) by adding at the end the following new subsection:

"(b) PURSUANT TO 1992 AMENDMENTS.—(1) Not later than 1 year after the date of enactment of the Juvenile Justice and Delinquency Prevention Amendments Act of 1992, the Comptroller General shall—

"(A) conduct a study with respect to juveniles waived to adult court that reviews—

"(i) the frequency and extent to which juveniles have been transferred, certified, or waived to adult court during the 5-year period ending December 1992;

"(ii) conditions of confinement in adult detention and correctional facilities for juveniles waived to adult court; and

"(iii) sentencing patterns, comparing juveniles waived to adult court with juveniles who have committed similar offenses but have not been waived; and

"(B) submit to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate a report (including a compilation of State waiver statutes) on the findings made in the study and recommendations to improve conditions for juveniles waived to adult court.

"(2) Not later than 1 year after the date of enactment of the Juvenile Justice and Delinquency Prevention Amendments Act of 1992, the Comptroller General shall—

"(A) conduct a study with respect to admissions of juveniles for behavior disorders to private psychiatric hospitals, and to other residential and nonresidential programs that serve juveniles admitted for behavior disorders, that reviews—

"(i) the frequency with which juveniles have been admitted to such hospitals and programs during the 5-year period ending December 1992; and

"(ii) conditions of confinement, the average length of stay, and methods of payment for the residential care of such juveniles; and

"(B) submit to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings made in the study and recommendations to improve procedural protections and conditions for juveniles with behavior disorders admitted to such hospitals and programs.

"(3) Not later than 1 year after the date of enactment of the Juvenile Justice and Delinquency Prevention Amendments Act of 1992, the Comptroller General shall—

"(A) conduct a study of gender bias within State juvenile justice systems that reviews—

"(i) the frequency with which females have been detained for status offenses (such as frequently running away, truancy, and sexual activity), as compared with the frequency with which males have been detained for such offenses during the 5-year period ending December 1992; and

"(ii) the appropriateness of the placement and conditions of confinement for females; and

"(B) submit to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings made in the study and recommendations to combat gender bias in juvenile justice and provide appropriate services for females who enter the juvenile justice system.

"(4) Not later than 1 year after the date of enactment of the Juvenile Justice and Delinquency Prevention Amendments Act of 1992, the Comptroller General shall—

"(A) conduct a study of the Native American pass-through grant program authorized under section 223(a)(5)(C) that reviews the cost-effectiveness of the funding formula utilized; and

"(B) submit to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings made in the study and recommendations to improve the Native American pass-through grant program.

"(5) Not later than 1 year after the date of enactment of the Juvenile Justice and Delinquency Prevention Amendments Act of 1992, the Comptroller General shall—

"(A) conduct a study of access to counsel in juvenile court proceedings that reviews—

"(i) the frequency with which and the extent to which juveniles in juvenile court proceedings either have waived counsel or have obtained access to counsel during the 5-year period ending December 1992; and

"(ii) a comparison of access to and the quality of counsel afforded juveniles charged in adult court proceedings with those of juveniles charged in juvenile court proceedings; and

"(B) submit to the Committee on Education and Labor of the House of Representatives and the Committee on the Judiciary of the Senate a report on the findings made in the study and recommendations to improve access to counsel for juveniles in juvenile court proceedings.".

(4) AUTHORITY TO MAKE GRANTS AND CONTRACTS.—Section 261(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5665(a)) is amended—

(A) by amending paragraph (3) to read as follows:

"(3) Establishing or supporting advocacy programs and services that encourage the improvement of due process available to juveniles in the juvenile justice system and the quality of legal representation for such juveniles.";

(B) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) Establishing or supporting programs stressing advocacy activities aimed at improving services to juveniles affected by the juvenile justice system, including services that provide for the appointment of special advocates by courts for such juveniles.".

(d) CONSIDERATIONS FOR APPROVAL OF APPLICATIONS.—Section 262(d)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5665a(d)(1)) is amended—

(1) by amending subparagraph (B) to read as follows:

"(B) The competitive process described in subparagraph (A) shall not be required if the Administrator makes a written determination that apply to programs to be carried out in areas with respect to which the President declares under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) that a major disaster or emergency exists."; and

(2) by striking subparagraph (C).

(e) PREVENTION, INTERVENTION, AND TREATMENT PROGRAM RELATING TO JUVENILE GANGS AND DRUG ABUSE AND DRUG TRAFFICKING.—Part D of title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5667 et seq.) is amended—

(1) in the heading by inserting ", INTERVENTION," after "PREVENTION";

(2) in section 281 by striking "SEC. 281. The Administrator" and all that follows through "purposes:" and inserting the following:

"SEC. 281. (a) The Administrator shall, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, and individuals, establish and support programs and activities that involve families and communities in the prevention of youth gangs through programs that are designed to carry out any of the following purposes:

"(1) To target elementary school students, with the purpose of steering students away from gang involvement.

"(2) To provide individual and family crisis intervention and counseling to students and their families who are particularly at risk of

gang involvement, including cooperation with social service, welfare, and health care programs as needed.

"(3) To develop and support community education about gangs and gang activity with the intent of involving the community in dealing with the problems associated with gangs.

"(4) To include a special location within a school or housing project for program activities.

"(b) The Administrator shall, by making grants to and entering into contracts with public and private nonprofit agencies, organizations, institutions, and individuals, establish and support programs and activities that involve families and communities in crisis intervention and rehabilitation of youth gangs through programs that are designed to carry out any of the following purposes:"; and

(3) in section 282(b)(1) by inserting "(a) or (b)" after "section 281".

(f) GENERAL AND ADMINISTRATIVE PROVISIONS.—Section 291(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671(a)) is amended to read as follows:

"(a)(1) To carry out the purposes of this title (other than parts D and F) there are authorized to be appropriated $125,000,000 for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996. Funds appropriated for any fiscal year shall remain available for obligation until expended.

"(2)(A) Subject to subparagraph (B), to carry out part D, there are authorized to be appropriated $25,000,000 for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996.

"(B) No funds may be appropriated to carry out part D or F of this title or title V or VI for a fiscal year unless the aggregate amount appropriated to carry out this title (other than part D or F of this title or title V or VI) for the fiscal year is not less than the aggregate amount appropriated to carry out this title (other than part D or F of this title or title V or VI) for the preceding fiscal year.

"(3) To carry out the purposes of part F, there are authorized to be appropriated $50,000,000 for fiscal year 1993 and such sums as are necessary for each of the fiscal years 1994, 1995, and 1996.".

(g) STATE CHALLENGE ACTIVITIES.—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5611 et seq.) is amended by adding at the end the following new part:

"PART F—STATE CHALLENGE ACTIVITIES

"ESTABLISHMENT OF PROGRAM

"SEC. 297. (a) IN GENERAL.— The Administrator may make a grant to a State that receives an allocation under section 222, in the amount of 10 percent of the amount of the allocation, for each challenge activity in which the State participates for the purpose of funding the activity.

"(b) DEFINITIONS.—For purposes of this part—

"(1) the term 'case review system' means a procedure for ensuring that—

"(A) each youth has a case plan, based on the use of objective criteria for determining a youth's danger to the community or himself or herself, that is designed to achieve appropriate placement in the least restrictive and most family-like setting available in close proximity to the parents' home, consistent with the best interests and special needs of the youth;

"(B) the status of each youth is reviewed periodically but not less frequently than once every 6 months, by a court or by administrative review, in order to determine the continuing necessity for and appropriateness of the placement;

"(C) with respect to each youth, procedural safeguards will be applied to ensure that a dispositional hearing is held to consider the future status of each youth under State supervision, in a juvenile or family court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed or approved by the court, not later than 18 months after the original placement of the youth and periodically thereafter during the continuation of out-of-home placement; and

"(D) a youth's health and education record is reviewed and updated periodically; and

"(2) the term 'challenge activity' means a program maintained for 1 of the following purposes:

"(A) Developing and adopting policies and programs to provide basic health and appropriate education services, including special education, for youth in the juvenile justice system as specified in standards developed by the National Advisory Committee for Juvenile Justice and Delinquency Prevention prior to October 12, 1984.

"(B) Developing and adopting policies and programs to provide access to counsel for all juveniles in the justice system to ensure that juveniles consult with counsel before waiving the right to counsel.

"(C) Increasing community-based alternatives to incarceration by establishing programs and developing and adopting a set of objective criteria for the appropriate placement of juveniles in detention and secure confinement.

"(D) Developing and adopting policies and programs to provide secure settings for the placement of violent juvenile offenders with capacities of no more than 50 youth with ratios of staff to youth great enough to ensure adequate supervision and treatment.

"(E) Developing and adopting policies to prohibit gender bias in placement and treatment and establishing programs to ensure that female youth have access to the full range of health services, treatment for physical or sexual assault and abuse, education in parenting, education in general, and other training and vocational services.

"(F) Establishing and operating, either directly or by contract or arrangement with a public agency or other appropriate private nonprofit organization (other than an agency or organization that is responsible for licensing or certifying out-of-home care services for youth), a State ombudsman office for children, youth, and families to investigate and resolve complaints relating to action, inaction, or decisions of providers of out-of-home care to children and youth (including secure detention and correctional facilities, residential care facilities, public agencies, and social service agencies) that may adversely affect the health, safety, welfare, or rights of resident children and youth.

"(G) Developing and adopting policies and programs designed to remove, where appropriate, status offenders from the jurisdiction of the juvenile court to prevent the placement in secure detention facilities or secure correctional facilities of juveniles who are nonoffenders or who are charged with or who have committed offenses that would not be criminal if committed by an adult.

"(H) Developing and adopting policies and programs designed to serve as alternatives to suspension and expulsion from school.

"(I) Increasing aftercare services for juveniles involved in the justice system by establishing programs and developing and adopting policies to provide comprehensive health, education, and vocational services and services that preserve and strengthen the families of such juveniles.

"(J) Developing and adopting policies to establish—

"(i) a State administrative structure to coordinate program and fiscal policies for children who have emotional and behavioral problems and their families among the major child serving systems, including schools, social services, health services, mental health services, and the juvenile justice system; and

"(ii) a statewide case review system.".

SEC. 3. RUNAWAY AND HOMELESS YOUTH.

(a) FINDINGS.—Section 302 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5701) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) the number of youth who have become homeless or who leave and remain away from home without parental permission has increased to alarming proportions, creating a substantial law enforcement problem for the communities inundated, and significantly endangering the young people who are without resources and may live on the street, leaving them at high risk for health and other serious problems;";

(2) by striking "and" at the end of paragraph (4);

(3) by redesignating paragraph (5) as paragraph (10);

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) runaway youth, homeless youth, and other street youth have a disproportionate share of health problems compared to the general adolescent population but lack access to health care;

"(6) increasingly, runaway youth, homeless youth, and other street youth in need of services have more serious emotional and behavioral problems and fewer resources and therefore may need access to longer periods of residential care, more intensive aftercare services, and other assistance;

"(7) to make a successful transition to adulthood, runaway youth, homeless youth, and other street youth need opportunities to complete high school or earn a general equivalency degree, learn job skills, and obtain employment;

"(8) to reconnect runaway youth, homeless youth, and other street youth to their communities, street-based services must be provided where they congregate;

"(9) home-based services are also needed to prevent youth from leaving home or developing more serious emotional and behavioral problems;" and

(5) by amending paragraph (10), as redesignated by paragraph (3), to read as follows:

"(10) in view of the interstate nature of the problem, it is the responsibility of the Federal Government to develop an accurate national reporting system and to develop an effective system of care including prevention, emergency shelter services, and longer residential care outside the public welfare and law enforcement structures.".

(b) AUTHORITY TO MAKE GRANTS.—Section 311 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5711) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary shall make grants to nonprofit private entities, combinations of such entities, and public entities to establish, renovate, and operate local runaway and homeless youth centers to provide serv-

ices to deal primarily with the immediate needs of such youth and their families. The centers shall serve as alternatives to the law enforcement, child welfare, mental health, and juvenile justice systems.";

(2) in subsection (b)—

(A) in paragraph (2)—

(i) by inserting "or such greater amount, up to $100,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992" after "$75,000,"; and

(ii) by inserting ", or such greater amount, up to $45,000, as is available to be allocated without reducing the amount of any State or territory's allocation below the amount allocated for fiscal year 1992," after "$30,000"; and

(B) in paragraph (3) by striking "1988" each place it appears and inserting "1992"; and

(3) by striking subsection (c).

(c) ELIGIBILITY.—Section 312 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5712) is amended—

(1) in subsection (a) by striking "facility providing" and inserting "project that provides"; and

(2) in subsection (b)—

(A) in paragraph (3) by striking "child's" and inserting "youth's" and striking "child" each place it appears and inserting "youth";

(B) in paragraph (4) by inserting "health and mental health care personnel," after "social service personnel,"; and

(C) in paragraph (6) by striking "children and family members which it serves" and inserting "and family members that it serves, including youth that are not referred to out-of-home shelter services.".

(d) GRANTS FOR A NATIONAL COMMUNICATION SYSTEM.—Section 313(b) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5712a(b)) is amended—

(1) in paragraph (1) by striking "1989 not less than $500,000" and inserting "1993 not less than $912,500, of which $125,000 shall be available for the acquisition of communications equipment";

(2) in paragraph (2) by striking "1990 not less than $600,000" and inserting "1994 not less than $826,900"; and

(3) in paragraph (3) by striking "1991 and 1992 not less than $868,300" and inserting "1995 and 1996 not less than $911,700".

(e) APPROVAL BY SECRETARY.—Section 316 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5716) is amended in the second sentence by striking "$150,000" and inserting "$250,000".

(f) TRANSITIONAL LIVING GRANT PROGRAM.—Section 322(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5714-2(a)) is amended—

(1) in paragraph (1) by inserting "(including money management, budgeting, consumer education, and use of credit" after "basic life skills"; and

(2) in paragraph (13) by striking "and parent or legal guardian".

(g) STREET-BASED SERVICES AND COORDINATING ACTIVITIES.—Title III of the Juvenile Justice and Delinquency Prevention Act (42 U.S.C. 5701 et seq.) is amended—

(1) by striking sections 314, 315, and 365 and redesignating parts C and D as parts F and G, respectively; and

(2) by inserting after part B the following new parts:

"PART C—STREET-BASED SERVICES

"PURPOSE AND AUTHORITY; DEFINITIONS

"SEC. 325. (a) PURPOSE AND AUTHORITY.—The Secretary may make grants and provide technical assistance to public and nonprofit private entities and combinations of such entities to establish and operate street-based services to runaway youth, homeless youth, and other street youth.

"(b) DEFINITIONS.—For purposes of this part—

"(1) the term 'homeless youth' means a person—

"(A) who is not less than 10 years of age and not more than 21 years of age;

"(B) for whom it is not possible to live in a safe environment with a relative; and

"(C) who has no safe living arrangement as an alternative to living with a relative;

"(2) the term 'other street youth' means a person under the age of 21 who may be intermittently homeless and spends the majority of his or her time on the street, using it as a primary means of economic survival and socialization; and

"(3) the term 'street-based services' includes—

"(A) street-based crisis intervention and counseling;

"(B) information and referral for housing;

"(C) information and referral for transitional living and health care services; and

"(D) advocacy, education, and prevention services for—

"(i) alcohol and drug abuse;

"(ii) sexually transmitted diseases including HIV/AIDS infection; and

"(iii) physical and sexual assault.

"ELIGIBILITY

"SEC. 326. (a) PLAN AND AGREEMENT.—To be eligible for assistance under this part, an applicant shall propose to establish, strengthen, or fund a street-based services project and shall submit to the Secretary a plan in which the applicant agrees, as part of the project—

"(1) to identify and frequent areas in which runaway youth, homeless youth, and other street youth congregate, making contact and forming relationships with such youth;

"(2) to assess the problems and service needs of such youth and provide appropriate services or information and referral for these services;

"(3) to cause its staff to work in teams with on-street supervision or backup and off-street clinical supervision;

"(4) to cause its staff to—

"(A) develop referral relationships with agencies and organizations, including law enforcement, education, social service, vocational services, training, public welfare, legal assistance, and health and mental health care organizations; and

"(B) help integrate and coordinate such services for youth;

"(5) to submit to the Secretary an annual report that includes information regarding—

"(A) the activities carried out with funds under this part;

"(B) the achievements of the project under this part carried out by the applicant; and

"(C) statistical summaries describing the number and the characteristics of the youth who participated in the project in the year for which the report is submitted;

"(6) to implement such accounting procedures and fiscal control devices as the Secretary may require;

"(7) to submit to the Secretary an annual budget that estimates the itemized costs to be incurred in the year for which the applicant requests a grant under this part;

"(8) to keep adequate statistical records profiling the youth that it serves and not to disclose the identity of individual runaway youth, homeless youth, or other street youth in reports or other documents based on such statistical records;

"(9) not to disclose records maintained on individual runaway youth, homeless youth, or other street youth without the consent of the individual youth to anyone; and

"(10) to provide to the Secretary such other information as the Secretary may reasonably require.

"(b) PRIORITY.—In selecting eligible applicants to receive grants under this part, the Secretary shall give priority to entities that have experience in providing direct services to runaway youth, homeless youth, or other street youth.

"PART D—COORDINATING ACTIVITIES

"GRANTS FOR TECHNICAL ASSISTANCE AND TRAINING

"SEC. 335. The Secretary shall make grants to State, regional and other nonprofit organizations and combinations of such organizations to provide technical assistance and training to eligible groups for the purpose of establishing and improving the operation of programs for runaway youth, homeless youth, and other street youth.

"GRANTS FOR RESEARCH, DEMONSTRATION, AND SERVICE PROJECTS

"SEC. 336. (a) IN GENERAL.—The Secretary may make grants to States, localities, and private entities (and combinations of such entities) to carry out research, demonstration, and service projects designed to increase knowledge concerning, and to improve services for, runaway youth, homeless youth, and other street youth.

"(b) SPECIAL CONSIDERATION.—In selecting among applications for grants under subsection (a), the Secretary shall give special consideration to proposed projects relating to—

"(1) youth who repeatedly leave and remain away from their homes;

"(2) outreach to runaway youth, homeless youth, and other street youth;

"(3) skill-based HIV/AIDS prevention training for runaway and homeless youth and training for staff to work with such youth;

"(4) increasing access to health and mental health care and services for runaway and homeless youth;

"(5) increasing access to education for runaway and homeless youth;

"(6) staff training in—

"(A) the behavioral and emotional effects of sexual abuse and assault;

"(B) responding to youth who are showing effects of sexual abuse and assault; and

"(C) agency-wide strategies for working with runaway and homeless youth who have been sexually victimized;

"(7) transportation of runaway and homeless youth, and other street youth in connection with services authorized to be provided under this part;

"(8) the special needs of runaway and homeless youth in rural areas;

"(9) the special needs of family host home programs for runaway youth, homeless youth, and other street youth;

"(10) transitional living programs for homeless youth; and

"(11) innovative methods of developing resources that enhance the establishment or operation of runaway youth, homeless youth, or other street youth centers.

"(c) PRIORITY.—In selecting among applicants for grants under subsection (a), the Secretary shall give priority to applicants that have knowledge of or experience in working with runaway and homeless youth.

"COORDINATION OF ACTIVITIES

"SEC. 337. With respect to matters relating to health, education, employment, and housing, the Secretary shall coordinate the ac-

tivities of health agencies in the Department of Health and Human Services with the activities of other divisions of that department and other public and private entities and encourage coordination with other departments.".

(h) REPORTS.—Section 361 of the Juvenile Justice and Delinquency Act of 1974 (42 U.S.C. 5715) is amended—

(1) in subsection (a)—

(A) by inserting ", activities," after "status";

(B) by striking "part A," and inserting "parts A, B, C, D, and E,"; and

(2) in subsection (b)—

(A) by striking "and" at the end of paragraph (5);

(B) by striking the period at the end of paragraph (6) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(7) plans for the next fiscal year.".

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 366 of the Juvenile Justice and Delinquency Act of 1974 (42 U.S.C. 5751) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking "of this title there are authorized to be appropriated such sums as may be necessary for fiscal years 1989, 1990, 1991, and 1992" and inserting "such sums as are necessary for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996"; and

(B) by adding at the end the following new paragraphs:

"(3) In the use of funds appropriated under paragraph (10) that are in excess of $38,000,000 but less than $42,600,000, priority shall be given to awarding enhancement grants to programs (with priority to programs that receive grants of less than $85,000) if the appropriation were equal to or less than $38,000,000, for the purpose of allowing such programs to achieve higher performance standards, including—

"(A) increasing and retaining trained staff;

"(B) strengthening family reunification efforts;

"(C) improving aftercare services;

"(D) fostering better coordination of services with public and private entities;

"(E) providing comprehensive services, including health care, education, prevention and crisis intervention, and vocational services; and

"(F) improving data collection efforts.

"(4) In the use of funds appropriated under paragraph (1) that are in excess of $42,599,999—

"(A) 50 percent shall be targeted at developing new programs in unserved or underserved communities; and

"(B) 50 percent shall be targeted at program enhancement activities described in paragraph (3).";

(2) in subsection (b)(1) by striking "of this title, there are authorized to be appropriated such sums as are necessary for fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, and 1992" and inserting "there are authorized to be appropriated such sums as are necessary for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996.";

(3) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(4) by inserting after subsection (b) the following new subsection:

"(c) There are authorized to be appropriated to carry out part C such sums as are necessary for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996.".

SEC. 4. MISSING CHILDREN.

Section 407 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5777) is amended by striking "fiscal years 1989, 1990, 1991, and 1992" and inserting "fiscal year 1993".

SEC. 5. INCENTIVE GRANTS FOR LOCAL DELINQUENCY PREVENTION PROGRAMS.

(a) ESTABLISHMENT OF PROGRAM.—The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.) is amended by adding at the end the following new title:

"TITLE V—INCENTIVE GRANTS FOR LOCAL DELINQUENCY PREVENTION PROGRAMS

"SEC. 501. SHORT TITLE.

"This title may be cited as the 'Incentive Grants for Local Delinquency Prevention Programs Act'.

"SEC. 502. FINDINGS.

"The Congress finds that—

"(1) approximately 700,000 youth enter the juvenile justice system every year;

"(2) Federal, State, and local governments spend close to $2,000,000,000 a year confining many of those youth;

"(3) it is more effective in both human and fiscal terms to prevent delinquency than to attempt to control or change it after the fact;

"(4) half or more of all States are unable to spend any juvenile justice formula grant funds on delinquency prevention because of other priorities;

"(5) few Federal resources are dedicated to delinquency prevention; and

"(6) Federal incentives are needed to assist States and local communities in mobilizing delinquency prevention policies and programs.

"SEC. 503. DEFINITION.

"In this title, the term 'State advisory group' means the advisory group appointed by the chief executive officer of a State under a plan described in section 223(a).

"SEC. 504. DUTIES AND FUNCTIONS OF THE COMMISSION.

"The Commission shall—

"(1) issue such rules as are necessary or appropriate to carry out this title;

"(2) make such arrangements as are necessary and appropriate to facilitate coordination and policy development among all activities funded through the Department of Justice relating to delinquency prevention (including the preparation of an annual comprehensive plan for facilitating such coordination and policy development);

"(3) provide adequate staff and resources necessary to properly carry out this title; and

"(4) not later than 180 days after the end of each fiscal year, submit a report to the Chairman of the Committee on Education and Labor of the House of Representatives and the Chairman of the Committee on the Judiciary of the Senate—

"(A) describing activities and accomplishments of grant activities funded under this title;

"(B) describing procedures followed to disseminate grant activity products and research findings;

"(C) describing activities conducted to develop policy and to coordinate Federal agency and interagency efforts related to delinquency prevention; and

"(D) identifying successful approaches and making recommendations for future activities to be conducted under this title.

"SEC. 505. GRANTS FOR PREVENTION PROGRAMS.

"(a) PURPOSES.—The Commission may make grants to a State, to be transmitted through the State advisory group to units of general local government that meet the requirements of subsection (b), for delinquency prevention programs and activities for youth who have had contact with the juvenile justice system or who are likely to have contact with the juvenile justice system, including the provision to children, youth, and families of—

"(1) recreation services;

"(2) tutoring and remedial education;

"(3) assistance in the development of work awareness skills;

"(4) child and adolescent health and mental health services;

"(5) alcohol and substance abuse prevention services; and

"(6) leadership development activities.

"(b) ELIGIBILITY.—The requirements of this subsection are met with respect to a unit of general local government if—

"(1) the unit is in compliance with the requirements of part B of title II;

"(2) the unit has submitted to the State advisory group a 3-year plan outlining the unit's local front end investment plan for delinquency prevention and early intervention activities;

"(3) the unit has included in its application to the Commission for formula grant funds a summary of the 3-year plan described in paragraph (2);

"(4) pursuant to its 3-year plan, the unit has appointed a local policy board of no fewer than 15 and no more than 21 members with balanced representation of public agencies and private, nonprofit organizations serving children, youth, and families and business and industry;

"(5) the local policy board is empowered to make all recommendations for distribution of funds and evaluation of activities funded under this title; and

"(6) the unit or State has agreed to provide a 100 percent match of the amount of the grant, including the value of in-kind contributions, to fund the activity.

"(c) PRIORITY.—In considering grant applications under this section, the Commission shall give priority to applicants that demonstrate ability in—

"(1) plans for service and agency coordination and collaboration including the colocation of services;

"(2) innovative ways to involve the private nonprofit and business sector in delinquency prevention activities; and

"(3) developing or enhancing a statewide subsidy program to local governments that is dedicated to early intervention and delinquency prevention.

"SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

"To carry out this title, there are authorized to be appropriated $30,000,000 for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996.".

(b) STUDY.—After the program established by subsection (a) has been funded for two years, the General Accounting Office shall prepare and submit to Congress a study of the effects of the program in encouraging States and units of general local government to comply with the requirements of part B of title II.

SEC. 6. JUSTICE FOR ABUSED AND NEGLECTED CHILDREN.

The Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5601 et seq.), as amended by section 4, is amended by adding at the end the following new title:

"TITLE VI—JUSTICE FOR ABUSED AND NEGLECTED CHILDREN

"SEC. 601. SHORT TITLE.

"This title may be cited as the 'Justice System Enhancement for Abused and Neglected Children Act.'

"SEC. 602. FINDINGS.

"The Congress finds that—

"(1) every day in this country children are involved in the civil and criminal justice systems as a result of their being severely beaten, seriously neglected, sexually assaulted or tortured;

"(2) many of these severely maltreated children grow up fearful, emotionally disabled, self-destructive, and violent, and as a result of their early childhood experiences they often become involved in juvenile delinquency and later in adult crime;

"(3) many of these severely maltreated children, if their cases are not appropriately addressed by civil and criminal justice systems, are likely to become the clients of costly juvenile delinquency programs;

"(4) reports of suspected child abuse and neglect in the United States have steadily increased over the past 20 years, reaching an all time high of some $2,700,000 in 1991;

"(5) at least 4 children per day are killed as a result of abuse or neglect and the response by civil and criminal justice system professionals to their deaths has been inadequate;

"(6) both our civil justice system and our criminal justice system are faced with the critical task of resolving a multitude of legal and service provision issues related to the handling of child abuse and neglect cases;

"(7) judges, counsel for children, criminal prosecutors, counsel for parents, counsel for child protective agencies, city and county attorneys, attorneys general, and guardians ad litem for children need assistance in facing the greatly increased levels and greater complexity of child abuse and neglect cases that enter the court system; and

"(8) research, training, technical assistance, and demonstration projects are needed to enhance the response of civil and criminal justice practitioners and systems to cases involving child abuse and neglect.

"SEC. 603. PURPOSE.

"It is the purpose of this title—

"(1) to supplement, and in no way supplant, the existing priorities of this Act as expressed in titles I and II, as they affect the responsibilities of the Administrator;

"(2) to bring about major institutional changes in the civil and criminal justice systems' handling of child abuse and neglect cases;

"(3) to mobilize the Department of Justice in a major effort to help ensure that the large numbers of civil and criminal child abuse and neglect cases that are coming before our court systems are promptly and fairly resolved;

"(4) to provide new resources to help in child abuse and neglect case-related training of justice system professionals and the development of specialized judicial procedures sensitive to the needs of children and families while protective of the constitutional rights of those accused of child maltreatment;

"(5) to encourage court systems to provide those trial courts involved with the hearing of child abuse and neglect cases with the status, funding, and judicial personnel befitting these most important of tribunals; and

"(6) to help ensure that every civil child protection-related judicial proceeding has competent legal representation provided to the child, the parents, and the child protective agency at all stages of the proceeding, and that prosecution and defense counsel in criminal child maltreatment cases are adequately prepared for their involvement in these difficult cases.

"SEC. 604. IMPLEMENTATION.

"It is the intent of the Congress that—

"(1) this title supplement, and in no way supplant, the existing priorities of this Act as expressed in titles I and II, both in terms of funding and in terms of administrative attention from the Department of Justice; and

"(2) this title takes effect only when the appropriations for title II have remained level with, or exceeded, those of fiscal year 1992.

"SEC. 605. DEFINITIONS.

"For the purpose of this title—

"(1) the term 'Administrator' means the Administrator of the Office of Juvenile Justice and Delinquency Prevention;

"(2) the term 'civil justice system' includes all judges, providers of court-related services, attorneys, and guardians ad litem involved in civil child abuse and neglect judicial cases, such as proceedings in which a State or county is seeking to protect children through a juvenile or family court action, civil cases involving child abuse or neglect heard in a court of general trial jurisdiction, cases involving allegations of child abuse and neglect that arise in domestic relations proceedings involving child custody or visitation actions, court-related alternative dispute resolution mechanisms designed to avoid unnecessary protracted litigation in child abuse and neglect cases, domestic violence cases in which protective parents are seeking court orders to keep batterers or molesters of their children away from their homes, and the involvement of State appellate courts with any of these matters; and

"(3) the term 'criminal justice system' includes all judges, providers of court-related services, and attorneys involved in felony or misdemeanor cases arising out of acts of child abuse and neglect.

"SEC. 606. DUTIES AND FUNCTIONS OF THE ADMINISTRATOR.

"The Administrator shall—

"(1) issue such rules as are necessary or appropriate to carry out this title, but do so without in any way diminishing the staff or resources necessary to effectively carry out the responsibilities described in title II;

"(2) make such arrangements, without in any way diminishing the staff or resources necessary to effectively carry out the responsibilities described in title II, as may be necessary and appropriate to facilitate coordination and policy development among all civil and criminal justice system improvement activities funded through the Department of Justice, as well as with other Federal agencies (including the Inter-Agency Task Force on Child Abuse and Neglect), relating to abused and neglected children (including the preparation of an annual comprehensive plan for facilitating such coordination and policy development); and

"(3) provide adequate staff and agency resources necessary to properly carry out the responsibilities pursuant to this title, but without in any way diminishing the staff or resources necessary to effectively carry out the responsibilities described in title II.

"SEC. 607. GRANTS FOR RESEARCH, DEMONSTRATION, AND PERMANENT SYSTEM ENHANCEMENT PROGRAMS.

"(a) PURPOSES.—The Administrator may make grants to and enter into contracts with public agencies or private nonprofit organizations, or combinations thereof, for research or demonstration and system improvement projects designed to—

"(1) identify effective approaches to the handling of child abuse and neglect cases in the criminal justice system so that those approaches can serve as models to other jurisdictions;

"(2) identify effective approaches to the handling of child abuse and neglect cases in the civil justice system so that those approaches can serve as models to other jurisdictions;

"(3) research issues concerning the legal system's response as a whole, to child abuse and neglect so that research results can form a basis for improving the administration of justice;

"(4) improve the response of the criminal justice system to the special needs and sensitivities of children who have been abused or neglected;

"(5) improve the response of the civil justice system to the special needs and sensitivities of children who have been abused or neglected;

"(6) enhance coordination between the civil and criminal justice systems in child abuse and neglect cases, as well as coordination between these systems and the social services, mental health, health, and education systems that are also involved in child abuse and neglect cases; and

"(7) enhance the availability of, and access to, child abuse and neglect prevention and treatment services for child victims, their family members, and the perpetrators in child abuse and neglect cases, with special emphasis on diagnostic services for alleged victims and perpetrators as well as treatment programs for child abuse offenders (both adult and juvenile) who are incarcerated or are serving terms of probation or parole.

"(b) PRIORITY.—In considering grant applications under this section, the Assistant Attorney General shall give priority to applicants that demonstrate ability in—

"(1) conducting research and disseminating findings with respect to civil and criminal justice system cases involving child abuse, child neglect, or child maltreatment-related fatalities;

"(2) developing model approaches for responding to civil or criminal justice system cases involving child abuse, child neglect, or child maltreatment-related fatalities; and

"(3) coordinating civil or criminal justice system responses to cases involving child abuse, child neglect, or child maltreatment-related fatalities.

"(c) ADEQUATE FOCUS.—In considering grant and contract applications under this section, the Administrator shall also endeavor to ensure that cases of child abuse and neglect in family settings, in the community, and within residential institutions are all given an adequate focus.

"SEC. 608. GRANTS FOR TRAINING AND TECHNICAL ASSISTANCE.

"(a) PURPOSES.—The Administrator may make grants and enter into contracts with public agencies or private nonprofit organizations, or combinations thereof, for training, technical assistance, and service programs designed to—

"(1) educate prosecutors and defense attorneys in the criminal justice system about the experiences of children who are abused or neglected, and their families, and to improve legal skills and responses in handling child abuse and neglect cases;

"(2) educate judges in the civil and criminal justice system about the experiences of children who are abused or neglected and their families and improve judicial skills and responses in handling child abuse and neglect cases; and

"(3) educate practitioners in the civil justice system—including guardians ad litem, counsel for children and parents, and attorneys representing child protective service agencies—about the experiences of children who are abused and neglected and their families and to improve those practitioners' skills and responses in handling civil child abuse and neglect cases, including their awareness of the rights and responsibilities of parents.

"(b) PRIORITY.—In considering grant applications under this section, the Administrator shall give priority to applicants that demonstrate ability in—

"(1) providing training or technical assistance related to child abuse, child neglect, or child maltreatment-related fatalities to one or more of—

"(A) prosecutors;

"(B) defense attorneys;

"(C) judges;

"(D) counsel for children and guardians ad litem;

"(E) counsel for parents; and

"(F) counsel for child protective agencies; and

"(2) coordinating criminal or civil justice system responses to cases involving child abuse, child neglect, or child maltreatment-related fatalities.

"SEC. 609. CRITERIA FOR GRANTS.

"(a) IN GENERAL.—In carrying out the programs under this title, the Administrator shall establish—

"(1) annual research, demonstration, service enhancement priorities for making grants and contracts pursuant to section 607; and

"(2) criteria based on merit for making such grants and contracts.

"(b) NOTICE AND COMMENT.—Not less than 60 days before establishing priorities and criteria under subsection (a), the Administrator shall publish in the Federal Register for public comment a statement of such proposed priorities and criteria.

"SEC. 610. AUTHORIZATION OF APPROPRIATIONS.

"To carry out this title, there are authorized to be appropriated $20,000,000 for fiscal year 1993 and such sums as are necessary for fiscal years 1994, 1995, and 1996.".

By Mr. CRANSTON (for himself, Mr. SPECTER, Mr. DECONCINI, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. SIMPSON, Mr. THURMOND, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. BOREN, Mr. BRYAN, Mr. CONRAD, Mr. DIXON, Mr. GLENN, Mr. HEFLIN, Mr. METZENBAUM, Mr. REID, Mr. SARBANES, Mr. SHELBY, Mr. WELLSTONE, Mr. BURNS, Mr. COHEN, Mr. D'AMATO, Mr. KASTEN, Mr. MACK, and Mr. SEYMOUR):

S.J. Res. 309. A joint resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week"; to the Committee on the Judiciary.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

• Mr. CRANSTON. Mr. President as chairman of the Committee on Veterans' Affairs, I am pleased to introduce, along with Senators SPECTER, DECONCINI, GRAHAM, AKAKA, DASCHLE, SIMPSON, THURMOND, MURKOWSKI, JEFFORDS, BOREN, BRYAN, CONRAD, DIXON, GLENN, HEFLIN, METZENBAUM, REID, SARBANES, SHELBY, WELLSTONE, BURNS, COHEN, D'AMATO, KASTEN, MACK, and SEYMOUR, a joint resolution designating the week of November 8–14, 1992, as National Women Veterans Recognition Week. Representative BILIRAKIS plans to introduce a companion House joint resolution in the House of Representatives in the near future.

Because of my commitment to women veterans, for the past 8 years I have sponsored legislation designating a week near Veterans Day as National Women Veterans Recognition Week. I am proud to have sponsored this legislation for so many years and am gratified by the strong support it has received from my colleagues in the Senate.

This year is of particular significance for women veterans as it marks the 50th anniversary of the establishment of the Women's Army Auxiliary Corps/Women's Army Corps [WAAC/WAC], Women Accepted for Voluntary Emergency Service [WAVES], Women Airforce Service Pilots [WASP], and Women's Reserve of the Coast Guard [SPAR]. The 400,000 American women who served in these organizations, together with the women marines, which was established in 1943, made courageous and selfless contributions to our Nation's efforts in World War II.

Women veterans comprise approximately 4.6 percent of the total veteran population, a percentage that is growing as the percentage of military personnel who are women, now 12 percent, continues to rise. These women, who served with honor, skill, and dedication, are a group of veterans who have too often been underestimated, forgotten, or ignored. We must reverse this perception and recognize the historical and growing contributions of women veterans to our national defense. As demonstrated last year by the more than 30,000 who have served in the Persian Gulf region, women are performing a wide range of tasks vital to the Armed Forces and are clearly an integral part of the All-Volunteer Force.

Reductions in the size of the military will result in a significant increase in the number of veterans—both men and women. Various transition assistance programs have been established to ensure that these veterans receive information about the various benefits and services to which they may be entitled, such as health care, disability compensation, vocational rehabilitation, education, employment assistance, and home loan guaranties. However, many women veterans of earlier conflicts are unaware of the benefits and services available to them and often do not apply for them. This lack of awareness has had serious ramifications for VA health care.

With relatively few women veterans seeking treatment at VA health-care facilities, VA was slow to remodel its facilities and provide appropriate services to meet the gender-specific healthcare needs of women veterans. The General Accounting Office recently completed, at my request, a review of women veterans' access to VA health-care services and the quality of the services furnished to them. The review revealed that, although VA has made important advances in addressing the health-care needs and concerns of women veterans, more needs to be done, especially with respect to outreach efforts to new women veterans.

The principal goals of designating a week to recognize and honor women veterans are twofold: To increase the public's awareness of the accomplishments of women in the Armed Forces and to make women veterans more aware of the many benefits available to them because of their service.

Mr. President, our resolution designating the week of November 8 as National Women Veterans Recognition Week will continue the momentum built over the last 8 years to call attention to this important but often overlooked group of veterans. I urge my colleagues to join me in supporting this resolution of vital significance to these women to whom we owe our gratitude and admiration.

Mr. President, I ask unanimous consent that the text of the 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. 309

Whereas 1992 marks the 50th anniversary of the establishment of the Women's Army Auxiliary Corps, the Women Accepted for Voluntary Emergency Service, the Women Air Force Service Pilots, and the Women's Reserve of the Coast Guard, in which more than 400,000 women served during World War II;

Whereas there are more than 1,200,000 women veterans in the United States representing 4.6 percent of the total veteran population;

Whereas the number of women serving in the United States Armed Forces and the number of women veterans continue to increase;

Whereas women veterans have contributed greatly to the security of the United States through honorable military service, often involving great hardship and danger;

Whereas women are performing a wide range of tasks in the United States Armed Forces, as demonstrated by the participation of women in the military actions taken in Panama and the Persian Gulf region;

Whereas the special needs of women veterans, especially in the area of health care, have often been overlooked or inadequately addressed by the Federal Government;

Whereas the lack of attention to the special needs of women veterans has discouraged or prevented many women veterans from taking full advantage of the benefits and services to which they are entitled; and

Whereas designating a week to recognize women veterans will help both to promote important gains made by women veterans and to focus attention on the special needs of women veterans: Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 8, 1992, is designated as "National Women Veterans Recognition Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.•

• Mr. SPECTER. Mr. President, as ranking Republican member of the Senate Veterans' Affairs Committee I am pleased to be an original cosponsor of the resolution designating the week beginning November 8, 1992, as "National Women Veterans Recognition Week" and strongly encourage my colleagues to add their support.

Since the founding of our Republic, women have honorably and proudly served in our armed services. Each succeeding generation of women has contributed in large measure to the preservation of our Nation's democracy and freedom. Women were veterans at Yorktown, Chattanooga, and Bull Run. They survived the epidemics and trenches of Europe and the Bataan Death March of World War II, the elements of weather and battle in Korea, and the prolonged agonies of an unpopular war in Vietnam. Similarly, women served with distinction in Grenada and Panama.

Mr. President, we have only recently witnessed the dramatic contribution of women in the armed services in the Persian Gulf war, as some 33,000 women were deployed. These women served in key combat-support positions. Women in the military participated in the initial invasion into Kuwait and Iraq. They were assigned to several key combat-support positions: They piloted and crewed planes and helicopters, drove trucks, ran prisoner-of-war facilities, served on repair ships, and built the infrastructure in construction battalions. Several were held as prisoners of war.

Since 1973, when the male draft ended and the All-Volunteer Force began, the percentage of women among our Armed Forces has increased dramatically, from 1.6 percent in 1973, to 8.5 percent in 1980, to 10.8 percent in 1989. Presently, the 233,000 women in uniform constitute 11 percent of our Active Forces, while 155,000—13 percent—serve in our Ready Reserve. What is most impressive is that less than 20 years ago, women comprised less than 2 percent of America's Armed Forces. Further, women veterans are currently the fastest growing segment of the veteran population: Our 1.2 million women veterans comprise 4.6 percent of the total veteran population. By the year 2000, that percentage will increase to 5.3 percent.

Yet, Mr. President, women veterans remain a significant minority seeking services in a system with little experience in dealing with the unique needs of women. My assertion is supported in a recent report by the General Accounting Office [GAO] entitled, "VA Health Care For Women: Despite Progress, Improvements Needed," wherein the GAO reported that there are remaining barriers that restrict women veterans' access to health care.

Therefore, it is imperative that the Department of Veterans Affairs continue to work toward: First increasing and improving outreach efforts to all women veterans and educate them regarding both their eligibility of services and the availability of VA services; second, effectively implementing plans to ensure that women veterans receive appropriate clinical services, including physical and mental health care; and third, developing clinical, educational, and research initiatives that focus on the health care needs of women veterans.

Mr. President, I urge my colleagues to cosponsor this resolution designating the week of November 8, 1992, as "National Women Veterans Recognition Week" and thereby pay tribute to the courageous, steadfast, and selfless service of our Nation's 1.2 million women veterans.•

By Mr. DECONCINI (for himself, Mr. GRASSLEY, Mr. ADAMS, Mr. AKAKA, Mr. BIDEN, Mr. BOREN, Mr. BRADLEY, Mr. BROWN, Mr. BRYAN, Mr. BUMPERS, Mr. BURDICK, Mr. BURNS, Mr. CHAFEE, Mr. COATS, Mr. COCHRAN, Mr. COHEN, Mr. CONRAD, Mr. CRANSTON, Mr. D'AMATO, Mr. DIXON, Mr. DODD, Mr. DOLE, Mr. FOWLER, Mr. GLENN, Mr. GORE, Mr. GRAHAM, Mr. HATCH, Mr. HEFLIN, Mr. HOLLINGS, Mr. INOUYE, Mr. JEFFORDS, Mr. JOHNSTON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. MACK, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NUNN, Mr. PELL, Mr. PRESSLER, Mr. REID, Mr. ROBB, Mr. ROCKEFELLER, Mr. ROTH, Mr. SARBANES, Mr. SIMON, Mr. SPECTER, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S.J. Res. 310. Joint resolution to designate August 1, 1992, as "Helsinki Human Rights Day"; to the Committee on the Judiciary.

HELSINKI HUMAN RIGHTS DAY

• Mr. DECONCINI. Mr. President, as Cochairman of the Commission on Security and Cooperation in Europe, also known as the Helsinki Commission, I am pleased to introduce today, together with a majority of my colleagues, a joint resolution to authorize and request the President to designate August 1, 1992, as "Helsinki Human Rights Day."

On August 1, 1975, the leaders of 35 countries gathered in Helsinki to sign the Final Act of the Conference on Security and Cooperation in Europe [CSCE], also referred to as the Helsinki accords. This agreement launched a dynamic process which has contributed to the positive changes which have occurred in Europe in recent years. The Final Act, the seminal document of this process, covers major aspects of East-West relations, including military security, trade, economic cooperation, environment, scientific and cultural exchanges, as well as human rights and fundamental freedoms.

Membership in CSCE has grown significantly in light of sweeping political developments in Europe, including the demise of the Soviet Union and Yugoslavia. Today, 52 countries are participants in the CSCE process—50 Eurasian states, Canada, and the United States.

Human rights is the cornerstone of the CSCE process. The participating States have recognized that human rights and fundamental freedoms are the birthright of all human beings and that the protection and promotion of these rights is the first responsibility of government. The CSCE remains firmly committed to human rights, democracy, and the rule of law, and has encouraged peaceful change through free and fair elections.

Over the years, the CSCE has inspired individuals and groups to speak out on behalf of those denied their human rights. It has also served as a useful forum in which individual human rights cases could be raised. Hundreds of political prisoners have been released and thousands of families reunited as a result of pressure brought to bear within the framework of the Helsinki process. It has also been successful in chipping away at the barriers which artificially divided Europe for decades. We can be proud of our record of strong support for the CSCE.

Today, Europe is attempting to liberate itself from the legacy of the past, though problems persist. Of particular concern is the threat posed by ethnic strife in Nagorno-Karabakh, Moldova, the former Yugoslav Republics, and elsewhere. The CSCE can play an instrumental role in addressing this issue and others which have serious consequences for the future of Europe. In addition, it can further contribute to the political and economic transition taking place in East-Central Europe and the newly independent countries of the former Soviet Union.

The resolution we introduce today reaffirms our commitment to the Helsinki Accords and the vital importance of respect for human rights and fundamental freedoms in advancing security and cooperation in Europe.

Mr. President, I urge my colleagues to support the timely adoption of this resolution and ask unanimous consent that the text of the 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. 310

Whereas August 1, 1992, is the seventeenth anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (CSCE) (hereafter in this preamble referred to as the "Helsinki accords");

Whereas the Helsinki accords were agreed to by the Governments of Albania, Armenia, Austria, Azerbaijan, Belgium, Bosnia-Hezegovina, Bulgaria, Byelarus, Canada, Croatia, Cyprus, Czech and Slovak Federal Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, the Holy See, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, the Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Turkey, Turkmenistan, Ukraine, the United Kingdom, the United States of America, Uzbekistan, and Yugoslavia;

Whereas the Helsinki accords express the commitment of the participating States to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language or religion";

Whereas the participating States have committed themselves to "ensure that their laws, regulations, practices and policies conform with their obligations under international law and are brought into harmony with the provisions of the Declaration of Principles and other CSCE commitments";

Whereas the participating States have committed themselves to "respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States";

Whereas the Conference on Security and Cooperation in Europe provides an excellent framework for the further development of genuine security and cooperation among the participating States; and

Whereas despite significant improvements, all participating States have not yet fully implemented their obligations under the Helsinki accords: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That—

(1) August 1, 1992, the seventeenth anniversary of the signing of the Final Act of the Conference on Security and Cooperation in Europe (hereinafter referred to as the "Helsinki accords") is designated as "Helsinki Human Rights Day";

(2) the President is authorized and requested to issue a proclamation reasserting the American commitment to full implementation of the human rights and humanitarian provisions of the Helsinki accords, urging all signatory States to abide by their obligations under the Helsinki accords, and encouraging the people of the United States to join the President and Congress in observance of Helsinki Human Rights Day with appropriate programs, ceremonies, and activities;

(3) the President is further requested to continue his efforts to achieve full implementation of the human rights and humanitarian provisions of the Helsinki accords by raising the issue of noncompliance on the part of any signatory State which may be in violation;

(4) the President is further requested to convey to all signatories of the Helsinki accords that respect for human rights and fundamental freedoms continues to be a vital element of further progress in the ongoing Helsinki process; and

(5) the President is further requested, in view of the considerable progress made to date, to develop new proposals to advance the human rights objectives of the Helsinki process, and in so doing to address the major problems that remain.

SEC. 2. The Secretary of State is directed to transmit copies of this joint resolution to the Ambassadors or representatives to the United States of the other fifty-one Helsinki signatory States.●

● Mr. D'AMATO. Mr. President, I rise today to express my strong support for the proposal to designate August 1, 1992, as Helsinki Human Rights Day. I ask my colleagues to join with me in unanimously approving this resolution to once again demonstrate the U.S. principled and determined support for the cause of human rights, the principles of the Helsinki accords, and the Conference on Security and Cooperation in Europe.

Many of us may have thought that the need to emphasize the human rights provisions of the Helsinki accords and subsequent documents lessened with the fall of the Berlin Wall and the collapse of the totalitarian Communist regimes that dominated Eastern Europe since the end of World War II and central Eurasia since 1917. Newspaper headlines and video images from what used to be Yugoslavia and from Armenia and Azerbaijan have shocked us all and dispelled that perception.

In fact, the battle of Sarajevo and the continued combat in Nagorno-Karabakh have thrown into our faces scenes of ethnic conflict in Europe we have not seen since World War II. Once again, we see images of massacred civilians, their bodies tumbled together in ditches and fields. Their only crime was living in the wrong place and trusting in the goodwill of their neighbors.

Far from lessening the need to press the cause of human rights through the Helsinki process, the fall of the Wall and totalitarian Communist regimes has loosened forces of nationalism, ethnic and religious hatred, and territorial aggression that had been contained and suppressed, producing human rights violation in Europe never seen since Helinski accords were signed on August 1, 1975. I have been a Helsinki Commissioner, Chairman of the Commission during the 99th Congress, and ranking Senate minority Commissioner since 1987. I have never seen situations in the area covered by the Helsinki accords that are as heart-rending and tragic as those we now witness.

I want to commend the Helsinki Commission's distinguished current Chairman, the Honorable STENY H. HOYER, Member of Congress from Maryland, and my colleague, the Commission's equally distinguished current co-chairman, Senator DENNIS DECONCINI, for their selfless and dedicated efforts to advance the Helsinki process and especially to address the true emergency that exists because of these bitter ethnic conflicts. My friends have devoted substantial time and energy to this effort. This is normal for them and for my other friends and colleagues on the Commission—they deeply believe in the Helsinki process and they make personal sacrifices for the cause of human rights.

The Helsinki Commission, the U.S. legislative branch independent agency charged with oversight of the Helsinki process with an emphasis on its human rights provisions, has made a major effort with regard to these ethnic conflicts. While the Commission has no executive authority and does not make U.S. policy, it can and does hold hearings at which both U.S. officials and prominent leaders from these troubled areas have testified. Commissioners travel to affected areas and meet with those immediately affected by the conflicts.

The Commission's efforts make clear the unique and historic role the Commission plays in the Helsinki process. The Commission led when there was widespread doubt about the significance and utility of the accords' human rights provisions. The Commission supported and encouraged direct confrontation of totalitarian Communist regimes in the diplomatic fora provided by the Helsinki process over their human rights violations.

The totalitarian Communist regimes never thought our human rights concerns were valid and used every tactic to empty the human rights provisions of the Helsinki Final Act of meaning and effect. They failed.

In fact, after the Wall fell, many of the very people who were active in human rights efforts under the banner of the Helsinki process in these countries, and who were persecuted and harassed as a result, became the leaders of the new democratic governments of the Baltics, the individual Republics of the former Soviet Union, and Eastern Europe. These independent nations are now charting their own course. It has become clear that the ideals and principles embodied in the Helsinki accords formed part of the moral foundation for popular rejection of these Communist regimes.

Now, the Commission and the States participating in the Helsinki process face a grave and different challenge. Before, we were working with well-established governments in generally firm control over everything that happened on their territory. If a citizen's human rights were violated, we knew who was responsible and held the government accountable.

The current situations in Bosnia-Hercegovina and Nagorno-Karabakh are dramatically different. We are back to basics—the respect for human rights

and fundamental freedoms, including the freedom of thought, conscience, religion, or belief, to quote the title of principle VII of the Final Act. While these rights and freedoms were grossly violated for millions of people by totalitarian Communist governments, genocide was not a real issue—arrest, imprisonment, beatings, and other levels and types of State coercion and oppression were.

Now, mass murder by ethnic militias not clearly under any State's control is the issue. Now, ethnic militias, supported by armies, force people from their homes at bayonet point, filling the roads of Yugoslavia and the trans-Caucuses with a flow of refugees not seen in Europe since World War II. These people are fleeing, carrying all of their worldly possessions on their backs, with no real hope that they will ever be allowed to return to their homes. They run because their friends and neighbors have been the victims of indiscriminant artillery fire, air attacks, and small arms fire as one group of people tries to subjugate—or exterminate—another group of people, just because they speak a different language and have a different religion.

These are the rights the Helsinki accords were written to protect. The Helsinki Final Act, in principle VII, provides in part as follows:

The participating States will respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without discrimination as to race, sex, language or religion.

They will promote and encourage the effective exercise of civil, political, economic, social, cultural and other rights and freedoms all of which derive from the inherent dignity of the human person and are essential for his free and full development.

Within this framework the participating States will recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief acting in accordance with the dictates of his own conscience.

The participating States on whose territory national minorities exist will respect the right of persons belonging to such minorities to equality before the law, will afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms and will, in this manner, protect their legitimate interests in this sphere.

These rights were restated and reinforced in the Charter of Paris for a New Europe in 1990, and in the Document of the Moscow meeting of the Conference on the Human Dimension of the CSCE in 1991. Both Yugoslavia and the U.S.S.R. were signatories to these documents.

The parties to the conflicts in the territories of the former Yugoslavia and Soviet Union are successor States to Yugoslavia and the U.S.S.R. and are still bound by the political commitments made when Yugoslavia and the Soviet Union signed these documents. They do not, however, appear to take these commitments more seriously than their local military and political objectives. Indeed, these commitments are as much casualties of the fighting as are the people who have been killed by the militias and armies.

In light of this situation, it is all the more important that the U.S. Senate make clear its continuing support for the principles of the Helsinki Final Act and subsequent Helsinki process agreements, and its dedication to the cause of human rights, especially in these areas torn by ethnic and religious conflicts. Neither the EC nor the CSCE have made effective progress in bringing to a halt these conflicts or restoring respect for human rights and fundamental freedoms.

Sadly, these conflicts both have a potential to grow beyond their present limited borders. We dare not forget that World War I was triggered by violence in Sarajevo—nor that the conflict between Armenians and Azeris has implications for Turkey and Iran, among others. While the world has yet to find both the political will and the force necessary to bring these conflicts to a halt, we must not stand idly by watching the killing go on and the danger of its spread grow.

The Helsinki Commission has made a determined effort to focus our attention on these conflicts, and to press the CSCE process to come to grips with them, so far as it can. This joint resolution will put the Senate on record on principles that are directly at stake in both of these conflicts. It will strengthen the Commission's hand, and help point the administration toward the need for more effective diplomacy.

Mr. President, I once again express my strong support for this resolution, one that I believe is vitally needed at this time, and call upon my colleagues to join with me in sponsoring and voting for it.●

By Mr. SEYMOUR (for himself, Mr. SANFORD, Mr. PELL, Mr. BOND, Mr. COCHRAN, Mr. PACKWOOD, Mrs. KASSEBAUM, and Mr. GORTON):

S.J. Res. 311. A joint resolution designating February 21, 1993, through February 27, 1993, as "American Wine Appreciation Week," and for other purposes; to the Committee on the Judiciary.

AMERICAN WINE APPRECIATION WEEK

● Mr. SEYMOUR. Mr. President, I rise today to introduce a joint resolution declaring the week of February 21–27 1993, as "American Wine Appreciation Week."

Virtually every State has an active wine industry, and a majority of Americans approve of and enjoy wine as a part of their diet. In fact, grapes are the single largest fruit crop in this country. And 85 percent of all wine consumed in the United States is produced by the more than 1,200 wineries operating in 46 States.

Western culture, tradition, and religions have traditionally viewed wine as the fruit of the vine, God's gift to mankind. The history of winegrape growing in the world dates back over 7,000 years. Moreover, winegrape growing and wine production has been a significant part of America's agricultural industry since the founding of our Nation. Thomas Jefferson himself was a passionate advocate of winegrowing on these shores.

Today, winemaking affords a special value to the American farmer as one of the few agricultural enterprises that can be profitably operated as a family farm without subsidy. Vineyards and wineries typically are family farms. In fact, the American wine industry is comprised of thousands of family owned farms, many of which are passed on from generation to generation, sustained responsible preservation of our agricultural resources.

Mr. President, the wine industry is a pillar of our economy, generating $8 billion in sales annually, sustaining 200,000 jobs nationwide, and providing $1 billion annually in government taxes and fees. We must also underscore the fact that wine produced in the United States accounts for an increasing percentage of U.S. exports, helping to reduce our trade deficit.

It is the American consumer, Mr. President, who ultimately is the enthusiastic beneficiary of the fruit of the American vine. It is clear that wine has fulfilled a valued role in a wide variety of our Nation's cultural, religious, and familial traditions and deserves our recognition.

Mr. President, I urge my colleagues to join with me in support of this resolution, and I ask that the full 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. 311

Whereas wine was produced by our Founding Fathers, including Thomas Jefferson, and winegrape growing and wine production in the United States continue today as a significant agricultural industry in 43 of the States;

Whereas the history of winegrape growing in the world dates back over 7,000 years and it continues as a proud tradition nurtured by the small farmer in all regions of the United States;

Whereas this agricultural industry is comprised of thousands of family-owned farms, many of which are passed on from generation to generation, sustaining responsible preservation of our agricultural resources;

Whereas more than 1,300 wineries and over 8,000 grape and fruit growers around the country work cooperatively to create wine;

Whereas over 85 percent of all wine consumed in the United States is produced by United States winemakers;

Whereas the direct economic impact of the United States wine industry is estimated to account for over $8,000,000,000 in sales annually, including the support of over 200,000 jobs as well as $1,000,000,000 in governmental taxes and fees;

Whereas the United States wine industry contributes to our quality of life by its ongoing contribution to organizations and associations in the health, civic, and educational sectors of the country;

Whereas acclaim for wine produced in the United States has grown internationally for many years and these products account for an increasing percentage of United States exports, helping to reduce the United States trade deficit;

Whereas wine, consumed in moderation, enhances the appetite and provides delicious accompaniment to all types of regional cuisine in the United States, enriching the quality of life for the citizenry of the United States; and

Whereas wine has fulfilled a valued role in a wide variety of the cultural, religious, and familial traditions of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That—

(1) the Congress commends the winegrape and fruit growers and vintners of the United States for the production of such high quality agricultural products; and

(2) February 21, 1993, through February 27, 1993, is designated as "American Wine Appreciation Week".

The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.•

ADDITIONAL COSPONSORS

S. 1010

At the request of Mr. INOUYE, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1010, a bill to amend the Federal Aviation Act of 1958 to provide for the establishment of limitations on the duty time for flight attendants.

S. 1178

At the request of Mr. ROCKEFELLER, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1178, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for expenditures for vehicles which may be fueled by clean-burning fuels, for converting vehicles so that such vehicles may be so fueled, or for facilities for the delivery of such fuels, and for other purposes.

S. 1960

At the request of Mr. MCCAIN, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1960, a bill to indemnify States, political subdivisions of States, and certain other entities from liability relating to the release of hazardous substances at military installations that are closed pursuant to a base closure law.

S. 2327

At the request of Mr. HATFIELD, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 2327, a bill to suspend certain compliance and accountability measures under the National School Lunch Act.

S. 2373

At the request of Mr. BOREN, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 2373, a bill to amend the Job Training Partnership Act to establish a community works progress program, and a national youth community corps program, and for other programs.

S. 2389

At the request of Mr. BRADLEY, the names of the Senator from Florida [Mr. MACK], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 2389, a bill to extend until January 1, 1999, the existing suspension of duty on Tamoxifen citrate.

S. 2394

At the request of Mr. HARKIN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2394, a bill to amend title XVIII of the Social Security Act and title III of the Public Health Service Act to protect and improve the availability and quality of health care in rural areas.

S. 2509

At the request of Mr. NICKLES, the name of the Senator from Montana [Mr. BURNS] 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. 2526

At the request of Mr. PACKWOOD, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 2526, a bill to amend the Congressional Budget Act of 1974 to provide for truth in budgeting with respect to intragovernmental transactions involving trust funds.

S. 2566

At the request of Mr. ADAMS, his name was added as a cosponsor of S. 2566, a bill to establish partnerships involving Department of Energy laboratories and educational institutions, industry, and other Federal agencies, for purposes of development and application of technologies critical to national security and scientific and technological competitiveness.

S. 2609

At the request of Mr. WOFFORD, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 2609, a bill to direct the Comptroller General, in consultation with the Small Business Administration, to conduct a survey to obtain data on the experiences of business firms, and especially the experiences of small business concerns, in obtaining surety bonds from corporate surety companies, and for other purposes.

S. 2624

At the request of Mr. GLENN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 2624, a bill to authorize appropriations for the Interagency Council on the Homeless, the Federal Emergency Management Food and Shelter Program, and for other purposes.

S. 2627

At the request of Mr. GRAMM, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 2627, a bill to ensure the preservation of the Gulf of Mexico by establishing within the Environmental Protection Agency a Gulf of Mexico Program Office.

S. 2652

At the request of Mr. BIDEN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2652, a bill to provide enhanced penalties for commission of fraud in connection with the provision of or receipt of payment for health care services, and for other purposes.

S. 2656

At the request of Mr. FORD, the name of the Senator from Georgia [Mr. FOWLER] was added as a cosponsor of S. 2656, a bill to amend the Petroleum Marketing Practices Act.

S. 2667

At the request of Mr. HEFLIN, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2667, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use.

S. 2726

At the request of Mr. BIDEN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 2726, a bill to implement and authorize Weed and Seed activities, and for other purposes.

S. 2745

At the request of Mr. DOLE, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 2745, a bill to promote youth apprenticeship, and for other purposes.

SENATE JOINT RESOLUTION 235

At the request of Mr. FORD, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 235, a joint resolution designating May 7, 1992, as "National Barrier Awareness Day."

SENATE JOINT RESOLUTION 247

At the request of Mr. DOLE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 247, a joint resolution designating June 11, 1992, as "National Alcoholism and Drug Abuse Counselors Day."

SENATE JOINT RESOLUTION 255

At the request of Mr. D'AMATO, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Joint Resolution 255, a joint resolution to designate September 13, 1992 as "Commodore Barry Day."

SENATE JOINT RESOLUTION 260

At the request of Mr. COCHRAN, the name of the Senator from Rhode Island

[Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 260, a joint resolution designating the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week."

SENATE JOINT RESOLUTION 273

At the request of Mr. SEYMOUR, the names of the Senator from Nevada [Mr. BRYAN], the Senator from Tennessee [Mr. SASSER], and the Senator from Utah [Mr. GARN] 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 281

At the request of Mr. GRASSLEY, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Georgia [Mr. NUNN], the Senator from Arkansas [Mr. PRYOR], the Senator from Tennessee [Mr. SASSER], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 281, a joint resolution designating the week of September 14 through September 20, 1992, as "National Small Independent Telephone Company Week."

SENATE JOINT RESOLUTION 288

At the request of Mr. LIEBERMAN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 288, a joint resolution designating the week beginning July 26, 1992, as "Lyme Disease Awareness Week."

SENATE JOINT RESOLUTION 295

At the request of Mr. DECONCINI, the names of the Senator from Utah [Mr. GARN], the Senator from Utah [Mr. HATCH], the Senator from Wyoming [Mr. SIMPSON], the Senator from Indiana [Mr. LUGAR], the Senator from Washington [Mr. ADAMS], the Senator from Nevada [Mr. BRYAN], the Senator from Montana [Mr. BAUCUS], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Oregon [Mr. PACKWOOD], the Senator from Texas [Mr. GRAMM], and the Senator from Georgia [Mr. FOWLER] 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 303

At the request of Mr. PELL, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. CONRAD], the Senator from Arizona [Mr. DECONCINI], the Senator from Utah [Mr. GARN], the Senator from Wisconsin [Mr. KOHL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Idaho [Mr. SYMMS], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Joint Resolution 303, a joint resolution to designate October 1992 as "National Breast Cancer Awareness Month."

SENATE JOINT RESOLUTION 304

At the request of Mr. ROTH, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 304, a joint resolution designating January 3, 1993, through January 9, 1993, as "National Law Enforcement Training Week."

SENATE JOINT RESOLUTION 307

At the request of Mr. MCCAIN, the name of the Senator from West Virginia [Mr. ROCKEFELLER] 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 Pennsylvania [Mr. SPECTER], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Concurrent Resolution 113, a concurrent resolution concerning the 25th anniversary of the reunification of Jerusalem.

AMENDMENT NO. 1851

At the request of Mr. NICKLES the names of the Senator from South Dakota [Mr. PRESSLER], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of amendment No. 1851 intended to be proposed to H.R. 5132, a bill 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.

SENATE CONCURRENT RESOLUTION 123—AUTHORIZING THE USE OF THE EAST FRONT OF THE CAPITOL

Mr. HEFLIN submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 123

Resolved by the Senate (the House of Representatives concurring), That the National Aeronautics and Space Administration is authorized to use the East Front parking lot of the Capitol for an exhibit during the period beginning on June 1, 1992 and ending June 5, 1992. The Architect of the Capitol and the Capitol Police Board shall take such action as may be necessary with respect to the physical preparations and security for the exhibit.

SENATE RESOLUTION 302—AUTHORIZING THE PRODUCTION OF RECORDS BY THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. FORD (for Mr. MITCHELL, for himself, and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 302

Whereas the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs has conducted an investigation of allegations concerning the Department of Justice's handling of a contract between the Department and INSLAW, Inc., for computer software;

Whereas Special Counsel Nicholas J. Bua, appointed by the Attorney General to investigate allegations made by INSLAW, Inc., against the Department of Justice, has requested access to records of the Subcommittee's investigation;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, acting jointly, are authorized to provide to Special Counsel Nicholas J. Bua records of the Subcommittee's investigation of allegations regarding the computer systems contract between the Department of Justice and INSLAW, Inc.

SENATE RESOLUTION 303—RELATIVE TO SCHOOL LUNCH AND BREAKFAST PROGRAMS

Mr. MITCHELL (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. RES. 303

Whereas the national school lunch and breakfast programs are vital to protecting the health and well-being of the Nation's children;

Whereas these essential child nutrition programs help prepare children to learn and to combat childhoood hunger;

Whereas the national school lunch program serves approximately 25 million children a day, and the school breakfast program serves approximately 4 million children a day;

Whereas there are 4.2 million eligible low-income students who are not participating in the free and reduced price school meal programs; and

Whereas in the last decade Federal subsidies have been reduced, United States Department of Agriculture bonus commodities have essentially vanished, the administrative complexity and cost of administering the national school lunch and breakfast programs have increased, and indirect cost assessments are draining the financial resources of the programs: Now, therefore, be it

Resolved, It is the sense of the Senate that the Secretary of Agriculture should incorporate into the studies required under section 1779 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note) a study of various options for imple-

menting universal-type school lunch and breakfast programs that includes consideration and assessment of—

(1) how to administratively structure universal-type school lunch and breakfast programs;

(2) how to increase the role of nutrition educaton;

(3) how to encourage schools to increase their participation in the school breakfast program;

(4) an appropriate a la carte food policy to be consistent with universal-type school lunch and breakfast programs;

(5) options for funding the cost of universal-type school lunch and breakfast programs;

(6) administrative cost savings at Federal, State, and local levels as a result of not having to determine family income; and

(7) the need for legislative changes to carry out universal-type school lunch and breakfast programs.

SEC. 2. As used in this resolution, the term "universal-type school lunch and breakfast programs" means school lunch and breakfast programs administered under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) under which the Federal reimbursement under the programs for each meal served consistent with United States Department of Agriculture guidelines is provided at an equal rate without regard to the income of the family of the student.

SEC. 3. The Secretary is requested to submit a final report on the information requested by this resolution to Congress with the final report submitted under section 1779(c)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 1751 note).

SEC. 4. A copy of this resolution shall be transmitted to the President, the Secretary of Agriculture, the Secretary of Education, the Secretary of Health and Human Services, and the Director of the Office of Management and Budget.

AMENDMENTS SUBMITTED

DIRE EMERGENCY SUPPLEMENTAL APPROPRIATIONS, FISCAL YEAR 1992

LOTT (AND DOLE) AMENDMENT NO. 1852

Mr. LOTT (for himself and Mr. DOLE) proposed an amendment 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:

Beginning on page 4, line 2, strike all through page 13, line 6.

DOLE (AND OTHERS) AMENDMENT NO. 1853

Mr. BYRD (for Mr. DOLE, for himself, Mr. LIEBERMAN, Mr. D'AMATO, Mr. PELL, Mr. NICKLES, Mr. PRESSLER, Mr. DECONCINI, and Mr. RIEGLE) proposed an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place, insert:

"Notwithstanding any other provision of law, up to $5,000,000 of the funds made available for foreign operations, export financing, and related programs in Public Law 102-145, as amended by Public Laws 102-163 and 102-266, and previous acts making appropriations for foreign operations, export financing, and related programs, shall be made available for humanitarian assistance to Bosnia-Hercegovina: *Provided*, That such assistance may only be made available through private voluntary organizations: *Provided further*, That funds made available under this paragraph shall be made available only through the regular notification procedures of the Committees on Appropriations.

GRAHAM AMENDMENT NO. 1854

Mr. GRAHAM proposed an amendment to the bill H.R. 5132, supra, as follows:

On page 5, line 25, delete "and".

On page 6, line 11, after the word "basis", delete the period and insert the following: "; and

"(3) requiring each service delivery area to certify to the Governor of the State in which the service delivery area is located that

"(A) priority for service has been placed on eligible youth who are basic skills deficient, juvenile delinquents, at-risk of school failure, pregnant or parenting, or homeless or runaway youth; and

"(B) the summer program:

"(1) enhances basic educational skills of youth, and

"(2) encourages school completion, or enrollment in supplementary or alternative school programs.".

THURMOND (AND OTHERS) AMENDMENT NO. 1855

Mr. THURMOND (for himself, Mr. HATCH, Mr. DOLE, Mr. GRAMM, Mr. CRAIG, Mr. SIMPSON, Mr. MACK, Mr. WALLOP, Mr. LOTT, Mr. SYMMS, Mr. SEYMOUR, and Mr. GRASSLEY) proposed an amendment to the bill H.R. 5132, supra, as follows:

At the appropriate place in the bill, add the following:

SEC. . VIOLENCE IN THE COURSE OF RIOT OFFENSES.

Section 2101 of title 18, United States Code, is amended—

(1) in subsection (a) by inserting the following new paragraph at the end thereof:

"(2) Whoever knowingly engages in a riot (as defined in section 2102) affecting interstate or foreign commerce and in the course thereof kills or attempts to kill another individual or commits assault resulting in serious bodily injury shall be punished as provided in section 1111, 1112, 1113, and 113 of this title."; and

(2) by repealing subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.

SEYMOUR (AND DOLE) AMENDMENT NO. 1856

Mr. DOLE (for Mr. SEYMOUR, for himself, and Mr. DOLE) proposed an amendment to the bill H.R. 5132, supra, as follows:

On page 4, line 20 insert after "Congress" the following: ": *Provided further*, That, for the purposes of this Act, of the funds appropriated herein, the first $200,000,000, will be made available as follows: 50 percent will be made available by the Secretary to the service delivery areas containing the 75 cities with the largest population as determined by the 1990 census data, in accordance with the formula criteria contained in section 201(b)(1) of the Job Training Partnership Act; and 50 percent will be allotted among the states in accordance with the formula contained in Section 201(b)(1) and 201(b)(2)(A) to be distributed within the State with a priority for areas with emergency summer youth employment needs; and

On page 4, line 21 insert before "funds" the word "remaining".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, May 21, 1992, at 10 a.m.

AGENDA

I. NOMINATIONS

U.S. Circuit Judges

Morris S. Arnold, to be U.S. circuit judge for the eighth circuit.

Michael Boudin, to be U.S. circuit judge for the first circuit.

U.S. District Judges

Jerome B. Simandle, to be U.S. district judge for the district of New Jersey.

Richard G. Kopf, to be U.S. district judge for the district of Nebraska.

II. BILLS

S. 1521—A bill to provide a cause of action for victims of sexual abuse, rape, and murder, against producers and distributors of hard-core pornographic material—McConnell.

S. 1941—A bill to amend the immigration and Nationality Act for the purpose of reforming procedures for the resettlement of refugees of the United States—Kennedy.

S. 1096—A bill to ensure the protection of motion picture copyrights, and for other purposes—Kohl.

S. 2236—A bill, with an amendment, to amend the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the act—Simon.

H.R. 2324—A bill to amend title 28, United States Code, with respect to witness fees—Hughes.

H.R. 2549—A bill to make technical corrections to chapter 5 of title 5, United States Code—Frank.

H.R. 3237—A bill to extend the terms of office of members of the foreign claims settlement commission from 3 to 6 years—Frank.

H.R. 3379—A bill to amend section 574 of title 5, United States Code, relating to the authorities of the Administrative Conference—Frank.

S. 1569—a bill, in the nature of a substitute with an amendment, to implement the recommendations of the Federal Courts Committee, and for other purposes—Heflin.

S. 2099—A bill, in the nature of a substitute, to amend the Immigration and Nationality Act to designate special inquiry officers as immigration judges and to provide for the compensation of such judges—Kennedy.

S. 2087—A bill to prohibit certain use of the terms "Visiting Nurse Association",

"Visiting Nurse Service", "VNA", and "VNS"—Simon.

S. 1697, A bill to amend title IX of the Civil Rights Act of 1968 to increase the penalties for violating the fair housing provisions of the act, and for other purposes—Specter.

S. 2610, A bill to amend the antitrust laws to provide a cause of action for persons injured in U.S. commerce by unfair foreign competition—Metzenbaum.

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

SUBCOMMITTEE ON MEDICARE AND LONG-TERM CARE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Medicare and Long-Term Care of the Committee on Finance be authorized to meet during the session of the Senate on May 21, 1992, at 2 p.m. to hold a hearing on ways to reduce inappropriate Medicare.

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 21, 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, 9:30 a.m., May 21, 1992, to receive testimony on the Department of Energy's Program for Environmental Restoration and Waste Management.

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

COMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and National Defense be authorized to meet on Thursday, May 21, 1992, at 9:30 a.m., in open session, to receive testimony on the near- and long- term outlook for the U.S. Navy in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993.

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

COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. FORD. Mr. President, I ask unanimous consent that the Employment and Productivity Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, May 21, 1992, at 3 p.m. for a hearing on S. 2373, the Community Works Progress Act of 1992.

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

COMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2 p.m., May 21, 1992, to receive testimony on S. 1893, to adjust the boundaries of the Targhee National Forest, to authorize a land exchange involving the Kaniksu National Forest, and for other purposes; S. 2101, to amend the Wild and Scenic Rivers Act by designating the lower Salmon River in Idaho as a component of the National Wild and Scenic Rivers System, and for other purposes; S. 2572, to authorize an exchange of lands in the States of Arkansas and Idaho; and H.R. 2141, to establish the Snake River Birds of Prey National Conservation Area in the State of Idaho, and for other purposes.

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 Thursday, May 21, 9:30 a.m. for a hearing on the subject: Beyond the Earth summit: developing an energy efficient world.

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

SUBCOMMITTEE ON DEFENSE INDUSTRY AND TECHNOLOGY

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Defense Industry and Technology be authorized to meet on Thursday, May 21, 1992, at 2:30 p.m., in open session, to receive testimony on the national defense stockpile, in review of S. 2629, the Department of Defense authorization bill for fiscal year 1993.

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

SUBCOMMITTEE ON GENERAL SERVICES, FEDERALISM, AND THE DISTRICT OF COLUMBIA

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on General Services, Federalism, and the District of Columbia be authorized to meet on Thursday, May 21, at 2 p.m., for a hearing on the subject: Federal management of civilian aircraft.

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 Thursday, May 21, at 4 p.m., to hold an ambassadorial nomination hearing.

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

SUBCOMMITTEE ON CONSERVATION AND FORESTRY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry Subcommittee on Conservation and Forestry be allowed to meet during the session of the Senate on Thursday, May 21, 1992, at 9:30 a.m., to hold an oversight hearing on the Forest Service's proposed changes in the administrative appeals process.

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

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, May 21, 1992, at 9:30 a.m., in open session, to receive testimony and demonstrations on the use of advanced simulation technology in the Department of Defense in review of the amended Defense authorization request for fiscal year 1993.

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

SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights and Trademarks of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Thursday, May 21, 1992, at 3 p.m., to hold a markup on S. 1165, S. 1506, and S. 526.

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

ADDITIONAL STATEMENTS

CONSERVATION AWARD TO SPRINGFIELD, IL, JUNIOR LEAGUE

• Mr. SIMON. Mr. President, I would like to take this opportunity to congratulate the Junior League of Springfield, IL, for being awarded the Conservation Service Award by Secretary Lujan on May 5, 1992. The Conservation Service Award is the highest honor awarded to a citizen or organization by the Secretary of the Interior. The award recognizes outstanding service performed directly to the Department of the Interior.

The Junior League of Springfield has been a driving force behind the establishment and preservation of the Lincoln Home National Historic Site in Springfield. The league has given time, money, and talent to the Lincoln Heritage Project for over two decades. In 1971, the league's work was recognized and the only home Lincoln ever owned became a national historic site. Since that time, the Junior League has continued to work on the site, establishing a full interpretive program with a variety of options to enhance visitor understanding of our Nation's 16th President.

I commend this fine organization, and I wish them the best in their future efforts.•

TRIBUTE TO CHARLES BEACH, JR.

• Mr. MCCONNELL. Mr. President, I rise today to recognize an outstanding Kentuckian who was recently honored as the Kentucky Chamber of Commerce's Volunteer of the Year. Charles Beach, Jr., of Beattyville, KY, received the award at the State's chamber's 46th convention earlier this month.

Charles Beach, Jr., is currently the president of the Beattyville/Lee County Chamber of Commerce, and has long been active in his community. He has been very involved in the local chamber of commerce since its inception in 1952. In 1988, he led a drive to revitalize the chamber, and has been extremely active in its growth and development since that time.

Mr. Beach has worked diligently to promote the Beattyville/Lee County through special events and communities activities. He has been involved in the growth and development of Beattyville's Wolly Worm Festival, purchased a used trolley from the city of Lexington, and organized and implemented the annual chamber tour. In addition, Mr. Beach has worked with the Kentucky Department of Tourism through the matching funds program to produce a brochure advertising the community. He is also working cooperatively with regional government officials and local residents to construct the Lee/Owsley Airport, and is cosponsoring with the Lee County Saddle Club the first annual Fourth of July rodeo this year.

Mr. Beach is also very active in Lee County's business community. He is president of Peoples Exchange Bank, and was recently named 1991-92 Community Banker of the Year in the State of Kentucky. Mr. Beach is also president of C. Beach Insurance, Inc. and Lee County Constant Care, Inc. He worked cooperatively with the city of Beattyville to obtain a natural gas franchise, and is working closely with industry management and State representatives to implement a project for expansion of local industrial development. Mr. Beach has attained membership in numerous professional organizations and has served in several State and local civic groups. He also has an outstanding military record. Known to friends and neighbors in Beattyville as General Beach, he is a major general and past commander of the 100th Division, U.S. Army Reserve. He is also a former president of the Senior Army Reserve Commanders Association.

Charles Beach is truly someone who is dedicated to improving his community, and improving the quality of life for those who live in Beattyville and Lee County. He has devoted much time and effort to his civic responsibilities; it would be very difficult to list all of his activities and contributions. Mr. Beach is certainly deserving of the Chamber's Volunteer of the Year Award, and I congratulate him on this honor.

Mr. President, please enter my comments, along with the article from the Three Forks Tradition, into the RECORD.

The article follows:

[From Three Forks Tradition, May 13, 1992]

BEACH HONORED AS VOLUNTEER OF THE YEAR

Charles Beach Jr., President of the Beattyville/Lee County Chamber of Commerce was honored at the Kentucky Chamber of Commerce's 46th Annual Convention at Fort Mitchell, Ky. on May 7th by being chosen to receive the 1992 K.A.C.C.E. Executives Volunteer of the Year Award. Mr. Beach received a plaque at the dinner meeting that read, "In recognition of outstanding contribution to the community and the Commonwealth." The convention's theme for 1992 was "Moving Volunteerism into the 21st Century."

The honor bestowed upon Beach came on the heels of receiving another prestigious award only a few days ago, that of being selected "Community Banker of the Year for 1991-92 in the State of Kentucky."

Mr. Beach has spent his life striving to improve the quality of life in Lee County, evidenced by his participation and leadership in various community, state and national organizations.

Mr. Beach is President of Peoples Exchange Bank; President of C. Beach Insurance, Inc.; President, Lee County Constant Care, Inc.; September Place Retirement Village and Prestige Place; Bishop's Warden, St. Thomas Episcopal Church; a past member of the Governor's Transportation Task Force; past Chairman, Kentucky Registry of Election Finance; past Chairman, Kentucky Chamber of Commerce; member, Board of Directors, Kentucky Council on Economic Education; member, 1990-91 and 91-92 chairman, Kentucky Mountain Laurel Festival; past President, Kentucky Bank Management Institute, Inc.; member, Southern Kentucky Economic Development Advisory Council; Major General and past Commander, 100th Division, United States Army Reserve (Tng.), Louisville, KY; past President, Senior Army Reserve Commanders Association, Washington, D.C.; past Chairman, Kentucky River Area Development District; past Councilman, City of Beattyville; past Chairman, Kentuckians for Better Transportation; member Kentucky Bankers Association; U.S. Small Business Administration, Banker Advocate of the Year, 1984; Member, Governor's Financial Institutions Board; Trustee, Kentucky Independent College Fund; past member, Kentucky Rural Economic Development Board; Community Bankers of Kentucky "Community Banker of the Year, 1991-92".

The honoree personally takes more pride in his efforts influencing that decision whereby the Lee County Court Complex could be realized and erected and the effort he conceived in developing and building Lee County Constant Care, Inc. September Place Retirement Village, Prestige Place, and the Urban Renewal effort in the construction of People Exchange Bank main office and rental complex.

He has been an active member and officer of the Beattyville/Lee County Chamber of Commerce since its inception in 1952, many times being the sole member to hold this organization together. In 1988 Mr. Beach spearheaded a drive to revitalize the Chamber and since that time has worked diligently towards its growth and development. Exciting things have happened since then. Under his leadership the local chamber has sponsored Christmas Spirit, 1990 and 1991; has been actively involved with the growth and development of the Woolly Worm Festival; purchased a used trolley from the City of Lexington; organized and implemented the annual chamber tour; organized and sponsored the industrial development appreciation dinner; organized and sponsored the annual merchant's appreciation dinner; working with the Kentucky Department of Tourism through the Matching Funds Program, produced a brochure advertising our community; spearheaded a drive to reconstruct Highway 30; worked cooperatively with the City of Beattyville to obtain a Natural Gas Franchise (which should be a reality this year); sponsored the 1990 and 1991 Kentucky River Clean-Up; is working closely with industry management and state representatives to realize a project for expansion of local industrial development; initiated an effort with Eastern Kentucky University to explore the possibility of locating an Extended Campus Program in Beattyville; is working cooperatively with regional government officials and local residents to realize the Lee/Owsley Airport; is co-sponsoring with the Lee County Saddle Club the first annual 4th of July Rodeo, 1992. He has also had the City of Beattyville participating in the Certified Cities Program for 1991 and 1992.

Those attending the convention dinner from Beattyville were Donald Begley, Larry Burgess, Charlotte Chadwell, Charlotte Davis, Dorothy Edwards, Robert Gabbard, Kathleen Hines, David Jennings, Sue Marshall, Malcolm Kilduff, Rosemary Kilduff, Don Stewart, Barbara Thomas and Logan Thomas.

This publication extends our congratulations to Mr. Charles Beach, Jr., "Kentucky's Chamber Volunteer of the Year."•

• Mr. SIMON. Mr. President, last week I made a statement to the Senate regarding a hearing we had in the Judiciary Committee's Subcommittee on Antitrust, Monopolies and Business Rights that focused on the retail gasoline market. I cited numerous examples of price inversions—when refiners charge a wholesale customer more than a retail customer—that were discussed at that hearing. I promised that I would report to the Senate on a regular basis about the continued existence of price inversions in markets all across the country. These inversions occur even as refiners tell us that inversions occurred only during the time period following the invasion of Kuwait by Iraq and the subsequent war.

In the past week I have been notified of several other instances of price inversions which I would like to share with my colleagues. In Toledo, OH, on May 12, a refiner was charging its wholesale customers $1.0615 for gasoline while simultaneously selling to motorists at retail outlets at $1.039.

Another marketer in Pittsburgh, PA, has reported that his supplier is charging him $1.0470 for the same gasoline he is retailing to motorists for $1.029.

A constituent of mine from the Chicago area reports that his supplier charges wholesale customers $0.60 per gallon for diesel fuel, while charging a $0.57 retail price at a refiner directly operated outlet.

In the Los Angeles area, examples of price inversions during the last week

abound. Different refiners are selling to wholesalers at $0.920, $0.923, $0.9205, and $0.9182, while the same refiners are charging the following retail prices: $0.889, $0.888, $.885, and $0.870. In all of these cases, there is a 3- to 4-cent price inversion. These examples were all verified between May 13 and May 15, 1992.

In Tulsa, OK, on May 16, a refiner charged his wholesale customers $0.995 for unleaded gasoline while charging retail motorists $0.999. Many of you may look at this example and conclude that it is not an inversion because the price to the wholesale customer is fourtenths of a cent less than the price to a retail motorists.

But it is an inversion because there is absolutely no way that the refiner can transport the gasoline from the terminal, operate the retail outlet, and pay for the costs of the credit card and other operating expenses for less than one-half of 1 cent. Independent marketers who must compete with their own supplier in this market are faced with the difficult choice of being competitive and losing money on every gallon they sell or being noncompetitive and losing volume to their own supplier's retail outlet. No efficient independent businessman should have to make this choice.

These examples are clear illustrations that the price inversion problem did not go away with the end of the war with Iraq. It continues to exist today and it is unfair to independent marketers.

Let us look at some national data on petroleum product pricing. According to the Computer Petroleum Corp., a nationally recognized pricing service, crude oil prices have risen 5.48 cents per gallon between January 6 and May 11. During the same period of time, retail prices have risen nationally by an average of 2.4 cents per gallon. Look at wholesale prices, however. They have risen by 13 cents per gallon—2½ times the price of crude and 6 times the rise in retail prices.

However, it may be easy to say that it is the consumer who benefits from this situation. And it's true that in the short term, consumers in markets where they are refiner direct operated outlets may be getting a price break. But I doubt that in the long run, practices that serve to limit competition in the marketplace are in the best interests of consumers. Those who are worried about the consumer need to consider what will happen if independent sources of competition are eliminated from the market. If we allow this to happen, the consumer will be the ultimate loser.•

DR. ROBERT D. PAUL

• Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to a dedicated individual, Dr. Robert D. Paul. Dr. Paul will officially retire after 15 years as superintendent of the Cranford public schools on November 1, 1992.

Dr. Paul received his bachelor of science at the University of New Hampshire in 1958. He then went on to pursue a master of arts in education. He received his doctorate of education at Boston University in 1971 and continued his postdoctoral studies with a Danforth fellowship.

Dr. Paul's professional career began in 1958 as a talented music teacher at Robert E. Fitch High School in Connecticut. In 1965 he moved to Massachusetts and was employed as a director of music until 1969. He became superintendent of Schools in Amesbury, MA, in 1972 and remained there until he took his current position in New Jersey as superintendent of the Cranford public schools in 1977.

In his years as superintendent, Dr. Paul has made many significant contributions to the Cranford public schools. His accomplishments include raising SAT, Stanford and HSPT scores, initiating numerous staff evaluation methods and developing an award-winning public relations plan. Dr. Paul has strived to place 70 percent or more of graduating classes in advanced education settings. Additionally, he is the author of several publications including, "Administrative Use of the Time Shared Computer Terminal" and "Laboratory Experiments of Principles of Biological Science."

Despite his heavy workload as superintendent, Dr. Paul still finds time for voluntary community service activities. He has been on the board of trustees of both the Cranford Public Library and Common Sense. He is still active in musical arts in various capacities, serving as director of the Lady Liberty's Marching 100, playing with the Suburban Symphony Orchestra and serving on its board of directors, and is active with the St. Michael's Choir.

Mr. President, Dr. Robert D. Paul has given 15 years of service to the Cranford public schools and has enthusiastically committed himself to his community and to public service. I applaud Dr. Paul for his efforts to better the community and for his valued career as a superintendent.

I join Dr. Paul's family, friends, and colleagues as they celebrate his retirement. I wish him and his family my warmest wishes for continued health and happiness in the future.•

SYRIAN JEWS

• Mr. SIMON. Mr. President, many years ago, I was fortunate enough to have been traveling in the Middle East as Anwar Sadat of Egypt and Menachem Begin of Israel negotiated their historic peace accord. Now, over a decade later, we may all be eyewitnesses to history as Israel and her Arab neighbors have begun the peace process anew. While much has changed from the time Sadat and Begin took the first courageous steps toward peace and the present negotiations, one thing, however, has remained the same.

The small Jewish community in Syria has suffered continuous repression by the government of President Hafez al-Assad. I, along with many of my colleagues, have followed the plight of the approximately 4,000 Jews remaining in Syria. The Syrian Government's recent call to ease restrictions on its segregated Jewish population has prompted me to speak out again, for this issue is one that has been important to me ever since my visit to the Jewish ghetto in Damascus many years ago.

At the end of April, the Assad government announced plans to ease restrictions on Syrian Jews, primarily in two areas. First, whereas before Jews were required to put up large travel bonds and could not travel with other family members—to ensure that they would return to Syria—the Syrian Government has now pledged to remove that restriction. Travel to Israel, however, is still not permitted for either Syrian Jews or any other Syrian citizens. Second, the Syrian Government stated that it would remove present restrictions on the sale and transfer of property owned by Jews. Still, in a news conference, Syrian spokeswoman Bushra Kanafani emphasized that the relaxed standards would apply only to the sale of some property.

The contradiction here is clear. What the Syrian Government would have us believe is that it is reinstating rights and liberties that, until just a few weeks ago, it vehemently denied ever revoking. In dealing with a political body so immersed in contradictions and double talk, we must practice extreme caution.

History supports our skepticism. As White House Press Secretary Marlin Fitzwater said shortly after announcing the Syrian change in policy, "We look forward to the full implementation of these decisions affecting Syrian Jews." The key word is implementation. The past is full of lofty promises on the part of the Syrian Government, which have not been followed satisfactorily. Most notable were promises made several years ago to the U.S. State Department to ease emigration policies for divided Jewish families and for unmarried Jewish women, who were unable to find husbands among that country's tiny Jewish population. In theory, those promises gave reason to hope for a relaxation in the harsh control and domination of Jews by the Government. In reality, nothing of the sort has been accomplished as long-range hopes for democratic reform have instead been manipulated into short-term advantage on the part of the Syrian Government. After permitting 32 unmarried women to emigrate

in 1988, the numbers dwindled to 24 in 1989 and 14 in 1990 down to zero in 1991. Additionally, in 1989 only two divided families benefited from the so-called reunification plans.

We must also look at the motivation of the Syrian Government for making such a drastic reversal of policy. It may be, as many including myself hope, a sincere effort on the part of the Syrians for establishing peace in the Middle East. But, judging from both history and recent events, it may be another instance of the Syrian Government manipulating circumstances for its own benefit. As numerous observers have recognized, Syrian participation in the allied effort against Saddam Hussein, was motivated strongly by a hope to curry favor—and win large economic gains—from its Middle Eastern neighbors and from the United States. Further, as New York Times correspondent Thomas L. Friedman wrote:

The Syrian move (to allow Jews more freedom) constitutes a fundamental shift in Syrian policy. . . and appears to be part of a general effort by President Hafez al-Assad to make his country more acceptable to the United States now that Damascus has lost its longtime Soviet partner. . . Now that the Soviet Union no longer exists, the Syrians have also lost their main patron in world affairs and have been seeking to cultivate a new relationship with the west in general and the United States in particular.

What must be recognized is that such changes are not the honest movements toward democratic freedom that they appear to be. Rather, they are superficial responses to deep problems, prompted by external changes. As it was stated by Israeli leader Yossi Ben-Aharon, a representative at the Middle East peace talks:

We have to wait and see (how the decisions are implemented). . . The Syrians are very shrewd operators who often maneuver for credit even before they follow through.

In this matter of Syrian Jews, we must also not overlook the past and continuing history of abuses of Jewish citizens, which might appropriately be labeled anti-Semitism. In visiting the Jewish ghetto in Damascus, I saw firsthand the animosity confronting Jews on a daily basis merely because of their religious beliefs.

And there are well-documented instances of the spread of harmful anti-Semitic ideas. Foremost among these is the revival of the blood libel by high-ranking members of the Syrian Government. The Syrian Defense Minister, Maj. General Mustafa Tlass, asserts the blood libel as fact in his book "The Matzoh of Zion." In that 1983 work, he writes, "The Jew can * * * kill you and take your blood in order to make his Zionist bread." Numerous instances of arbitrary arrest, incapacitation and brutal torture of Jews have been widely reported. And, despite retired Syrian Ambassador Muwaffak Allaf's declaration that "We do not classify our citizens on the basis of their religion," Syrian Jews are required to have their religion recorded on their passport, and the Syrian Government gives no rationale for that blatant discrimination.

We must also keep in mind when we speak of the Syrian Government, we are speaking of a country with not only a long history of discrimination against Jews, but also a terrifying past list of abuses against its own citizens. In the State Department's "Country Reports on Human Rights Practices for 1991," the section on Syria begins with the following, "Syria is ruled by an authoritarian regime which does not hesitate to use force against its citizens when it feels it is threatened." That history of force employed by the dictator Assad is all too well known by those in the international community.

Our Government must accept some of the blame for the Syrian's despicable record on human rights. Over the course of the past decade, administrations in the United States have cultivated far too cozy a relationship in order to gain concessions from the Syrian Government.

Many experts in the field have drawn insight into the United States-Syrian relationship from the recent allied coalition established against Saddam Hussein. In questioning Assistant Secretary of State for Human Rights Richard Schifter, the House of Representatives Subcommittee on Human Rights and International Organizations presented this issue in its hearing of February 26, 1991:

Question: Administration policy toward the Government of Syria since August 2, 1990, has clearly been based on a desire by the Bush Administration to ensure Syrian participation in the Allied coalition arrayed against Saddam Hussein. It has even been suggested that the Bush Administration has indicated to President al-Assad that the Bush Administration would be prepared to look very favorably on Syrian interest in future negotiations that might ensue between Syria and Israel. While we are all hopeful that after the Gulf War has been concluded, progress can be on resolving the Arab-Israeli conflict, it appears ironic that, assuming that some of these suggestions are correct, the Syrian Government was able to extract a price from the Administration for joining the coalition, rather than the Administration being able to demand as a price for U.S. protection of Syria from Iraq, that Syria begin to respond specifically to her continued gross violations on human rights.

Although Mr. Schifter denied any such implications, the charges do give good reason to investigate the relations between our Government and President Assad's.

I will never forget my experiences in Syria years ago; the hope for the future, yet the despair for the present. Today, we are very much at the same crossroads and, if we are to hold out hope for peace in the Middle East, we must make the firm decision to commit ourselves to fair and equitable treatment of all parties.

In conclusion, the recent promises by the Syrian Government give hope for a democratic peace in the Middle East; I only pray that that hope is not a false one.●

HUGH O'BRIAN YOUTH FOUNDATION

● Mr. GLENN. Mr. President, I rise today to commend the 29 years of achievement of the Hugh O'Brian Youth Foundation. In 1958, following a visit to Albert Schweitzer in Africa, Hugh O'Brian established his foundation to develop and encourage leadership in young people. The very able and talented O'Brian, who many remember as Wyatt Earp, wanted to make his own contribution to society. Originally begun as a small, yearly exchange of ideas among teenagers, the program has developed into a well-organized seminar involving over 11,000 high school students worldwide. We Ohioans are especially proud that the foundation has chosen Alliance, Granville, and Tiffin, Ohio, as sites for its 1992 leadership seminars.

The seminar participants from a diverse group, representing high schools from the United States, Canada, the Bahamas, Jamaica, and Mexico. The program provides high school sophomores with an opportunity to develop important leadership skills while learning to interact with and appreciate the diverse cultures of our modern world. The students benefit from the expertise of leaders in business, industry, education, and government. Through the combined efforts of these civic leaders, these young people develop a more realistic understanding of the international economy and of the demands of late 20th century life.

Again, I commend Hugh O'Brian and his Youth Foundation for its dedication to young people and wish them many more years of success.●

A GRATEFUL NATION REMEMBERS

● Mr. D'AMATO. Mr. President I rise today, just before Memorial Day, to look back and remember the war that had to be fought and had to be won, World War II. I can think of no better time to remember World War II than at this time of reflection of all veterans living and deceased from all wars and all conflicts. A group of my constituents will be commemorating the 50th anniversary of World War II in a special way in Poughkeepsie, NY, this Memorial weekend.

Poughkeepsie and Dutchess County hold a special connection to World War II since the Presidential home of Franklin Delano Roosevelt is located there. Other famous residents of Poughkeepsie include James Forrestal, Secretary of the Navy during World War II; Hamilton Fish, Sr., founder of the VFW; and John Foster Dulles. Poughkeepsie, NY, is also the home of Walter Bowe, who has been noted to be

the first American serviceman to return fire on the Japanese during the attack on Pearl Harbor, December 7, 1941. No other town in America can boast such a claim of distinction. It is because of this great legacy that Dutchess County is having a whole host of festivities to observe and remember World War II.

Our remembrance of our fallen veterans during World War II gives each of us the opportunity to reflect upon the history and lessons of war. More importantly, it offers our Nation the opportunity to say "a grateful nation remembers." It is important that we remember the sacrifices our veterans made 50 years ago. Such sacrifices have helped lead us to victory; a victory that will always be remembered. We remember, too, the brave men and women who have given their lives in the defense of our country. We remember their families and grieve their losses.

As we observe Memorial Day and remember those who served 50 years ago let us pledge to face our future with the same dedication and courage that our heroes have demonstrated in defending the freedom of our Nation.•

IMPRESSIONS OF VIETNAM

• Mr. SIMON. Mr. President, recently, I spotted some impressions from Vietnam by a professor at Wittenberg University, James L. Huffman. Whittenberg is a fine school that my daughter, Sheila Simon, attended.

I wrote to Professor Huffman and asked for a copy of his observations, which I think are significant as we evaluate where we are going in policy toward Vietnam.

My strong feeling is that we should lift the economic boycott to permit American businesses, like Caterpillar in Illinois, to do business in Vietnam.

At the same time, we should make clear to Vietnam that full and friendly relations between our two countries depend on recognition of human rights. We should not repeat the mistakes that we have been making in the People's Republic China.

I ask the remarks of Professor Huffman be printed in the RECORD.

The remarks follow:

IMPRESSIONS OF VIETNAM

(By James L. Huffman, Professor of History, Wittenberg University)

This last week has been exhilarating, depressing, hopeful, eye-opening—and mind expanding. Far and away the dominant first impression of Hanoi was poverty. In fact, its face had so many shapes that it is hard to select a few representatives ones. Even as we landed, there were the peasants with scythes, farming right up to (and between) the concrete runways. On the streets of Hanoi, one sees bikes, oxen, motorscooters—and a few hired cars, or trucks and busses, along with thousands of pedestrians and mounds of dust that turn tree leaves a dull, brownish gray. A typical lunch of fuh costs about 20 cents. Butchered hogs go by on a passing cyclo, on seats later to be used by human passengers. Barbershops consist of a chair in front of a mirror hung from a tree. Beggars sit at all the human traffic junctures. And the younger professors at prestigious Hanoi University greet guests, wearing threadbare, torn suits and yellowing shirts. I was told that detergent for washing is scarce.

A second impression is the administrative controls that keep both foreigners and Vietnamese in check. Professor N, a marvelous host who helped us get our visas, showed up the first evening not only to welcome us but to take our passports. The police, it seemed, had to be notified that we were here and permission had to be obtained for us to go "abroad" (to a nearby village outside the city). Police were ever present, as were photographs of Vietnam's great liberator, Ho Chi Minh. And, we were informed, most Vietnamese stayed away from the guesthouse where our daughter Kristen had lived for four months because it was operated for foreigners by the government. Anyone seen there too often might be suspect for being overly interested in foreigners. Even Mrs. Nguyen, Kristen's marvelous, charming English student who handles visa applications at the Education Ministry (and saw to it that we got ours) had to be careful about being seen "too much" with outsiders.

But though the image of poverty—at least poor-ness (and there is a difference between being poor and being in poverty, a difference that has less to do with income than with perceptions of one's self in relationship to others)—persisted, other images quickly began to dominate. Before long, I became convinced that while Vietnam remains a controlled society, my understanding of the word "control" had been harsher than the reality, influenced overly much by stereotypes rooted in years of struggle between our two countries.

I suppose the first new image was the friendliness and good spirit of the Vietnamese people. They clearly had a volatile side, yelling at each other during bicycle jams, giving me an obscene gesture (fully justified) after the driver of the car in which we were riding bumped and tipped over a cyclo. Inequality and want breed tensions and volatility anywhere in the world, as does human nature itself. But far more pervasive was the Hanoi smile. Kristen told us a smile was important as we dealt with people. How right she was! People smiled as they passed us on our bikes. School children beamed when we took their pictures. Even the police seemed to have trouble playing the somber authoritarian role. At the heavily guarded Ho Chi Minh mausoleum, one guard ordered me to divulge the contents of a bulge in my front pocket (no cameras allowed). When it turned out to be a calculator, he grinned impishly—and warmly. Another put Kristen on the seat of his bike and whisked her off to get the required foreigners' permission to enter the mausoleum. A third joked with us, while we waited, about his lack of a spouse and our "beautiful daughter's" unavailability.

They did not just smile, though. Again and again, these people befriended us. Mrs. Nguyen probably put herself at risk in pushing through our visa applications, then gave Judith one of life's warmest (and most appreciated) embraces at the Hanoi airport and saw to it that the visa work was done promptly. Mr. N made innumerable hour-long trips to set up visits with educators. Principals at two elementary schools interrupted class sessions to show us public education "in action," then spent nonexistent funds on receptions replete with fresh fruit, drinks and floral gifts. A prominent historian left the National Assembly, then in session, to talk with us about the "American War." None of this could have sprung from our status or anything we had to offer. We were simply parents of a college junior, using her study-abroad time as a chance to get to know more about Vietnam ourselves. But our lack of status was irrelevant. The residents of Hanoi came through as a gracious, vibrant people who befriend others simply because they are there, because others express a need or desire.

A second image was their ambivalence about America. There was little question that American people are genuinely liked and that America's wealth is, at least for some, enticing and attractive. Indeed, one of the constant surprises to me during these few days was the absence of any visible xenophobia. Unlike the Chinese who regard all foreigners with a measure of suspicion or contempt—and at variance with what one would expect in a nation that has suffered so much at the hands of Chinese, French and Americans—there was a delightful, impressive eagerness to both learn from and work with other peoples. In particular, a group of professors at Hanoi University discussed repeatedly how eager they were to study other countries, especially those of Southeast Asia, as models for development. And again and again people talked of how they admired the American people.

The key word here, however, was "people"; for just as frequently they drew a distinction between American people and the American government (just as Americans used to do in discussing the Soviet Union). The bitterness created by America's 20-year war to prevent Communism, and then by our continuing embargo and definitions of Vietnam as an "enemy," showed up rather often. The United States, from the Vietnamese perspective, was an aggressor, purely and simply. As the historians at Hanoi University put it, Vietnam wanted independence, no more and no less. Communism was not the issue, except in the sense that Communists befriended and encouraged them in their struggle for independence while American presidents rebuffed Ho's offer to work together after World War II, then actively blocked the creation of a unified, independent state following the defeat of the French in 1954. Since the American defeat—" at the hands of patriots who would not give up because they were fighting for their homeland," according to one young professor—the U.S.embargo has made economic development a practical impossibility.

"And were the Americans any different from the French?" I asked, expecting at least as much animosity toward a European power that had colonized Vietnam for a century, then forcibly resumed control in 1946, even after World War II and the Japanese had driven it out. "Yes," replied another of the historians. "France gave us a great deal: our educational institutions and our political structures. America gave us nothing but a war." His reading of colonial history may have been simplistic, but his point was not a careful reading of history. America had fought to obstruct Vietnamese independence. America had cared not at all about Vietnam itself, either its people or its government. And America, defeated, had created a massive, sustained barrier to Vietnam's economic progress and development. It may have been a one-sided analysis, but there was evidence aplenty—in conversations on the streets of Hanoi, in America's refusal to re-

sume diplomatic relations or let its own citizens phone or FAX Vietnam, in the testimonies of other nations that they cannot engage in full-fledged trade with Vietnam until the U.S. embargo is lifted—that it was not groundless.

The professor's comments did not, however, stop there. He added that it was time to put the past behind. To his obvious bitterness was added a tone, partly pragmatic and partly idealistic, of hope. The United States and Vietnam lost a chance to work together in 1945, at the end of World War II, he and his colleagues said; they foresaw another such opportunity coming (soon, they hoped) and history taught that it could be squandered only at the peril of both nations.

This willingness to rein in bitterness with realism drew into focus one other striking characteristic: the hope that seems everywhere present in Hanoi—in the tables of goods for sale on every sidewalk, in the smallscale construction in each neighborhood, in new products being imported, in the willingness to start American exchange programs and give visas even to the unconnected. Since the onset of doi moi, Vietnam's perestroika, half a decade ago, small scale private enterprise has sprung up everywhere. Sidewalk booths make walking difficult at times and provide Hanoi residents everything from noodles and shuttlecocks to fresh meat and mirrors. People may be poor but they have become hopeful, at times boundlessly so.

Mrs. Giap, a cleaning lady, walked into the "Bar," as Judith, Kristen and I sat wearily but animatedly discussing the day's discoveries late one afternoon. "Vietnam is a poor country, isn't it," she commented. "Yes," replied Judith, "but the people are so good, and they seem happy."

It was as though Judith has raised the watergate. Mrs. Giap agreed: "Yes, we are happy. We can buy things now. A few years ago, nothing was available. Now, if we have money, we can get anything." She became animated. "We believe our government now, because we think it's going to get better. The more time passes, the better it will become."

I found it a provocative conversation. Was she just doing a PR job on a foreigner? Probably not. She knew Kristen well; she had a tough and hardnosed side. Was she naive? Probably so, as all dreamers are naive. But something has happened to awaken hope in a people buffeted for years, even centuries, by foreign nations playing their own ideological and geopolitical games. That hope has spawned new kinds of activity, new directions and new dynamics, both on the streets and in the halls of government.

Is it illusory? Is a new day a dream? Mrs. Giap thinks not. And I hope she is right.●

THE 75TH ANNIVERSARY OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION COMMISSIONED CORPS

● Mr. BREAUX. Mr. President, I rise today to recognize the outstanding contributions of the National Oceanic and Atmospheric Administration [NOAA] Commissioned Corps on the occasion of their 75th anniversary. Recognizing the long and distinguished history of the NOAA Commissioned Corps, I also salute their predecessor organization, the illustrious U.S. Coast and Geodetic Survey Commissioned Corps.

During the earliest days of this Nation, President Thomas Jefferson, in 1807 established a survey of the coast to foster the main business of this fledgling country, maritime commerce. Once begun, this survey of the coast, called the U.S. Coast Survey, became even more important to the growth of coastal maritime commerce in this Nation. Noting the ever increasing shipping traffic, ever more resources were allocated to the survey and, to bring additional professional engineering expertise into the survey, both Navy and Army officers were assigned. As the coastal ocean surveys grew in scope to cover the Atlantic, Gulf of Mexico, and Pacific coasts, it was apparent that land surveys, also called geodetic surveys, were of increasing importance and, to handle the increased surveys, the Coast Survey was expanded, forming the venerable U.S. Coast and Geodetic Survey [USC&GS]. Land, hydrographic surveys and the new science of oceanography became the province of the professional USC&GS hydrographic engineers and the military officers assigned to USC&GS. During the Spanish-American War, all Navy and Army officers were withdrawn from the U.S. Coast and Geodetic Survey to support the war effort; USC&GS continued the critical science and survey operations using the remaining professional hydrographic engineers as the mainstay for the arduous field and coastal survey work.

With the advent of American participation in World War I, the U.S. Congress passed the act of May 22, 1917, entitled the "Act to temporarily increase the commissioned and warrant and enlisted strength of the Navy and Marine Corps, and for other purposes." In this act, "The President is authorized to appoint, by and with the advice and consent of the Senate, the field officers of the Coast and Geodetic Survey * * *". Noting the wartime survey and mapping requirements, the act also authorized transfer from the Department of Commerce the vessels, equipment, stations, and personnel of the Coast and Geodetic Survey to the War and Navy Departments. Thus the U.S. Coast and Geodetic Survey Commissioned Corps was forged and the USC&GS Commissioned Corps has served this Nation well since World War I.

Established under the jurisdiction of the U.S. Department of Commerce, the U.S. Coast and Geodetic Survey Commissioned Corps has undergone several reorganizations and name changes. Renamed the Environmental Sciences Services Administration Commissioned Corps in 1965 and, again renamed the National Oceanic and Atmospheric Administration [NOAA] Commissioned Corps in 1970, the NOAA Commissioned Corps carries on the proud tradition of the U.S. Coast and Geodetic Survey Commissioned Corps, providing professional expertise in engineering, science and surveying in support of this Nation's commerce.

NOAA Commissioned Corps officers may be found utilizing their scientific expertise while serving on ships of the NOAA fleet, piloting NOAA helicopters and aircraft, conducting underwater scientific diving projects, serving in both the Arctic and Antarctic science programs and managing remote NOAA field operations. On the land, on the sea and in the air, the officers of the NOAA Commissioned Corps carry on the proud tradition established by the U.S. Coast and Geodetic Survey.

All members of the NOAA Commissioned Corps, this Nation's smallest military service, wear their uniforms with confidence and pride, knowing their accomplishments will contribute to the continued prosperity of this great land. At this juncture in their long and distinguished history, I salute the National Oceanic and Atmospheric Administration Commissioned Corps on the 75th anniversary of dedicated service to this Nation.●

DEFENSE TRANSITION

● Mr. PRYOR. Mr. President, Americans today are dealing with one of the more radical periods of change in our history—the end of the cold war and the changes in the U.S. military that go with it.

Those changes have already begun, and they have been marked by a downsized military, shrinking defense companies, layoffs, and devastated communities. But today's problems are the tip of the iceberg, to wit:

Thirty-four military bases will be closed, 48 will be realigned, and more will be announced in 1993.

Up to 350,000 defense workers will lose their jobs each year through 1997—that is roughly 1,000 workers a day, or 40 workers every hour.

But with every challenge comes an opportunity. And with leadership and planning, these challenges can be turned into economic opportunity—opportunity to turn money that was spent on weapons into investments that create economic activity and jobs.

With that in mind, Majority Leader MITCHELL 2 months ago, formed a task force, with me as its chairman, to develop a strategy for the transition from cold war defense spending to domestic necessities at a time when a recession continues and the Soviet threat has all but disappeared.

More simply put, the work of this task force was based on the belief that if we reinvest our defense cuts wisely, we can attempt to create more jobs than we will lose from the defense downturn.

The task force met with more than 60 experts in the last 2 months—experts from the defense industry, from labor and business interests, from State and

local governments, from community leaders and from Federal agencies.

What we came up with was a short-term plan of action that fits into a long-term strategy to achieve growth and jobs. These are the elements of the plan:

First, reinvest our human resources: Defense workers deserve more than a pat on the back for years of work in the national defense. This element involves funding for retraining, making retraining programs work better, and giving military men and women incentives to go into public service.

Second, help communities adjust, through support programs that get redevelopment funds into the communities that need it.

Third, help defense community businesses with Small Business Administration loans and possible tax incentives.

Fourth, assist defense companies to grow into new civilian markets and create new jobs for manufacturing, technology and marketing assistance.

Fifth, make the $70 billion Government research budget work as an engine for future civilian economic growth. Make more of the innovations support American civilian technology and manufacturing needs.

These proposals are investments that result in future paybacks. They use proven, successful programs that do not create big new bureaucracies. And they create or promote partnerships between Federal, State and local governments as well as between the Federal Government and businesses.

We estimate that this plan will cost $1.2 billion in the next year. However, the details of any spending programs will have to be worked out during the weeks and months ahead in consultation with many committees and experts.

Sadly enough, the experts we already have consulted tell us the administration is doing nothing to this end. There is no planning, no strategy, no leadership, and as a result, there is no action.

I recently read in a defense publication that our Government has pledged $85 million in technical assistance to aid the military conversion of the former Soviet Union. It is ironic that the administration is doing this at the same time it has sought to cut in half the $7.5 million budget of the Pentagon's Office of Economic Adjustment, and it has sought to completely abolish the Commerce Department's Economic Development Administration. These two Offices are among the few equipped to assist communities in making the necessary transitions I am talking about.

We realize we are working in a very tough budget environment. But our goal is to lay a firm foundation of strong proposals to meet the challenges that lay ahead for America's defense-dependent businesses, communities and workers.

The task force report follows:

U.S. SENATE,
Washington, DC, May 21, 1992.

DEAR MAJORITY LEADER MITCHELL: Few trends today pose greater opportunities or greater challenges to our nation than America's transition from Cold War defense priorities based on the Soviet military threat to domestic peacetime realities during a time of continuing recession.

Two months ago you charged a task force of 21 Democratic Senators to develop a strategy for this transition that will minimize the negative impacts of defense spending cuts and optimize the potential for benefits from changing priorities. If we reinvest defense cuts wisely we can create more jobs than we lose from the defense contraction.

The report to follow contains findings and recommendations of the Task Force that form the elements of a short-term plan for transition and a long-term strategy for investment and growth. Much of the report is based on the recommendations of the over 60 experts with whom the Task Force met.

In the weeks to come, Task Force members will receive comments from all interested parties on this report and its recommendations. The Task Force intends to coordinate with and support the efforts of the appropriate Senate committees that will review the Task Force recommendations.

Thank you for this opportunity and for your support of the Task Force's work.

Sincerely,

DAVID PRYOR,
Task Force Chairman.

EXECUTIVE SUMMARY

LOOMING DEFENSE/ECONOMIC CHALLENGES

America is headed into defense spending cuts, job losses, and industrial disorientation—and the Administration is asleep at the wheel. No plan for transition exists. No strategy for reinvesting our resources for the future is in the works. Worst of all, the Task Force documented important areas in which executive departments have hindered defense transition initiatives.

No planning. No strategy. No leadership. And, as a result, no action.

"Change is Needed", was the message the Task Force heard in testimony from over 60 experts from the defense industry, labor unions, state and local governments and action groups, and Federal agencies. Research by the Office of Technology Assessment, Congressional Research Service and the General Accounting Office further emphasized these conclusions and added that problems facing us today will grow in the years to come.

The outside experts painted a somber picture that was also a call to action:

Defense cuts that will range from $50–$200 billion over the next five years means up to 350,000 defense-related jobs will disappear annually, totalling up to 1.4 million jobs by 1995.

Thousands of U.S. companies reliant on Pentagon contracts or subcontracts, must reorient or reduce.

Hundreds of American communities will suffer as military bases and defense plants begin to close or downsize this year.

Defense-related economic dislocations will be magnified by a recession-weakened economy, chronic unemployment, soaring personal and corporate debt, and the export of U.S. manufacturing and technical know-how overseas.

REINVESTING THE PEACE DIVIDEND

Several themes repeatedly emerged in the testimony the Task Force received from outside experts. These themes serve as useful guidelines for considering options for action:

(1) Focus on economic growth/job creation—make investments today that pay dividends in America's future.

(2) Use and improve successful, needed programs—do not create new government bureaucracies.

(3) Take actions this year that steer us toward a long-term strategy for transition into the post-Cold War economy.

Task Force briefers identified three areas to focus its attention.

The first is dislocated military and civilian workers who will need help reinvesting their talents and expertise in productive non-defense jobs.

Second are defense-dependent communities that can benefit from programs to help them plan for the defense downturn and to take action that will allow the community to grow in new directions.

And finally, defense-dependent companies—especially the more agile small to mid-sized firms—can be given incentives to reorient, diversify and become engines for new job creation and economic growth through a number of enabling government actions, programmatic reforms and a view toward long-term investments.

A DEMOCRATIC PLAN OF ACTION

Americans support investing part of the peace dividend in programs and reform that will build a foundation for a stronger domestic economy. The Task Force recommendations answer this call for change and a new direction. Some of the recommendations are:

I—Reinvest Defense Workers in Non-defense Jobs

Help DoD military and civilian employees and defense industry workers make a productive transition that benefits the worker and the economy

Retrain defense workers to become productive in new areas

Make government worker assistance programs work better

Incentives for soldiers and sailors to go into public service (education, health, etc.)

Create incentives for DoD civilians to find new work

II—Help Communities Rebound

Emphasize the importance of planning assistance for defense-impacted communities by expanding the Office of Economic Adjustment

Fight Administration efforts to kill community economic recovery grants and expand the Economic Development Administration, which helps communities adjust to change

Revive SBA small business loan program designed to help local businesses in transition

Cushion the blow to school districts near base closings with extended Impact Aid

Review tax incentives to spark development in defense-impacted zones.

III—Industrial Diversification, Economic Growth, and Job Creation

(A) Provide Businesses with Marketing, Manufacturing, and Technical Assistance

Help companies diversify and find new markets through "manufacturing extension services"—similar in concept to agricultural extension centers

Support use of advanced technologies by businesses through Regional Technology Alliances"

Encourage fast and flexible response for industry transition through grants for state and regional industrial services.

Help companies find civilian markets abroad

(B) Invest in Technology and Research with Long Term Civilian Pay-offs

Fund and support long-lead research of potential commercial technologies (activities in DoD, Commerce, NASA)

Fund dual-use research projects in DoD that have military and commercial payoff.

Set aside more research funds to give incentives to small business innovation

Redirect defense labs toward helping the civilian economy

Support tax policies that encourage businesses to grow.

TRANSITION COSTS/BENEFITS

Many changes endorsed by the Task Force have no cost. For instance, increasing small business research set-aside requirements would require no new funds but would set aside up to $500 million more for small enterprises. The same would hold for earmarking certain national laboratory funds for industry coordinated research efforts.

Where increased funding is recommended, sound investments to help today's defense-dependent human, community and industrial resources and will pay dividends for years to come. Such investments today can help set the stage for a sustained economic recovery.

Although many of the Task Force recommendations will need further development during the coming months, the Task Force has made a preliminary cost estimate of $1.2 billion for all specific program spending elements. The Task Force plans to continue working with the relevant Senate committees and experts to develop specific funding recommendations.

Finally, it should be noted that, understandably, many of the defense transition programs recommended for increased funding and emphasis are located outside the Defense Department. The Task Force is encouraged that many of these programs can be funded using Defense funds for FY93 only. The process of moving this package forward will require cooperation between numerous committees, the Senate Republican leadership and finally, the White House.

In future years, the Task Force strongly recommends that funding and any control over transition programs that should be located in non-defense agencies be transferred to those agencies.

TOWARD THE FUTURE

This report emphasizes the need for comprehensive planning as we reduce our defense spending. The Task Force recommendations are meant to set in motion immediate, realizable action that will lay a foundation for future efforts to bend growing defense transition challenges into economic expansion and opportunities. Future defense cuts, the shape of the economy, budget law changes, and changes in political leadership could alter the way we can deal with transition issues.

MEMBERS OF DEFENSE TRANSITION TASK FORCE (APPOINTED BY MAJORITY LEADER MITCHELL ON MARCH 3, 1992)

Senator Brock Adams—Washington.
Senator Jeff Bingaman—New Mexico.
Senator John B. Breaux—Louisiana.
Senator Alan Cranston—California.
Senator Christopher J. Dodd—Connecticut.
Senator Bob Graham—Florida.
Senator Ernest F. Hollings—South Carolina.
Senator Edward M. Kennedy—Massachusetts.
Senator Carl Levin—Michigan.
Senator Howard M. Metzenbaum—Ohio.
Senator Barbara A. Mikulski—Maryland.
Majority Leader George J. Mitchell—Maine.
Senator Sam Nunn—Georgia.
Senator Claiborne Pell—Rhode Island.
Senator David Pryor (Chair)—Arkansas.
Senator Donald W. Riegle, Jr.—Michigan.
Senator Charles S. Robb—Virginia.
Senator Paul S. Sarbanes—Maryland.
Senator James Sasser—Tennessee.
Senator Timothy E. Wirth—Colorado.
Senator Harris Wofford—Pennsylvania.

SENATE DEMOCRATIC TASK FORCE ON DEFENSE/ECONOMIC TRANSITION, MAY 21, 1992

I. REINVESTING DEFENSE WORKERS

Summary Findings

According to the Office of Technology Assessment (OTA), roughly 6 million people were employed directly or indirectly in national defense jobs in 1991.

By 1995, 1.4 million defense employment positions will be eliminated at a rate of up to 350,000 per year.

Department of Defense (DoD) military and civilian employees, Department of Energy (DOE) nuclear weapons complex civilians, and defense industry workers will be affected by the reductions in national defense spending.

The Administration took over a year to release $150 million from FY90 DoD funds to the Labor Department for defense worker adjustment services (Defense Conversion Adjustment Program—"DCA").

To date, the Labor Department has released only $22 million of the $150 million, which will expire on September 30, 1993.

Recommendations

A. Fund Worker Adjustment for Peacetime

1. Existing Labor Funds: Continue DCA Program by extending the current obligation of $150 million through FY 97.

2. Urge the Department of Labor to promote and implement demonstration project grants, especially for in-house retraining by defense firms who are seeking to diversify or foster dual use capabilities.

3. Supplement Labor Funds: In FY 93, transfer additional funds from DoD to Labor to be used through FY 97.

B. Job Retraining Program Improvements

1. Support the ongoing efforts to the Senate Labor Committee to improve the overall functioning of the basic worker retraining program ("EDWAA") and to ensure its relevance to the special needs of displaced defense workers.

2. Amend Title 5 so that EDWAA can be extended to workers at military installations scheduled for closure or realignment from 60 days to 12 months.

3. Require State EDWAA Managers to urge defense firm employers to provide increased communication on the status of contract terminations, program curtailment, and the end of a production line.

4. Allow States to reimburse their discretionary accounts with Defense Conversion Adjustment (DCA) funds if they have provided "Rapid Response" services to defense workers, and in doing so, contributed to the depletion of their discretionary accounts.

C. Re-orienting Department of Defense Military Employees

1. Support the proposals to provide the Secretary of Defense voluntary early retirement authority to members having between 15 and 20 years of service.

2. Encourage military personnel who retire under the early retirement program to take approved jobs in the public sector by allowing them to increase their military years of service credit by one year for each year of public service up to a total of 20 years.

3. Help military personnel get the training, education, certification, and job placement which may be required for employment in critical public service jobs, such as education, law enforcement, or medical services.

4. Support a one-year leave of absence with pay for a military employee with relatively few transferable skills to pursue courses of instruction or education either within or outside the military.

5. Provide early retirement incentives and transition benefits for reservists.

D. Assistance for Department of Defense Civilian Employees

1. Urge the Senate Governmental Affairs Committee to report legislation on how to provide the Department of Defense with the necessary tools to manage the downsizing of the civilian workforce. Options to consider include retirement incentives, annual leave accrual as retirement service credit, extended health insurance coverage, expanding DoD's Priority Place Program to include all federal agencies, and creating a toll-free information number at OPM.

2. Direct DoD to make an inventory of training programs within the Defense Department training establishment that can provide skill training for jobs in the civilian economy. Upon completion, DoD should identify which programs would be applicable to non-DoD civilian employment. Authorize DoD civilian employees facing separation through a reduction-in-force or base closing action to receive up to one year of skill training in the Defense training establishment while still employed in DoD.

II. HELPING COMMUNITIES ADJUST

Summary Findings

Currently 34 bases are scheduled for closure, 48 bases will be "realigned". Another round of base closures will be announced in 1993. In addition, many defense industry plants are suffering the effects of reduced defense spending. The OTA estimates that over 150 U.S. communities will be hard hit by defense downsizing.

The Pentagon's Office of Economic Adjustment (OEA) is the agency in charge of helping communities plan for base and defense plant closures. It has a staff of 17 and a budget of $7 million.

The Bush Administration has requested that OEA funding be cut to $4 million in FY 1993.

The Commerce Department's Economic Development Administration (EDA) provides "economic devastation" grants to help communities implement their economic development plans.

The EDA has been targeted for termination by the White House since 1981. The White House slowed the release of $50 million from FY90 DoD funds to EDA until February 1992. As a result, only $100,000 in EDA funds have actually reached impacted communities to date.

Although few dollars have reached the communities, many promises have been made. The Bush Administration began promoting and committing defense-related EDA funds during the campaign season: New Hampshire/Maine in February, Texas in March, and Arkansas in April.

Recommendations

A. Office of Economic Adjustment (OEA)

1. Increase OEA staff levels and grant authority for community assistance coordination and planning grant administration.

B. Economic Development Administration (EDA)

1. Existing EDA Funds: Extend through FY 97 the spending authority on the current $50 million schedule to expire on September 30, 1993.

2. Supplement EDA Funds: In FY 93, transfer additional funds from DoD to Commerce for EDA grants through FY 97.

3. Ensure EDA's Position: the Task Force endorses the mission of the Economic Development Administration which has the function of assisting not only defense dependent communities but also communities which experience non-defense related economic distress. The Administration should be directed to clarify and support EDA's long-term mission of providing support for distressed communities and promoting economic development.

4. Require EDA to streamline the application process and press for better coordination with the Office of Economic Adjustment in making the transition from planning to implementation assistance for affected communities.

C. Small Business Administration (SBA)

1. Preferred Loans to Defense Firms: Provide direct, low interest rate loans to small businesses adversely affected by base closings or contract terminations.

2. Government-Guaranteed Loan Program: Provide supplemental appropriations in FY 92 to ensure that adequate resources are available for such loans.

D. Department of Education

1. Direct the Secretary of Education in conjunction with the Secretary of Defense to report annually on school districts which will be adversely impacted by military base closings, realignments, and redeployments.

2. Impact Aid Grants to School Districts: Allow needy school districts impacted by base closings to receive an additional year of phased-out funding. This would be accomplished by allowing payments under Section 3 of Public Law 81-874, the Impact Aid Program, to be based on prior year data in calculating the formulas for distribution of funds for Impact Aid. This would enable eligible school districts to receive Section 3 payments earlier in the school year and allow them to better plan annual operating budgets.

E. Tax Incentives for Community Growth

1. Urge review of various tax incentives to stimulate economic activity in geographic areas hit hardest by the reduction of U.S. defense spending. Tax incentives should target relief for problems caused by worker displacement due to cancellation of government contracts, defense industry down-sizing, base closings, and force reductions. However, more importantly, these tax incentives should encourage long-term economic growth.

F. Environmental Restoration at Base Closings

1. Encourage joint periodic reviews by the Senate Armed Services Committee and the Senate Committee on Environment and Public Works on the base closing policies and regulations of DoD's Defense Environmental Restoration Program. These reviews would monitor the important funding and regulatory issues that will affect base closing communities, in an attempt to accelerate environmental clean-up ensure rapid public use of closed military installations.

III. INDUSTRIAL TRANSITION, ECONOMIC GROWTH, AND JOB CREATION

A. Industrial Transition and Assistance

Summary Findings

Based on some estimates, DoD outlays for goods and services could decline by as much as 48% over the period 1992-2001.

Many defense firms must diversify into commercial markets and become less defense-dependent to survive.

Small and medium sized defense firms need assistance with sales, marketing, up-to-date technology, and best manufacturing practices to make them competitive and insure successful diversification.

Programs to ease diversification, enhance industrial competitiveness, and create jobs have been under funded.

U.S. programs to provide new overseas markets are much smaller than those of our competitors.

Recommendations

1. Fund Regional and State Manufacturing Extension Services: Ease the transition of defense firms into new markets and bring the overall level of U.S. manufacturing technology up to world class standards through support of manufacturing extension programs assisting small and medium sized firms.

DoC Manufacturing Technology Centers.

DoC State Technology Extension Program (STEP).

DoD Manufacturing Extension Program.

2. Fund Regional Technology Alliances: Address common industry transition needs and encourage overall economic activity through a focus on regional industrial clusters. Fund regional efforts devoted to applied R&D, specialized training, market research, export promotion, and testbed facilities.

3. Provide DoC Grants for Regional and State Industrial Services Programs: Promote a quick and flexible response to the transitional needs of defense and other industries through support of state and regional industrial services programs.

4. Provide Trade and Export Assistance: Help defense and non-defense firms tap new civilian markets overseas by providing additional funding and technical assistance.

Increase funding for U.S. Foreign and Commercial Service.

Increase funding for the Trade and Development Program.

5. Amend DoD Recoupment Policy: Encourage defense firms to diversify and achieve a payoff for the commercial economy on defense R&D, by revising the policy requiring recoupment of R&D money spent on military technologies that are commercialized.

B. Investment in Growth Technologies

Summary Findings

Over the long run, investment in economic growth is the only complete solution to lower defense spending and structural economic changes.

The U.S. government spends approximately $70 billion annually on R&D, over sixty percent of it for defense purposes. As a percentage of GNP, the U.S. spends only two-thirds the amount on non-defense R&R as the Japanese and the Germans.

Economic growth depends on increased productivity, product innovation, and leadership in industries with a high multiplier effect for the economy, all of which create higher wages.

Achieving these factors depends in large part on developing and applying critical technologies which underlie emerging industries with high multiplier effects.

Because of the significant technical risks and financial barriers involved, individual companies are either unwilling or unable to successfully develop many of these critical technologies.

It will be necessary for the government to act as a catalyst as well as a backer in some cases, of U.S. industries' efforts to develop and lead in the application of critical technologies.

Recommendations

1. Critical Technology Partnerships with Industry: Vie for leadership in the industries of the 21st century and create R&D opportunities for defense and non-defense firms through grants to industry-led partnerships developing critical technologies.

Fund DoD Advanced Technology Program (ATP).

Fund Defense Advanced Research Projects Agency (DARPA) Dual-Use Partnerships with Industry.

Support Ongoing Civilian Aerospace R&D Partnerships in NASA.

Initiate National Environmental Technologies Agency (NETA) to Fund Grants for Environmental R&D.

2. Emphasize Dual Use in DoD R&D: Within the DoD R&D budget, set aside additional funds for projects that meet significant defense needs and that have a potential for application in the civilian sector. Such projects would include environmental clean-up, energy efficiency, transportation, computer and communications technology, and others.

3. Increase Small Business Innovation and Research (SBIR) Funding: Capitalize on the resourcefulness of small U.S. companies and increase opportunities in key emerging industries by increasing the set-aside for R&D matching grants to small firms. Focus grants on critical technologies with highest economic potential.

4. Reorient Defense Labs: Redirect these crown jewels of the national R&D infrastructure toward national needs and assisting commercial industry, now that the cold war is over.

Industry-Laboratory Partnership Program: Establish a set-aside fund to support industry-led R&D projects.

Amend Stevenson-Wydler Act: Require "dual-use" R&D be done in partnership with industry whenever possible.

National Academy of Science Study: Commission a study to examine what role the defense labs should fill now that the cold war is over, and how the labs can best fill this role.

5. Fund AgileTech: Help establish U.S. manufacturing preeminence by funding the public-private consortium developing manufacturing concept known as Agile Manufacturing.

6. Extend the R&D Tax Credit: Help make American industry the most technologically advanced in the world through extension of this tax credit for research and development expenditures.

Provide Grants for Manufacturing Education and High Skills Retraining: Insure U.S. industry's access to the best scientists, engineers, and managers, through funding of manufacturing education programs administered by the DoD and NSF. Fund NSF administered retraining programs to high skill former defense industry employees making the transition to commercial industry.

8. Extend the Employer-Provided Educational Assistance Tax Credit: Extend this provision to encourage businesses to continually invest in upgraded skills for their employees.

BACKGROUND ON RECOMMENDATIONS—SENATE TASK FORCE ON DEFENSE TRANSITION, MAY 21, 1992

I. REINVESTING DEFENSE WORKERS

According to the Office of Technology Assessment (OTA), in 1991 about 6 million people were employed in defense-related jobs in the private defense industry and DoD uniform and civilian positions. By 1995, as many as 1.4 million defense-related jobs will be lost at a rate of about 350,000 jobs per year.

A. Fund Job Retraining for Peacetime

Recommendations

1. Existing Labor Funds: Continue DCA Program by extending the current obligation of $150 million through FY 97.

2. Urge the Department of Labor to promote and implement demonstration project grants, especially for in-house retraining by defense firms who are seeking to diversify or foster dual use capabilities.

3. Supplement Labor Funds: In FY 93, transfer additional funds from DOD to Labor to be used through FY 97.

Findings

The Defense Authorization Bill of 1990 provided the "EDWAA" program with $150 million in Department of Defense (DoD) funds earmarked for adjustment services to displaced defense workers. The Administration delayed the transfer of $150 million in DoD funds and the money did not reach the Department of Labor (DoL) until July, 1991, 9 months after authorization. Another 3 months passed before DOL guidelines were in place. During this one year delay, tens of thousands of defense-related jobs were lost, causing the Department of Labor to expend over $37 million for needed assistance to displaced defense workers. This limited the EDWAA resources that were available for assisting non-defense workers hit hard by the current recession.

Currently, the $150 million in DoD funds will expire at the end of Fiscal Year 1993. As of May 20, 1992, displaced defense workers seeking EDWAA services had received a mere $22 million of the $150 million earmarked DoD funds. Should September 30, 1993 arrive before the $150 million is expended, the remaining funds would be returned to the U.S. Treasury rather than reaching the defense workers needing assistance. Due to the delay in the transfer of funds, an extension on the date of expiration for these funds would be appropriate.

The OTA estimates that the $150 million will provide support for a considerable number of defense workers needing assistance, but that additional funds will be necessary to properly satisfy the full scope of defense reductions. Determining proper funding levels for assisting displaced defense workers remains uncertain, based on the difficulty of predicting future U.S. economic conditions and retraining demands. An improving economy would help to ease the transition for displaced defense workers. However, a continuing recession would increase the demands for EDWAA services, thus requiring a greater funding contribution. This suggests that a supplement in Fiscal Year 1993 funds should be modest. Supplemental EDWAA funds should be accompanied by report language that urges a prompt transfer from DoD to DoL. In addition, Congress should monitor the rate of spending of such funds to determine if displaced defense workers are being properly assisted during the transition.

The Department of Labor has set aside $15 million of the transferred $150 million for Demonstration Project grants. Such grants would attempt to promote innovative worker assistance projects. Guidelines for proposals for demonstration project grants were not circulated by the Department of Labor until April 28, 1992, and no such grants have been approved to date. Demonstration project grants would allow entities outside the DoL, such as State governments, local governments, or private firms to initiate creative worker assistance programs. Constructive use of these grants would include in-house retraining by defense firms who seek to retain their current workforce during diversification.

B. Job Retraining program Improvements

Recommendations

1. Support the ongoing efforts of the Senate Labor Committee to improve the overall functioning of JTPA and to ensure its relevance to the special need of displaced defense workers.

Findings

The Task Force was informed at the April 8, 1992 briefing entitled "Private Sector Retraining Issues" that there are some significant problems with existing JTPA programs for dislocated workers. It was stated that these diverse problems are being reviewed by the Senate Committee on Labor and Human Resources. This Committee is studying ways to strengthen JTPA, in the hopes of making this program work better for all workers, including defense employees. The Task Force understands that their efforts include a reexamination of our overall approach to displaced worker policy, perhaps in the context of the North American Free Trade Agreement. In the course of that effort, the Committee on Labor and Human Resources will seek to ensure that future improvements in JTPA take account of the special needs of displaced defense workers.

Recommendations

2. Amend Title 5 so that JTPA can be extended to workers at military installations scheduled for closure or realignment from 60 days to 12 months.

3. Require State EDWAA Managers to urge defense firm employers to provide increased communication on the status of contract terminations, program curtailment, and the end of a production line.

Findings

In 1990, the Base Closure and Realignment Commission announced that 34 military installations would close and 48 would be realigned by 1995. Another round of base closings will be announced in 1993. It has been estimated hat 40,000 civilian DoD employees will lose jobs as a result of base closings and realignments. A significant number of these employees will require retraining and other EDWAA assistance.

The advance notification by the Base Closure Commission provides many DoD employees with the knowledge that their jobs will be terminated often 2 to 3 years before a military base closes. However, currently DoD employees cannot receive EDWAA assistance until after they receive a RIF (reduction in force) notice. This notification takes place 60 days before a military installation closes. An extension of the eligibility date that base employees can receive EDWAA assistance would make these services more proactive to those needing assistance and will capitalize on the opportunity created by the advance notification of base closure decisions. In addition, early access to JTPA assistance will increase an individual's reemployment possibilities and help to reduce the costly and unpleasant scenario of unemployment.

In the case of worker displacement caused by contract terminations, program curtailments, or the end of a production run, the Worker Adjustment and Retraining Notification (WARN) Act requires 60 days notice before layoff, although loopholes in the law make its coverage incomplete. Ideally, workers who receive WARN notices can begin receiving EDWAA services at that time, if the states are prepared to provide rapid response services. Due to the relative uncertainty of defense industry reductions, providing proactive assistance to displaced defense workers is more difficult. However, when defense plant managers should be notified at the earliest possible date so they can begin providing rapid response services to displaced employees.

Recommendation

4. Allow States to reimburse their discretionary accounts with Defense Conversion Adjustment (DCA) funds if they have provided "Rapid Response" services to defense workers, and in doing so, contributed to the depletion of their discretionary accounts.

Findings

Although the DoL indicates that rapid response is encouraged at the state level, current Labor policies are disabling and restrictive in this area. At the April 8, 1992 Task Force briefing entitled, "Private Sector Retraining Issues", the Task Force was informed that an ongoing problem with Department of Labor regulations for Defense Conversion Adjustment (DCA) is that DCA funds cannot be used to reimburse states for rapid response expenditures specific to defense worker assistance. The OTA report states that, "delays in (EDWAA) services are aggravated by the DOL rule that prevents state and local agencies from paying for (rapid response) services up front with their own money and then getting reimbursed." Rapid response services, which include financial and personal counseling, skill assessment, resume writing, and job search skills training, serve as the vital first step in assisting displaced workers. To encourage proactive rapid response services, states should be reimbursed with federal DCA funds for defense-related rapid response expenditures.

C. Re-orienting Department of Defense *Military Employees*

By the end of fiscal year 1997, the Department of Defense (DoD) expects to have reduced the size of the active duty military by 25 percent or nearly 550,000 positions. During fiscal years 1992–1993, over 236,000 of these reductions will occur. The Administration has also proposed making massive cuts in the National Guard and Reserve components by the end of fiscal year 1993.

To reduce the size of the military services in the past, large numbers of draftees were demobilized. Today, the situation is different because we have an all-volunteer force. To help ease the burden on those who must leave the service through no fault of their own, Congress has enacted a safety net of pay and benefits for military members having less than 15 years of service. In this Congress, proposals are being considered to help smooth the reductions of senior officers and noncommissioned officers with 15 to 20 years of service and to encourage separating military personnel to pursue public service jobs. These programs will be temporary.

The final briefing of the Worker/Community Group focused on "Preparing Military Personnel for a Civilian Setting." A staff member from the Senate Armed Services Committee described the current benefit pro-

grams available to separating military personnel and new proposals to achieve balanced reductions in the military. An official from the Department of Labor described the Transition Assistance Program which provides job search assistance to active duty members scheduled for separation. Finally, a Florida education official described a plan the State has developed to help place ex-military in jobs which may require provisional certification or courses for jobs in regulated industries.

Recommendation

1. Support proposals to provide the Secretary of Defense voluntary early retirement authority to members having between 15 and 20 years of service.

Findings

Congress has provided DoD with a number of tools to plan for the military downsizing and minimize the impact of involuntary separations. In the National Defense Authorization Act for Fiscal Years 1992 and 1993, separation pay and voluntary separation incentives were enacted to ease the burdens on those who leave the military with less than 15 years of service. The Chairman of the Senate Armed Services Committee gave a speech on the Senate floor on February 6, 1992 in which he proposed giving the Secretary of Defense authority to offer early retirement to military personnel having between 15 and 20 years of service. This early retirement authority, available only to members in surplus skill categories, would help reduce the number of senior officers and noncommissioned officers in a compassionate and balanced manner. Individuals who retire under this authority would be eligible for immediate retired pay.

Recommendation

2. Encourage military personnel who retire under the early retirement program to take approved jobs in the public sector by allowing them to increase their military years of service credit by one year for each year of public service up to a total of 20 years.

Findings

Miliary personnel who will leave the service over the next five years represent an enormous pool of talent. These highly trained and well qualified people could fill critical jobs in our communities in a number of occupations—teachers, law enforcement officials, health care professionals, and community service positions. These retirees who won the Cold War could now redirect their talents and help solve many of our Nation's pressing problems while earning credit toward higher retirement pay.

Recommendation

3. Help military personnel get the training, education, certification, and job placement which may be required for employment in critical public service jobs, such as education, law enforcement, or medical services.

Findings

Military employees leaving the services to fill critical public service jobs may need additional training. Some training for critical jobs can be provided through the military, while other training must be done through civilian institutions and programs. The Task Force encourages states and localities to cooperate with DoD to enable these individuals to make a smooth transition into public service jobs.

Recommendation

4. Support a one-year leave of absence with pay for a military employee with relatively few transferable skills to pursue courses of instruction or education either within or outside the military.

Findings

Currently, the Montgomery GI bill provides benefits which are available to military personnel for post-service education. This educational leave of absence would enable active duty military members to take educational leave to prepare for critical civilian jobs. This proposal would help military members prepare for new careers before becoming dislocated.

Recommendation

5. Provide early retirement incentives and transition benefits for reservists.

Findings

By the end of fiscal year 1993, DoD plans to reduce the strength and force of the National Guard and Reserve components by 16 percent. If these cuts are approved by Congress, at least 185,000 people will be released from the Selected Reserve.

The Task Force supports a transition plan which ensures a safety net of benefits to personnel in the Selected Reserves who must leave because of the downsizing of the National Guard and Reserve components. These proposed benefits are consistent with programs already authorized or being proposed for active duty.

D. Assistance for Department of Defense *Civilian Employees*

Recommendations

1. Urge the Senate Governmental Affairs Committee to report legislation on how to provide the Department of Defense with the necessary tools to manage the downsizing of the civilian workforce. Options to consider include retirement incentives, annual leave accrual as retirement service credit, extended health insurance coverage, expanding DoD's Priority Placement Program to include all federal agencies, and creating a toll-free information number at OPM. This effort should be coordinated with the Senate Armed Services Committee.

Findings

While the Department of Defense is carefully planning and managing military force reductions, there does not appear to be a similar effort for civilian employees. Therefore, the Task Force believes that the Department of Defense needs special tools to manage the downsizing of the civilian workforce.

According to the General Accounting Office, DoD expects to reduce its total civilian workforce by 20 percent or 229,000 positions by the end of fiscal year 1997. 87,000 positions will be eliminated during fiscal years 1992-1993. 40,000 jobs will be abolished as a result of base closures and realignments. While these numbers are significant, the actual number of individuals who leave voluntarily or involuntarily will depend on how DoD plans and manages civilian workforce reductions.

On September 26, 1991, three members of the Senate Governmental Affairs Committee, Chairman John Glenn, Senator Sam Nunn, and Senator David Pryor, wrote Defense Secretary Cheney inquiring about the Department of Defense's plans for reducing the civilian workforce. This action was prompted by the previously approved safety net of benefits (Voluntary Separation Incentive and Special Separation Benefit) for separating military personnel provided in the National Defense Authorization Act for Fiscal Years 1992 and 1993. Six weeks later, a DoD official responded, "Our (DoD's) strategy for reducing the workforce is to encourage voluntary attrition * * * using creative out-placement efforts, such as job fairs and job clubs * * * and the * * * Defense Outplacement Referral System."

The first briefing for the Task Force's Worker/Community Group on April 6, focused on "Displaced Defense Workers: Transition Issues." The General Accounting Office told the members that DoD will not be able to maintain a balanced civilian workforce by following its current approach to civilian force reductions—voluntary attrition, retirements, and a partial hiring freeze. GAO also believes that DoD will not reach the required personnel reductions without handing out RIF (Reduction-in-Force) notices. GAO also has concerns about the future of the DoD civilian workforce. Various service officials interviewed by GAO believe that DoD's approach to civilian reductions will create future skill imbalances, an aging workforce, a gap in experience levels, and a "hollowed" force.

The Federal Managers Association, in its presentation to the Task Force, emphasized that DoD must establish a master plan for "rightsizing" the Defense Department and institute some innovative measures, especially voluntary separation incentives for DoD civilians. FMA believes such incentives will enable DoD to better manage the composition of its workforce and reduce the number of forced separations.

The American Federation of Government Employees, AFL-CIO, represents over 700,000 federal employees, one-third of whom work for DoD. AFGE presented a number of proposals to the Task Force to help DoD civilians through the downsizing. AFGE advocated a safety net of transitional assistance including a six-month salary bonus to retirement-eligible employees, early-out retirement incentives at installations affected by base closures and realignments, extension of Federal health benefits coverage for one year, and elimination of contracting out in DoD until downsizing is completed. To create jobs for DoD dislocated workers, AFGE recommended enhancing relocation assistance, extending the Priority Placement Program, and funding and mandating the environmental restoration of defense facilities.

Because of the general state of the economy, the overall reduction in defense-related jobs, and the decline in the acceptance rate of DoD employees eligible for early retirement from 18 percent to 5 percent, DoD needs to carefully plan for reducing civilian personnel so as to minimize the hardships on civilian employees and their families.

The Task Force has also been alerted to the changes occurring in the Department of Energy (DOE) weapons complex. Several DOE facilities will be closing, thousands of jobs will be loss, and communities will be impacted as a result of reduced nuclear weapons requirements. The unique needs of the DOE workforce must be recognized and appropriate assistance provided to these workers and affected communities during the transition from nuclear weapons production to environmental restoration in the DOE weapons complex.

Recommendation

2. Direct DoD to make an inventory of training programs within the Defense Department training establishment that can provide skills training for jobs in the civilian economy. Upon completion, DoD should identify which programs would be applicable to non-DoD civilian employment. Authorize DoD civilian employees facing separation through a reduction in force or base closing action to receive up to one year of skill

training in the Defense training establishment while still employed in DoD.

Findings

According to the OTA report, "The armed forces are the single largest trainer in the United States." Basic training, specialty training, and on-the-job training prepare soldiers for a variety of military occupations. Many military occupations have direct civilian application such as electrical maintenance, computer operation, air traffic controlling, financial management, firefighting, and medical assistance. OTA notes that even some combat occupations have skills that are transferable to civilian jobs such as hoist operators and survey technicians.

Currently, the Department of Defense does not have a comprehensive inventory of capabilities for in-house training that might be transferred to the civilian sector. Such an inventory and survey of potential civilian applications would be helpful in providing DoD civilians with an opportunity to receive up to one year of in-house training or retraining while still employed in DoD. This would enable civilians whose jobs end to make a smoother transition into non-DoD employment.

II. HELPING COMMUNITIES ADJUST

A. Office of Economic Adjustment (OEA)

Recommendation

1. Increase OEA staff levels and grant authority for community assistance coordination and planning grant administration.

Findings

DoD's Office of Economic Adjustment (OEA) is useful in providing communities with technical assistance and economic development planning grants. In addition, this office is responsible for coordinating a Federal response to community disruption caused by military reductions.

Through research, briefings, and contact with local communities, the Task Force was informed that OEA is a useful and competent office. However, additional resources would be helpful in allowing OEA to better focus its vital planning function. In FY 1992, OEA was budgeted $7.5 million. Due to a lack of foresight in planning, the Administration's FY 1993 budget request for OEA is $4 million. This figure should be increased significantly in FY 1993 Defense Authorization and Appropriation bills. The OTA suggests that the greatest demand for government assistance during the defense reductions will take place during FY 1993. Therefore, the important planning and agency coordination function of the OEA must be emphasized through increased funding levels. These funds would reinforce OEA's role in "helping communities to help themselves" by increasing OEA staff and grant authority to better assist in coordinating community planning.

In January of 1992, this small Pentagon office, consisting of 17 professional staff, was providing assistance to over 100 communities nationwide. An increase in OEA staff for community planning assistance would allow this office to become more proactive in providing important planning assistance toward economic development. In addition, targeted OEA regional offices could be operated to allow staff to respond quickly to and interact more frequently with affected communities. Regional offices, if established, should not hinder the grant administration process.

Inevitably, the pace and scope of a community's economic rebound will be determined by the success (or failure) of the OEA's ability to assist communities with the important function of developmental planning. In FY 1992, OEA will administer $5 million in planning grant authority. This planning grant authority should be increased to allow the OEA more flexibility in providing important community planning assistance.

B. Economic Development Administration (EDA)

To complete the full cycle of federal assistance to distressed communities, the services provided by the Commerce Department's Economic Development Administration (EDA) are essential. Whereas, the OEA helps communities to formulate a comprehensive rebound plan, the EDA is responsible for funding implementation projects, such as architectural and utility renovation and overall industrial development.

In the 1970's, EDA provided an average of $3.5 million (in 1991 dollars) for each defense-related project assisted. This figure is indicative of the strong federal role in economic development in the 1970's. During the current defense reductions, the need for similar resolve among federal programs should be anticipated and promoted. Unfortunately, upon reviewing the Economic Development Administration, the Task Force concludes that this office is indicative of the current Administration's hands-off approach toward economic recovery.

The Task Force notes that the EDA has not been included in a President's budget request since FY 1981, nor was it included in President Bush's FY 1993 budget. Continued appropriations by the Congress has kept this office open and operational to date. The current Administration, however, did begin to promise federal funds to economically distressed communities earlier this year.

The current Administration's ambiguity on the importance of EDA is of concern considering EDA's significance in completing a successful community assistance cycle. The planning assistance being orchestrated by the Pentagon's OEA is of little value without the implementation function of the EDA. The OTA estimates that approximately 160 communities will require EDA assistance for defense-related projects by 1997. Unfortunately, the EDA's decade of uncertainty (1981–1991) has made this office painfully unequipped to successfully handle even a remote portion of the upcoming community projects. With an annual budget of merely $12 million for this effort, the EDA will face an overflow of demand from distressed communities that will seek EDA funds to stimulate economic recovery.

Recommendations

1. Existing EDA Funds: Extend through FY 97 the spending authority on the current $50 million scheduled to expire on September 30, 1993

2. Supplement EDA Funds: In FY 93, transfer additional funds from DoD to Commerce for EDA grants through FY 97.

Findings

The Administration delayed the release of the $50 million in FY 1990 DoD funds to supplement EDA assistance grants. These funds did not reach the Department of Commerce until February 1992 and only $100,000 have actually been distributed to communities in need. The transferred $50 million will expire at the end of FY 1993. Increasing demand for EDA services should ensure that these funds are rapidly expended, although an extension of the expiration date would ensure that the funds are fully distributed.

Needless to say, if the President's budget request to kill the EDA is approved, this would bring an abrupt end to numerous constructive community assistance programs that will require EDA's implementation assistance. Furthermore, the Task Force notes that the EDA is the only government agency currently capable of providing communities with economic devastation assistance. As a result, current EDA funding levels appropriated by the Congress would be grossly inadequate for providing necessary assistance to communities suffering from defense and non-defense related economic devastation. The Task Force therefore strongly supports supplementing EDA funds for defense conversion assistance. This should take place through a transfer of DoD fiscal year 1993 funds and by increasing EDA's future funding levels. These funds would allow the EDA to better meet the needs of communities formerly dependent on defense spending. In addition, these actions would be consistent with the Task Force's directive of promoting job creation through economic development.

Recommendations

3. Ensure EDA's Position: The Task Force endorses the mission of the Economic Development Administration which has the function of assisting not only defense dependent communities but also communities which experience non-defense related economic distress. The Administration should be directed to clarify and support EDA's long-term mission of providing support for distressed communities and promoting economic development.

4. Require EDA to streamline the application process and press for better coordination with the Office of Economic Adjustment in making the transition from planning to implementation assistance for affected communities.

Findings

Department of Commerce staff have noted that EDA has not issued constructive policy reform since the office failed to receive the full backing of the Executive Branch in 1981. In short, EDA's policies need to be brought into the 1990's, by concentrating more on effective community programs to help local businesses and communities grow. As a result, constructive reshaping of EDA policies is necessary, so they might better reflect current and future needs. In addition, the insecure nature of EDA's annual battle for survival has hindered the office's ability to maintain a fully effective workforce. As the demand for economic development assistance rapidly increases nationwide, it is imperative that the President clearly defines EDA's role and function. This is necessary to ensure that effective assistance can be provided to communities struggling to recover from a dependence on defense spending.

In addition, the Task Force was informed that applying for and receiving EDA funding is a difficult and lengthy process. Months, or even years, can pass before a community actually receives a grant. To date, although communities have sought over $23 million in EDA funding, only $100,000 have been distributed. The EDA should strive to streamline the grant application process.

C. Small Business Administration (SBA)

Recommendation

1. Preferred Loans to Defense Firms: Provide direct, low interest rate loans to small businesses adversely affected by base closings or contract terminations.

Findings

The Small Business Administration provides financial assistance to small business firms, mostly in the form of government-guaranteed loans. However, small businesses impacted by base closures and defense indus-

try cutbacks may need special financial help in the form of direct emergency loans to generate new economic activity. The Task Force recommends that such a preferred loan program be established to assist small businesses impacted by defense spending reductions at a time when financial help may not be readily available from local lenders.

Recommendation

2. Government-Guaranteed Loan Program: Provide supplemental appropriations in FY 92 to ensure that adequate resources are available for such loans.

Findings

The SBA 7(a) Guaranteed Business Loan program approved guarantees of nearly $30 billion for business loans between 1980 and 1991. This program, which has helped small businessmen start-up or purchase firms more often than commercial loans, has broad base support from both loan recipients and the Congress. However, the Task Force is aware that these loans will run out in July 1992 unless Congress provides supplemental funding. The Task Force recommends that this funding be provided so that the numerous small business firms formerly dependent on defense spending can continue to seek financial assistance.

D. Department of Education

Recommendations

1. Direct the Secretary of Education in conjunction with the Secretary of Defense to report annually on school districts which will be adversely impacted by military base closings, realignments, and redeployments.

2. Impact Aid Grants to School Districts: Allow needy school districts impacted by base closings to receive an additional year of phase-out funding. This would be accomplished by allowing payments under Section 3 of Public Law 81-874, the Impact Aid Program, to be based on prior year data in calculating the formulas for distribution of funds for Impact Aid. This would enable eligible school districts to receive Section 3 payments earlier in the school year and allow them to better plan annual operating budgets.

Findings

The Impact Aid program provides annual subsidies to local education agencies that enroll children of federal dependents. Approximately 40 percent of the current Impact Aid program is used for assisting local education agencies that enroll students from military dependent families. As military installations close and realign in upcoming years, many school districts will be adversely affected. These local education agencies may now face losing these funds, due to the departure of military dependent students after base closings.

The current Impact Aid program allows a gradual, three year phase-out of funding (under Section 3(e) of Public Law 81-874) for local education agencies whose Impact Aid entitlement is sharply decreased as a result of a base closing. In the first year after a base closes, a local education agency receives 90 percent of its previous years entitled funding level. In the second year after a base closes, the education agency receives 90 percent of the previous year's entitled funding level. Finally, in the third year, the education agency receives 90 percent of the funding received in the second year after a base closes. This 90-90-90 phase out is helpful in easing the transition for local education agencies that must restructure their annual budgets to meet the needs of remaining students.

The Senate Education Subcommittee has been attempting to reshape the Impact Aid calculation formula to allow funding distribution to be based on prior year data, rather than current year data. The Task Force supports this program change. If the entire Impact Aid program were to be based on prior year data, an additional year of phase-out funding would be available to local education agencies in base closing areas. Rather than the current 90-90-90 three year phase-out plan, prior year data calculations would provide these education agencies with four years (100-90-90-90 percent) of funding for phase-out assistance.

The Impact Aid program is funded annually at approximately $740 million. However, the Task Force was informed that this program is underfunded and only about 60 percent of the required Impact Aid assistance actually reaches education agencies each year. Therefore, a funding supplement by DoD in fiscal year 1993 to support phase out funding (Section 3e) to base closures should be considered. Such a supplement would be used strictly to help fund the phase-out funding for education agencies in base closing areas, as well as school districts that enroll military dependent students in areas where military bases will remain open and operational.

In an attempt to allow the Department of Education to better understand the impact of the ongoing closing of numerous military installations and realignments that will shift military dependent students from one school district to another, an annual report on the status and implications of these changes is encouraged.

E. Tax Incentives for Community Growth

Recommendation

1. Urge review of various tax incentives to stimulate economic activity in geographic areas hit hardest by the reduction of U.S. defense spending. Tax incentives should target relief for problems caused by worker displacement due to cancellation of government contracts, defense industry downsizing, base closings, and force reductions. However, more importantly, these tax incentives should encourage long-term economic growth.

Findings

The Task Force believes that creative tax incentive programs could stimulate entrepreneurship, create jobs, and promote the revitalization of economically distressed areas caused by cuts in U.S. defense spending.

This general concept is similar to Federal Enterprise Zone legislation passed by Congress in 1987, following the apparent success of similar efforts in numerous States. The defining statute stipulated that up to 100 zones be created in economically distressed areas.

Since the legislation passed in 1987, there have been many legislative proposals before Congress to provide specific tax incentives to economically distressed areas. On March 20, 1992, Congress passed the Tax Fairness and Economic Growth Act of 1992, H.R. 4210, which included tax incentives for urban tax enterprise zones and rural investment zones. However, the President vetoed this effort. Therefore, to date, no zones have been created because legislation providing specific tax incentives has not been written into law.

Tax incentives included in legislative proposals may be grouped as either capital subsidies or labor subsidies. Capital subsidies generally include tax credits for investment, special capital gains treatment, accelerated depreciation, tax-exempt bonds, and deduction for purchase of enterprise zone stock. Labor subsidies generally include tax credit for employers and tax credits for employees.

F. Environmental Restoration at Base Closings

Recommendation

1. Encourage joint reviews by the Senate Armed Services Committee and the Senate Committee on Environment and Public Works on the base closing policies and regulations of DoD's Defense Environmental Restoration Program. These reviews would monitor the important funding and regulatory issues that will affect base closing communities, in an attempt to accelerate environmental clean-up and ensure rapid public use of closed military installations.

Findings

Before military sites can be transferred for non-military purposes, federal law requires the environmental remediation of those sites. But, the OTA found that "(f)or bases due to be closed, the problems of environmental degradation are especially urgent. These problems can greatly limit the options available; they pose health hazards to people who might work in new facilities on the closed base, and they scare off companies that might otherwise set up new operations there."

In 1984, the Defense Environmental Restoration Program was established by Congress in 1984 to promote and coordinate efforts to evaluate and cleanup contamination at Defense installations. The Department of Defense now estimates that it will cost $24.5 billion to investigate and remediate sites now identified.

Prompt environmental restoration of closed bases is needed to facilitate the reuse of base property and to minimize the impact of base closures on communities. In 1991, the Defense Environmental Response Task Force, created by Congress in the Base Closure and Realignment Act of 1988, made several recommendations for legislative and regulatory action to expedite and improve the restoration process. These recommendations deserve serious attention.

As a result, the Task Force believes that the Senate Armed Services and Environment and Public Works Committees should carefully monitor these important environmental issues during base closings.

G. Additional Issues

1. Health Care

Access to high-quality, affordable health care is essential to the well-being of all Americans. However, medical costs continue to increase at an alarming rate. As a result, families fear a major illness will drain their life-savings and the ability of American businesses to compete internationally is undermined. More than 30 million Americans have no health insurance at all, and others worry that they too will join the ranks of the uninsured. In short, we need comprehensive health care reform to provide high quality care to all Americans at a reasonable cost.

The decline in defense employment and the conversion to a peace-time economy further show the need for comprehensive health care reform. Over the next four years, 1.4 million people, military, civilian, and defense industry workers, will lose their jobs because of the cutbacks in defense spending. Not only will these workers face uncertain futures, many will probably lose their health insurance coverage. While laid-off workers may continue coverage under their group health plan at their own expense, the reality for many displaced employees is that they will

not have the money to pay for continued coverage.

Defense cuts also pose a significant problem for military retirees who live in communities where bases are scheduled to close. Retirees and their families lose a major benefit—access to local base hospitals, clinics, and pharmacies. Consequently, they will be forced to turn to CHAMPUS or Medicare both of which require cost-sharing.

To deal with the urgent, immediate needs of those impacted by defense cuts, Congress should consider encouraging the Department of Defense to provide military retirees in base closure areas with alternative health care options which are both accessible and affordable. In addition, Congress should explore the possibility of assisting the numerous defense industry employees who lose their jobs because of defense reductions, and as a result, lose access to their health care coverage.

Overall, the Task Force believes that the need for quality, affordable health care for dislocated defense workers as well as for all Americans would best be achieved through comprehensive health care reform.

2. Property Disposal

For many years, the General Services Administration (GSA) was operating numerous defense-related property disposal programs, including programs to remove DoD property from a military installation after a base closes. However, due to a policy change in 1988, the Department of Defense began controlling the property disposal programs for closing military bases. The responsibility for removing and disposing of base property was delegated to the various Armed Services.

The Task Force was cautioned about a growing concern among local communities regarding Department of Defense property disposal policies at closing military installations. The Congress should review the policies surrounding base property disposal, in an attempt to monitor and expedite the distribution process of former base property.

III. INDUSTRIAL TRANSITION, ECONOMIC GROWTH, AND JOB CREATION

A. Industrial Transition and Assistance

According to estimates of the Brookings Institution, DoD outlays for goods and services will decline over the period FY1992–FY2001 by as much as 48%. The Administration's own budget figures project a decline of 25% in these outlays over the period FY92–97. Because the Defense Department does not maintain comprehensive records of subcontractors, it is impossible to say just how many firms will be impacted, but it will be many thousand if not tens of thousands.

Some large, prime defense contractors are adopting strategies to survive lowered defense spending by down-sizing their operations. Some are trying to increase non-military sales to branches of government other than the DoD. Large prime contractors are less suited for diversification into new commercial markets than the smaller primes and subcontractor, though, and as such they are less likely to pursue this strategy on a large scale.

Recommendation

1. Fund Regional and State Manufacturing Extension Services.

Facilitate the transition of defense firms into new markets and bring the overall level of U.S. manufacturing technology up to world class standards through support of manufacturing extension programs assisting small and medium sized firms.

Findings

Many small defense prime contractors and subcontractors—which account for approximately one-third of DoD purchases—are more likely than large prime contractors to already have commercial customers, and are more capable of diversifying into commercial markets since the equipment, processes, and labor force used to produce items for the military are often the same as those used for commercial production.

Nevertheless, small defense firms particularly need assistance with sales and marketing if they are to successfully diversify into new commercial markets. Moreover, the productivity and competitiveness of small and medium sized defense and non-defense firms could be greatly enhanced if they became familiar with and implemented best manufacturing practices and up to date, off-the-shelf technologies.

The United States has over 355,000 of these small and medium manufacturing firms (SMEs) with 500 or fewer employees each. They employ 8 to 10 million workers, account for more than half of manufacturing value-added in the U.S., and they are the heart of the subtier firms that support defense prime contractors. Nevertheless, SMEs in general lag in the adoption of advanced manufacturing technology, broadly defined-equipment, worker training, shop floor organization, quality, etc.

One way to address these needs is through support of manufacturing extension centers. These centers operate on a model analogous to that of agricultural extension programs which assist farmers with improved agricultural production methods. The U.S. currently spends less than $100 million per year on manufacturing extension ($20 mm federal), compared to $1.1 billion on agricultural extension. The Germans and the Japanese on the other hand, invest heavily in these services for their industries. Japan has a public network of 170 manufacturing support centers (kohsetsushi) which employ 7,000 employees and receive $500 million per year in federal funding.

Manufacturing extension programs have been endorsed by several OTA reports, the Competitiveness Policy Council, the Council on Competitiveness, the National Academy of Sciences,and a number of industry associations.

Recommendations

DoC Manufacturing Technology Center

Two manufacturing extension programs are currently operated by the National Institutes of Standards and Technology (NIST), a unit of the Commerce Department's Technology Administration. First are the Manufacturing Technology Centers of MTCs. These centers reach out to small and medium-sized manufacturers, help them modernize equipment and manufacturing practices, and thus help them increase productivity and retain jobs. NIST currently supports five MTCs in Ohio, New York, South Carolina, Michigan, and Kansas, and FY 1992 appropriations will allow the creation of new additional centers. MTCS operate with an annual budget of $6 million each and are funded jointly by NIST and the applicant, usually a nonprofit corporation affiliated with a state government or university. Centers are selected through a competitive process. An expanded number of centers, and closer links with existing state extension activities, could reach significantly more of the nation's small manufacturers and help retain jobs.

The Task Force supports expansion of this program.

Recommendation

DoC State Technology Extension Program (STEP)

Another Department of Commerce manufacturing extension service program is the NIST State Technology Extension Program (STEP). STEP helps state governments improve the coordination and effectiveness of their technology and manufacturing extension programs. STEP does this by providing small planning grants to the states through a competitive awards process and by holding workshops and related activities to share information among state governments. STEP currently operates on a very low budget—$1.3 million per year.

The Task Force recommends that funding for this program be expanded.

Recommendation

DoD Manufacturing Extension Program

A DoD Manufacturing Extension Program has also been authorized, but not funded, to assist with transitional needs and to modernize the defense industrial base. This program provides matching DoD funds for a wide range of existing state, local, and nonprofit programs including in-factory assistance programs, teaching factories, computer integrated manufacturing (CIM) centers, flexible manufacturing networks, and high-performance manufacturing infrastructures. The emphasis of the program is on deploying proven, off-the-shelf technology and manufacturing methods.

Grants are awarded through a competitive process which emphasizes: 1) The need for integrated programs that tackle interrelated problems of training, management, and technology; 2) strong involvement by key customer firms, manufacturing equipment vendors, and industry and labor groups; 3) potential to reach defense SMEs making the transition to the commercial sector. The program would be operated with close coordination between the Defense and Commerce Departments.

The Task Force advocates funding for this program.

Recommendation

2. Fund Regional Technology Alliance

Address common industry transition needs and encourage overall economic activity through a focus on regional industrial clusters. Fund regional efforts devoted to applied R&D, specialized training, market research, export promotion, and testbed facilities.

Findings

As Michael Porter writes in The Competitive Advantage of Nations, highly competitive industries are almost always found in tightly knit clusters (e.g., optics in Rochester, electronics in Silicon Valley, aerospace in Seattle and Southern California). Defense SMEs in a particular sector tend to locate near prime contractors of federal R&D facilities, and thus are often geographically clustered. These regional clusters offer common opportunities and common problems such as transitional assistance, worker training, R&D, export promotion, and the supplier-customer communication necessary to compete in high-value-added commercial markets.

The Regional Technology Alliance program in the Department of Defense (also known as Critical Technology Application Centers) is a way to address these needs. This program, which has been authorized but not funded, would provide federal support for a system of regional, sectorally-based alliances, with top priority for defense-dependent areas. The alliances would be industry

led with participation by state and local agencies and universities. Funds would be awarded on a competitive basis with the federal share of funds equal to 50%.

A particular goal of the program would be the promotion of supplier networks and other forms of inter-firm collaboration. It would also provide applied R&D and shared industrial services oriented to SMEs making the transition from defense to commercial production. Such services would include, testing facilities for new products and prototypes; design and management assistance; education and training; manufacturing extension; market research and monitoring; export promotion; quality testing and standards certification; and other services as determined by member firms.

OTA recommends this approach in After the Cold War: Living with Lower Defense Spending, as does the Los Angeles Economic Roundtable in "Transforming a Defense Dependent Industrial Base." Existing alliances are already tackling defense adjustment e.g., Florida's Technology Coast Manufacturing and Engineering Network; Massachusetts' Machine Action Project.

Recommendation

3. Provide DoC Grants for Regional and State Industrial Services Programs

Promote a quick and flexible response to the transitional needs of defense and other industries through support of state and regional industrial services programs.

Findings

Many of the federal programs described above (STEP, DoD Manufacturing Extension Program, Technology Alliances) are decentralized in nature; that is they provide matching federal funds for existing state or regional programs. Because state governmental entities are so close to the problems of firms and workers in their own areas, they can often provide a quicker, more flexible, and more appropriate response to their individual state problems than the federal government can.

To provide additional support for state assistance to industry, and to improve coordination with ongoing federal efforts, the Task Force proposes that a new grant program be developed within the Department of Commerce's State Technology Extension Program. These grants would have three purposes: 1) to promote "one-stop shopping" for companies through the coordination of all Federal and state resources devoted to assisting small defense and non-defense manufacturing firms, including not only technology extension programs but also export promotion services, Small Business Development Centers, worker training programs, and other industrial services; 2) to assist in the creation of industrial services programs in states without them; and 3) to provide direct funding support to ongoing state industrial services programs.

Recommendation

4. Provide Trade and Export Assistance

Overseas markets can provide diversification opportunities for defense firms looking for non-military, commercial opportunities and for non-defense firms looking to expand.

Findings

In an increasingly competitive global economy, exports are fast becoming a major component of business growth. Indeed, during the 1980's, exports provided the engine for U.S. expansion, accounting for about two-thirds of the total growth during the decade. Nonetheless, the U.S. has not yet reached its full potential for exporting, and most other Western industrialized nations export a much higher percentage of their output.

Much of this is attributable to broad political and macroeconomic factors, such as the federal budget deficit and trade barriers abroad. However, it is also clear that U.S. export promotion programs are under-funded and lag far behind those of our competitors. For example:

In FY 1991, according to the General Accounting Office, the U.S. spent $2.67 billion on export promotion programs. About three-fourths of this amount—$1.97 billion—is spent by the Agricultural Department.

In 1987, according to the Commerce Department, Canada spent almost $17 per capita on commercial services, while the U.S. spent $0.41 per capita to promote industrial exports.

In 1990, according to figures compiled by the Commerce Department, France maintained one foreign commercial officer in Tokyo for every six French businessmen there, and Italy maintained one foreign commercial officer for every two Italian businessmen. The U.S. had one for every 62 businessmen.

Recommendation

Increase Funding for U.S. and Foreign Commercial Service

The U.S. and Foreign Commercial Service maintains a network of offices in the U.S. and in major countries across the globe. By helping U.S. companies expand their contracts in other countries, the US&FCS serves literally on the "front lines" in the export promotion effort.

A 1989 GAO report found considerable disorganization at many posts in the U.S. and abroad. However, the US&FCS just completed a full-scale strategic review of its mission and operations, including the performance of its computer network, the Commercial and Information Management System (CIMS). The GAO and other observers believe the US&FCS has made strong progress in tightening up its organization. What it lacks now is funding.

For FY 1993 the Administration requested $115.8 million for the US&FCS, a decrease in real terms from the FY92 level of $114.1 million. The Task Force recommends a gradual but steady increase in US&FCS funding.

Recommendation

Increase funding for the Trade and Development Program

This program provides financing for feasibility studies and other planning project services for major development projects throughout the developing world. These projects, once underway, often provide a large yield to U.S. exporters. It is commonly estimated that each dollar spent on the TDP program eventually yields approximately $70 in U.S. exports.

For FY 1993 the Administration requested $40 million for the TDP, an increase over the FY 1992 level of $35 million. The Task Force recommends that funding for the TDP program be increased further.

Though not a formal recommendation, the Task Force also believes serious consideration should be given to implementing the Market Development Cooperator Program. This program, established in the 1988 Trade Act, requires the Secretary of Commerce to enter into agreements with non-profit industry associations, trade organizations, private industry firms, and state government departments of trade, to promote non-agricultural exports. This program is modelled after similar programs which have been successfully implemented for the agricultural sector. It has not yet been formally implemented by the Department of Commerce.

Title II of the Omnibus Export Administration Amendments Act of 1991, currently awaiting a House-Senate Conference, would establish a $5 million line-item for this program. The Task Force believes this proposal has great merit.

Recommendation

5. Amend DoD Recoupment Policy

Encourage defense firms to diversify and achieve a payoff for the commercial economy from defense R&D by revising the policy which currently requires recoupment of R&D money spent on military technologies that are commercialized.

Findings

Diversification into the commercial sector is difficult for large prime defense contractors, in part because the technical nature of defense production is different from commercial production, e.g., special processes, equipment, and skills used to assemble large weapons systems such as tanks and aircraft.

Nevertheless, defense contracting as carried out by the large primes is so different from commercial production, primarily because of the many unique requirements that the DoD places on the contractors. These requirements include unique accounting practices, auditing practices, procurement practices, military specifications and standards, and other features unique to the defense business.

The DoD and Congress should work prudently to ease these barriers to civil-military integration. Doing so will decrease the defense dependency of military contractors and make future defense down sizings easier for firms. Moreover, the discipline of the commercial market would be likely to encourage greater efficiency in the defense-industrial base, and the technical advances and revenues flowing from commercial activities would reduce the need for government subsidization of R&D and production for defense goods.

Much work needs to be done to make civil-military integration a reality. The Task Force makes one recommendation in furtherance of this goal, namely that the DoD revise its policy requiring recoupment of government R&D spent to develop defense technology which is later turned into commercial products and sold.

As a matter of law, when defense companies sell defense equipment to foreign countries, the companies are required to add to the cost of any such equipment any non-recurring costs of developing the equipment that were paid for by the U.S. government, and to allow the U.S. government to recoup those costs. E.g., if the U.S. government paid for R&D on the system, then a portion of the R&D must be attributed to all subsequent sales, and that portion is repaid to the U.S.

As a matter of policy, not law, DoD has expanded the recoupment policy to cover components. In the 1980s, the policy was further expanded to cover technology. This imposes a significant paperwork burden on companies, because it requires them to track all technology they use, to determine what was developed at DoD expense, and to add that cost to the price of the product.

The difficulty of tracking components and technology serves as a powerful disincentive to the application of defense technologies in the civilian sector, and adds to the cost of civilian products that use defense technologies.

The Task Force initiative would limit the application of DoD's recoupment policy to

those areas where it is required by law (e.g. foreign military sales of specific equipment), so that defense companies would not have to track the use of technology and components. This would encourage DoD companies to apply their expertise in the civilian sector without the paperwork and financial burdens that have been imposed by DoD's recoupment policy. Such a revision will benefit defense companies which would be more diversified and hence less vulnerable to defense downsizing, and it will benefit the economy in general which will enjoy the fruits of government funded defense R&D.

B. Investment in Growth Technologies

In the long run, adjusting to lower defense spending and to the structural changes that have battered our economy over the last decade can only be accomplished by private and public investment in strategies and programs which create economic growth. Economic growth depends on increased productivity, product innovation, and leadership in industries with a high multiplier effect for the economy, all of which create higher wages.

A comprehensive growth strategy designed to realize all of these goals would necessitate broad recommendations covering fundamental education and training reform, deficit reduction strategies, changes in tax policy and financial regulation to encourage formation of patient capital, strategic trade policy, and a strategic technology policy.

The Task Force charter was not broad enough to make thorough recommendations in all of these areas. Instead, the focus on transition and reorientation led to a set of growth recommendations guided by the concept of reinvesting defense money and resources in projects which offer high potential pay-off for the commercial economy. Central among such projects are efforts to develop critical technologies which underlie the high value-added, high wage, growth industries of today and the next century. In addition to fostering long-term economic growth, such investments will also provide immediate transitional assistance, since these investments mean new R&D opportunities for companies facing the loss of defense projects.

The U.S. Government spends approximately $70 billion per year on R&D, sixty percent of it for defense related R&D. As a percentage of GNP, the U.S. spends only two-thirds the amount on non-defense R&D as our major competitors the Japanese and the Germans do. Commercial spinoffs of defense research do occur, but relying on spinoffs is not a reliable or efficient way to achieve commercial technological innovation.

While larger overall investment in R&D might be desirable, it is clearly important that with the end of the cold war, the U.S. should be investing a larger portion of its R&D in projects which benefit the commercial economy. Moreover, that portion of the R&D budget which continues to be spent for defense needs should be spent in such a way that it provides greater commercial benefits—so called "dual-use" R&D.

Recommendation

1. Fund Critical Technology Partnerships with Industry

Vie for leadership in the industries of the 21st century and create R&D opportunities for defense and non-defense firms through grants to industry-led partnerships developing critical technologies.

Findings

Because the technical risks and financial barriers to developing critical technologies are so great, no one company has the resources or is willing to take the risks to individually develop some of these technologies successfully. Therefore, it will be necessary for the government to act as a catalyst as well as a backer in some cases, of U.S. industries' efforts to develop and lead in the application of these new technologies.

Moreover, while government substantially directs what defense R&D is performed since it is the ultimate consumer of most defense goods, commercial industry should have a much bigger role in directing commercial needs. Government partnerships with industry are the model to follow for developing many critical technologies. Federal support for commercial R&D can be leveraged and effectively focused if matching requirements are placed on industry recipients. Industry R&D can often be more effective if conducted by consortia and other types of cooperative ventures. Finally, competitive selection of R&D recipients should almost always be the rule when awarding funds.

Several government authorities exist or have been proposed to administer funding for industry R&D partnership programs.

Recommendation

DoC Advanced Technology Program (ATP)

The Task Force proposes a significant expansion of the Advanced Technology Program (ATP), operated by the Commerce Department's National Institute of Standards and Technology (NIST).

Findings

The ATP was created by the 1988 Omnibus Trade and Competitiveness Act and makes awards to companies and groups of companies to support industry-led projects to accelerate the development of important new technologies in such areas as electronics, advanced manufacturing, advanced materials, and bioprocess engineering. Industry shares in funding the projects, and awards are made through a competitive process. The ATP does not support the development of products. Instead, it supports industry-led efforts in the "precompetitive" stage of research, when difficult technical problems must be overcome before companies can turn promising laboratory inventions into successful commercial products. By helping industry with long-term, often economically risky research and development, the ATP helps speed the commercialization of new technologies and helps ensure that American companies get the benefits of American inventions.

To date, the ATP has made two rounds of awards. In March 1991, DOC made its first ATP awards—11 grants totalling $9 million. In April 1992, DOC awarded 27 new grants based on FY 1991 appropriations. FY 1992 appropriations of $49 million will fund a third round of awards. Expanded funding would allow the ATP to support many more industry-led R&D projects.

Recommendation

DARPA Dual-Use Technology Partnerships

The task force recommends that an increased portion of DoD budget be devoted to the Defense Advanced Research Projects Agency's program to enter into dual-use technology partnerships with the private sector.

Findings

These partnerships, which are competitively selected by DARPA and are cost-shared with the private sector, generally involve consortia of private sector firms. These partnerships prominently demonstrate the importance of achieving civil-military integration for technological purposes, since they enable DARPA to stay abreast of private sector R&D efforts in critical dual-use technologies where the commercial marketplace, not the defense sector, increasingly drives technology development. Moreover, they enable the private sector participants to develop and apply these technologies both for commercial and defense purposes more rapidly than they could with only their own resources. Much like the commerce ATP program, the DARPA R&D grants do not support the development of products. Instead, they support industry-led efforts in the "precompetitive" or "generic" state of research.

This program was first authorized in fiscal year 1991 by the Congress. It received a $50 million appropriation in FY91 and a $60 million appropriation in FY92. The administration did not request funds for the program in fiscal years 1992 and 1993, but DARPA has faithfully implemented it.

DARPA is using the first two years' funds to set up thirteen consortia in areas such as optoelectronics, electronics, advanced materials and high-speed communications.

The average DARPA investment in a partnership has been $8 million. In most cases the private sector has at least matched the DARPA investment. DARPA has closely coordinated this program with the Commerce Department's Advanced Technology Program.

Recommendation

Support Ongoing Civilian Aerospace R&D Partnerships in NASA

Findings

An integral part of NASA's mission is to be the catalyst for the development of technologies useful to civilian aviation and space industries. NASA fulfills this role by funding R&D projects in these areas in cooperation with industry. For instance, NASA's Office of Aeronautics and Space Technology conducts research and development on technology which strengthens the leadership of the U.S. in aviation and space use. Technologies development by this office or in development include flight controls for aircraft, technologies for aging aircraft, the next generation Concorde, new launch techniques, and communications technologies.

NASA's Office of Commercial Programs supports efforts to develop the new commercial opportunities that space offers. This office funds a group of Centers for the Commercial Development of Space located at universities around the country, which develop technologies in cooperation with industry including robotics, materials processing in space, and remote sensing technologies.

The U.S. aerospace industry enjoyed a $30 billion trade surplus in 1991, the largest of any domestic manufacturing industry. As DOD funding of aerospace R&D falls, NASA's role in this area will become even more important. While the Task Force does not necessarily recommend increased funding for the NASA aerospace R&D partnership, it recognizes the critically important role the agency and the space program play in maintaining a strong U.S. aerospace industry, and it recommends continued support for these ongong efforts.

Recommendation

Initiate the National Environmental Technologies Agency To Fund Grants for Environmental R&D.

Findings

Legislation to create the National Environmental Technologies Agency (NETA) was

introduced by Senator Mikulski on April 29, 1992. The goal of NETA is to assist private industry, universities, and nonprofit research centers in developing environmentally sound and energy efficient technologies to help secure America's environmental security and competitiveness.

According to the Organization for Economic Cooperation and Development, environmental technologies currently represent a $200 billion per year market which will grow to $300 billion per year by the end of the decade. The Task Force recognizes the importance of this class of technologies for future U.S. jobs and economic activity. Examples of such technologies include air pollution control products, water treatment equipment, lead-free products, and others.

NETA would be a small independent agency modelled after the highly successful Defense Advanced Research Projects Agency, or DARPA. NETA is designed to reduce bureaucracy by coordinating efforts of other agencies and streamlining support for research and development. Once formed, the Agency would identify areas that need technical solutions and that are not receiving product oriented research.

NETA would provide support for these efforts by offering loans and grants, or by entering into cooperative agreements with the private sector or the university community. NETA would then assist in deployment of these technologies by coordinating exchange of information and by providing the needed technical assistance to transfer these ideas into consumer and industrial products and equipment.

Recommendation

2. Emphasize Dual-Use in DOD R&D

Within the DOD R&D budget, set aside additional funds for projects that meet significant defense needs and that have a potential for application in the civilian sector.

Findings

Given the substantial reductions in defense expenditures anticipated over the next five years, we can no longer expect defense R&D to be performed primarily by defense-dependent firms that invest substantial amounts of their own funds in R&D in anticipation of profitable returns during large production runs.

We will instead need to rely to a much greater extent on firms that are not dependent primarily upon government funding, but which have a strong commercial base. In addition, defense needs will increasingly be met through the application of dual-use technologies and products.

DoD currently invests in R&D on the basis of specific military priorities. In setting priorities, DoD does not take into account potential civilian applications. The Task Force initiative would encourage DoD to increase its investment in technologies which meet significant military needs, but which also have a substantial potential for civilian applications.

The focus would be on areas where industry has been reluctant to invest its own funds because of risk or the long term of research required before payback. This initiative would build on the successful initiation of the Strategic Environmental Research and Development Program, which has led to DoD giving a much higher priority to R&D programs that serve the dual-use objective of military environmental restoration and civilian environmental clean-up.

The Task Force proposal would require DoD to give greater emphasis to areas of defense research which are now under-funded and which have potential civilian applications, such as computer and communications technology related to military logistics, energy efficiency in military transport, energy conservation in military facilities, and DARPA dual-use partnerships.

Recommendation

3. Increase Small Business Innovation (SBIR) and Research Funding

Capitalize on the resourcefulness of small U.S. companies and increase opportunities in key emerging industries by increasing the set-aside for R&D matching grants to small firms. Focus grants on critical technologies with highest economic potential.

Findings

The SBIR takes 1.25% of the extramural research and development funds of agencies having over $100 million in that budget category, and provides it in three stages of grants and contracts for specific work to small businesses to help commercialize promising technologies/products that Federal agencies think would be helpful for their mission and commercializable. Extramural refers to R&D projects performed outside of government labs. The program is designed to (1) stimulate innovation; (2) assist small businesses in meeting federal research and development needs; (3) encourage minority and disadvantaged persons participation in innovation; (4) increase private sector commercialization derived from federal R&D.

Eleven agencies participate in the program. Five of them—the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), the National Institutes of Health (NIH), the Department of Energy (DOE), and the National Science Foundation (NSF)—provide over 90 percent of all SBIR funds. Although the Small Business Administration (SBA) is responsible for publishing policy guidelines on and conducting general oversight of the program, each agency maintains its own separate program.

The SBIR has three phases to it:

(1) An agency puts out requests for proposals for concepts/products/technologies that they need developed. The agency may award grants up to $50,000 per proposal to evaluate the scientific and technical merit and feasibility of the concept which is of interest to the agency. This phase usually lasts about 6 months.

(2) Those projects which show potential after the Phase I evaluation can compete to perform principal research and development on the concept for up to $500,000. Funding for Phase II awards usually lasts 1-2 years.

(3) Ideally, funding for commercialization in the last phase comes from the private sector, though an agency may chose to contract with the small business to manufacture the technology, provided that non-SBIR funds are used.

The Task Force recommends that the percentage of funds earmarked for the SBIR be doubled over a five year period.

Recommendation

4. Reorient Defense Labs

Redirect these crown jewels of the national R&D infrastructure toward national needs and assisting commercial industry now that the Cold War is over.

Findings

Federal defense laboratories at DOD and DOE spend approximately $10 billion per year and have great expertise in a wide range of advanced technologies. An opportunity now exists to reorient and consolidate many of these laboratories to help American commercial industry. The laboratories already have clear legal authority to work with companies and an increasing need to do so, given that the commercial marketplace increasingly leads in new technological developments; but so far (with only a few exceptions) laboratory assistance to industry has been small. A new funding mechanism is needed which will support industry-led proposals at the federal laboratories.

Recommendation

Industry-Laboratory Partnership Program

Establish a set-aside in DOD's and DOE's defense laboratory budgets to support industry-led R&D projects. Companies and consortia would propose projects on a cost-shared basis, and awards would be made through a competitive process. The companies would decide with which of the agency's laboratories or laboratory programs they wish to work. We propose an initial set-aside of 2 percent for the first year, 5 percent for the second through fifth years, and 10 percent for subsequent years. During the first year this set-aside would generate about $200 million for these activities. Agencies and defense laboratories also would be required to set up industry-university advisory committees to advise agency heads on which agency technical capabilities might be of most use to industry.

Recommendation

Amend Stevenson-Wydler Act

Amend the Stevenson-Wydler Technology Innovation Act of 1980, which governs technology transfer from federal laboratories, to require that "dual-use" R&D performed by defense laboratories be done in partnership with industry whenever possible. This step will speed the transfer of technology to commercial industry and will ensure that commercial companies can produce these technologies for the military.

Recommendation

National Academies Study

Commission a study by the National Academy of Sciences and the national Academy of Engineering to examine what role the government labs, particularly defense labs, should fill now that the Cold War is over, and how the labs can best fill this role.

Recommendation

5. Fund AgileTech

Support establishment of the Agile Manufacturing Technology Corporation (AgileTech), a private, non-profit consortia of companies and existing consortia, to pursue the research, development and deployment of the technologies and standards necessary for an agile manufacturing infrastructure.

Findings

A new competitive environment for industrial products and services is emerging, forcing a change in manufacturing. Competitive advantage belongs to "agile" manufacturing enterprises that are capable of responding rapidly to demand for high quality, highly customized products.

Agility requires integrating flexible technologies of production with the skill base of a knowledgeable work force, and with flexible management structures that stimulate cooperative initiatives within and between firms.

Agile manufacturing capability will be crucial for commercial industry, and eventually government R&D on agile manufacturing should feature a prominent role for, if not leadership by, one of the civilian technology agencies. Nevertheless, the DOD—which would fund this program—has a strong

interest in agile manufacturing since defense-dependent companies, particularly the small and medium-sized firms that make up the backbone of the defense industrial base, do not have the agility or supplier-customer connections necessary to successfully compete in the commercial sector. Moreover, the defense industrial base of the future must have the ability to respond rapidly to changes in the security threat and ramp-up specialized production if necessary. Finally, a large majority of the initial industry participants in the project are defense contractors (at the prime or subtier level).

AgileTech is an industry-developed, industry driven approach to establishing the manufacturing infrastructure necessary for competitive production over the next decade and beyond. Industry would be required to match federal contributions to the project. All research, development, and deployment will be done through existing entities.

Recommendation

6. Extend the R&D Tax Credit

Help make American industry the most technologically advanced in the world through extension of this tax credit for research and development expenditures.

Findings

The Task Force found that in addition to providing direct matching and cost-sharing support of industry research, the government should encourage companies to independently invest significant amounts of their own money in R&D. Section 41 of the Internal Revenue Code currently provides a 20% tax credit to companies for the amount of qualified research expenditures which exceed a base level for the company for the year. Research expenditures eligible for the incremental credit consist of (1) in-house expenses for research wages and supplies; (2) certain time-sharing costs for computers used in research; and (3) 65% of the amount paid for contract research. The credit can also apply to certain corporate cash expenditures supporting university basic research.

A provision of the Tax Fairness and Economic Growth Act of 1992, H.R. 4210, would have extended this provision, which is scheduled to expire June 30, 1992; however, President Bush vetoed the bill and Congress was unable to override the veto.

The Task Force believes this provision should be extended.

Recommendation

7. Provide Grants for Manufacturing Education and High Skills Retraining

Grants for Manufacturing Education

Engineers and managers heading into industry must be trained in the latest manufacturing techniques if U.S. industry is to lead in world competition. Many manufacturing engineering programs lack funding for advanced curricula and equipment. Moreover, programs need to be closely linked to the industry to insure familiarity with current industry challenges and technologies.

The Task Force recommendations a program of matching grants to support new programs or enhance existing programs in manufacturing engineering and management at the undergraduate and graduate level.

Programs funded through these matching grants must combine research, classroom training, and work experience, and have strong ties to industry. Grant recipients would be competitively selected by the DOD—where the program was previously authorized—and by the NSF. The program received a $25 million appropriation for FY92 but is on the Administration's rescission list.

Grants for Retraining of High Skill Defense Workers

OTA estimates that from 1990 to 1995 as many as 127,000 defense engineering jobs could disappear due to the winding down of established weapons programs, and a scarcity of new programs. Many defense engineers will find that to be competitive in the commercial job market they need new skills or specialities, up to date training, or an advanced degree. Because the NSF has developed an unparalleled interface with the academic community and has tightly integrated science and engineering with educational objectives, it can assist with this transition in several ways.

NSF can work with the academic community and engineering professional societies to establish and develop responsive continuing education and retraining programs based on existing programs. Effective academic curricula can be developed for mid-career engineers, which build on the knowledge gained through years of experience and are directed toward practical civilian applications. NSF also has unique experience with distance learning programs that can bring courses directly into the work place. This experience allows NSF to offer engineers suitable courses with a minimum of lost work time.

NSF supports ongoing engineering research activities, such as Engineering Research Centers, which carry out work closely connected to civilian industrial needs. These efforts can be supplemented to provide engineers retraining opportunities at centers, engineering schools, and community colleges.

Recommendation

8. Extend the Employer-Provided Educational Assistance Tax Credit

Extend this provision to encourage businesses to continually invest in upgraded skills for their employees.

Findings

As so many of the preceding Task Force recommendation bear out, the watch words for economic strength in America are, technological change. As the pace of technological change increases, workers will have to adapt, learn new skills, and new ways of thinking. While it is in companies' best interest to enable their employees to adapt to this change, it is also in the country's best interest since a highly skilled work force enables our country to support industries which create wealth for us all. Accordingly, the Task Force believes the government should give companies incentives to continually invest in upgrading their employees' skills.

The Internal Revenue Code currently allows employees to exclude from income for tax purposes, amounts paid by their employers for educational assistance provided through an educational assistance program that meets certain requirements. The exclusion is limited to $5,250 of educational assistance per year. In the absense of this exclusion, an employee generally would be required to include the value of the educational assistance in his or her income, for tax purposes.

A provision of the Tax Fairness and Economic Growth Act of 1992, H.R. 4210, would have extended this provision, which is scheduled to expire June 30, 1992; however, President Bush vetoed the bill and Congress was unable to override the veto.

The Task Force believes this provision should be extended.

Additional Comments

The DOD does not maintain extensive records on its contractor and subcontractor base. Such information could greatly facilitate a more intelligent downsizing designed to minimize damage to the economy. Moreover, this information gap could hamper Congress' efforts to assist firms and workers adversely affected by defense cuts. The Task Force believes the DOD should improve the accuracy and adequacy of data about defense subcontractors.

A second information gap was identified by Task Force member Senator Brock Adams, who also made a proposal to address this gap. Defense firms have indicated that their greatest difficulties in making the transition to commercial sales are: (1) in determining which of their products or services could be competitive and (2) in obtaining adequate information on target markets. Senator Adams proposed that the National Academy of Sciences study the first problem: identification of commercial application products/technologies.

Under this proposal, the National Academy of Sciences (NAS) would undertake a 6-month expedited, priority study of the U.S. defense industry to identify those products that hold promise for commercial use, both immediately and given further development. This study would identify the products or technologies that are available for commercial application, the type of government assistance that will be needed, and where the private sector should focus its energies and resources.

Once the NAS study has been completed, information is needed on potential markets. Senator Adams proposes to use the Department of Commerce's Commercial Information Management System (CIMS) to address this problem. CIMS could be used to target foreign markets for the products and technologies identified by the study. This market information would then be made available to any interested company to assist in the transition to commercial sales.

Though not a formal recommendation of the Task Forces, we believe this proprosal by Senator Adams has merit and deserves further consideration.

LIST OF SPEAKERS FOR DEFENSE/ECONOMIC CONVERSION TASK FORCE BRIEFINGS

Overview Briefing

Ed Knight, Economic Adjustment and Conversion issues, CRS.

Andrew Mayer, Base Closure issues, CRS.

Gary Pagliano, Defense Industrial Bases issues, CRS.

Jeff Hornbeck, Regional Economic Adjustment issues, CRS.

Jack Moteff, R&D issues, CRS.

Ann Lordeman, Job Training and Location Assistance Issues, CRS.

Kitty Gillman, Office of Technology Assessment.

GROUP I (WORKER/COMMUNITY)

Displaced Defense Workers: Transition Issues

Edward Gleiman, Staff Director of Subcommittee.

Barry Holman, GAO National Security and International Affairs Division.

Bruce Moyer, Legislative Council for Federal Managers Association.

Beth Moten, Leg. Director for American Federation of Government Employees, AFL-CIO.

James Sommerhauser, Pres. International Federation of Professional and Technical Engineers, AFL-CIO.

Alan Reuther, Leg. Director United Auto Workers.

Private Sector Retraining Issues

Dr. Anthony P. Carnevale, Exec. Director of Institute of Workplace Learning at the

American Society for Training and Development.

Peggy Taylor, Associate Legislative Dir. AFL–CIO.

Calvin Hines, AFL–CIO.

Peter Mannella, NY State Dept. of Economic Development and NY State Defense Task Force.

Matt Kane, Staff Economist Northeast-Midwest Institute.

John Lederer, Senior Policy Analyst at Human Resource Policy Studies at National Governors' Association.

Existing Federal Programs

Paul Dempsey, Deputy Director of Office of Economic Adjustment, DoD.

Jim Van Erden, Administrator of Office of Work-Based Learning, DoLabor.

Bob Colombo, Director of Title III, DoLabor.

Steven Brennen, Acting Deputy Asst. Sec. for Program Operations, Economic Development Administration, DoCommerce.

Don Patch, Office of Community Planning and Development, DoHUD.

Mary Lukens, Assoc. Deputy Administrator for Business Development at Small Business Administration.

David Witschi, Director Economic Adjustment Division Economic Development Administration DoCommerce.

Base Closings: A Health Care Crisis for Military Retirees

Chris Jennings, Deputy Staff Director, Special Committee on Aging.

David F. Burrelli, CRS, Foreign Affairs and National Defense Division.

Bob Goldich, Foreign Affairs and National Defense Division, CRS.

Rick Storey, Project Leader, Joint Services Group on Health Care Initiatives for Non-Catchment Areas, DoD.

Ron Stephen, Co-Chair of Hospital Subcommittee of Carswell AFB Reuse Task Force.

Repositioning Military Personnel in Civilian Settings

Mary Smith, Education and Public Welfare Division, CRS.

Fred Pang, Professional Staff, Senate Armed Services Committee.

Maj. Bill Crews, Office of Assistant Secretary for Veterans Employment and Training, DoLabor.

GROUP II (INDUSTRIAL/TECHNICAL)

Technology Application and Industrial Expansion Services

Walt Plosila, Head of Montgomery Co. High Technology Council.

Jack Russell, V.P. of Michigan Industrial Tech. Institute.

Joe Houldin, Director of Delaware Valley Industrial Resource Center.

Dr. Robert White, Undersecretary of Technology, DoCommerce.

R&D Policy and Labor Adjustment

Erich Bloch, Distinguished Fellow at the Council on Competitiveness.

Craig Fields, President and CEO of MCC.

Jacques Gansler, Senior V.P. of TASC.

Dr. Roger Nagel, Operations Director of Iacocca Institute at Lehigh U.

Dr. John Alic, Senior Associate at Office of Technology Assessment.

Trade Assistance, Tax Incentives, and Capital Costs

Dr. Gary Hufbauer, Visiting Fellow, Institute for International Economics.

Robert Kuttner, Economics correspondent for the New Republic.

Dr. David B.H. Denoon, Prof. of politics and economics at NY University.

Dr. Ian M. Ross, Chairman of the Nat'l Advisory Committee on Semiconductors.

Julie Gorte, Project Manager with Office of Technology Assessment.

Corporate Diversification/Conversion

Jack Nunn, Senior Analyst with Office of Technology Assessment.

Calvin C. Coolidge, Director of D.C. Office of Texas Instruments Defense Systems and Electronics Division.

Harvey Kreisberg, Director of Corporate Development for AIL Systems.

James A. McDivitt, Senior V.P. of Rockwell International.

PROPOSALS FOR DEFENSE TRANSITION

House Science, Space and Technology Committee

Skip Stiles, Legislative Director.

Robert Palmer, Senior Policy Coordinator.

National Commission for Economic Conversion and Disarmament

Dr. Greg Bichak, Executive Director.

House Armed Services Committee

Larry Smith, Councilor.

Bill Andahazy, Professional Staff.

Chris Aldridge, Professional Staff.

Defense Budget Project

Peter Schmidt, Economic Policy Analyst.

Carol Lessure, Outreach Coordinator.

State of New York

Amy Mall, Legislative Assistant.•

ECONOMIC RECOVERY AND THE HOUSING INDUSTRY

• Mr. SEYMOUR. Mr. President, there has been a great deal of talk in this body over the past few months about economic recovery, but very little action. Of last, many indicators point to the beginning of an economic recovery, but this week's news from the Commerce Department is cause for alarm.

As you know, the Department reported starts of new homes slowed dramatically last month, dropping 17 percent below the March rate. The March housing start rate, which registered an increase of 74 percent over the February rate, offered a long overdue positive sign of recovery, but this new drop shows just how precarious the recovery is at this time.

Mr. President, leading indicators such as gross domestic product, the unemployment rate, and the Index of Industrial Production all show modest but positive movement in the economy. But the announcement earlier this week by the Commerce Department casts a dark cloud on the recovery. It is very possible that it is only a passing cloud in an otherwise brightening sky. But after last year's failed recovery, we cannot just sit back and wait to see what happens. I hope the forecasts are correct and that this cloud will pass, but we cannot rest easily on hope alone.

Now is time for action to ensure that 1992 will not be a replay of 1991, when the year began with a tentative recovery that did not live up to expectations.

We need to do our part to spur investment in the real estate economy. Specifically, we need to enact a first-time homebuyer tax credit, and we need to do it soon. I and the other members of the Senate Republican Task Force on Real Estate, which is chaired by Senator DOMENICI, have been pressing for the enactment of such a tax credit since the beginning of the year. This is an idea whose time has clearly come.

In fact, one of the very reasons cited for the explosive growth in home starts in March may have been heightened confidence on the part of first-time homebuyers in response to the President's leadership on this issue.

I am afraid, Mr. President, that the Congress is lagging behind the American people who understand how important this tax credit is for those who seek to participate in the American dream of homeownership. Now is the time to listen to the American people and pass this credit for the good of the economy.

We all know the saying "as real estate goes, so goes the economy." Without a strong recovery in the real estate industry, full recovery for the economy as a whole will be all the more difficult.

I am particularly concerned about my State, Mr. President. As we all know, uncharacteristically, California has been hit harder by this recession that the rest of the Nation. For example, California's unemployment rate stood at 7.7 percent of the labor force in the final quarter of 1991—well above the national average—and, according to some projections, it is expected to remain above 8 percent through this summer.

Well, Mr. President, my first priority, as I consider any legislation this year, is jobs. How can we create more jobs? As I discussed at length before this body 2 months ago, every $1 million spent in the new home market creates 29.6 jobs, and the same dollar in the resale market will create an additional 22 jobs, so this tax credit is a step in the right direction.

Job creation must be our litmus test for legislation this year, Mr. President, and this is one proposal—a tax credit for first-time homebuyers—that clearly passes the test.•

TAIWAN CELEBRATES MAY 20, 1992

• Mr. BURNS. 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 con-

tinued 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.●

ORDERS FOR MONDAY, JUNE 1 AND TUESDAY, JUNE 2, 1992

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 2 p.m. on Monday, June 1; that on Monday June 1, the Senate meet in pro forma session only; that at the close of the pro forma session, the Senate then stand in recess until 9:30 a.m. on Tuesday, June 2; that on Tuesday, June 2, following the prayer, the Journal of proceedings be deemed approved to date, and following the time for the two leaders there be a period for morning business not to extend beyond 10 a.m. with Senators permitted to speak therein for up to 5 minutes each; that at 10 a.m., the Senate proceed to the consideration of Calendar No. 381, S. 474, the Professional and Amateur Sports Protection Act, and further that any votes ordered in relation to S. 474 be stacked to occur beginning at 2:15 p.m. on Tuesday; that upon disposition of S. 474, the Senate then proceed to the consideration of S. 1504, the Corporation for Public Broadcasting authorization; and that on Tuesday, June 2, the Senate stand in recess from 12:30 p.m. until 2:15 p.m. in order to accommodate the respective party conferences.

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

RECESS UNTIL 2 P.M. MONDAY, JUNE 1, 1992

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess under the provisions of House Concurrent Resolution 323 until 2 p.m. on Monday, June 1.

There being no objection, the Senate, at 9:07 p.m. recessed until Monday, June 1, 1992, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1992:

DEPARTMENT OF JUSTICE

DON J. SVET, OF NEW MEXICO, TO BE U.S. ATTORNEY FOR THE DISTRICT OF NEW MEXICO FOR THE TERM OF 4 YEARS, VICE WILLIAM L. LUTZ, RESIGNED.

DEPARTMENT OF THE TREASURY

JAMES E. GILLERAN, OF CALIFORNIA, TO BE COMPTROLLER OF THE CURRENCY FOR A TERM OF 5 YEARS, VICE ROBERT LOGAN CLARK, TERM EXPIRED.

CIVIL LIBERTIES PUBLIC EDUCATION FUND

THE FOLLOWING NAMED PERSONS TO BE MEMBERS OF THE CIVIL LIBERTIES PUBLIC EDUCATION FUND BOARD OF DIRECTORS FOR THE TERMS INDICATED:

FOR TERMS OF 2 YEARS:

BRUCE T. KAJI, OF CALIFORNIA
TOMIO MORIGUCHI, OF WASHINGTON

FOR TERMS OF 3 YEARS:

EDWIN C. HIROTO, OF CALIFORNIA
WILLIAM H. MARUMOTO, OF VIRGINIA
S. STEPHEN NAKASHIMA, OF CALIFORNIA
GEORGE SHOICHI OKI, SR., OF CALIFORNIA
GRANT MASASHI UJIFUSA, OF NEW YORK

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES W. CRYSEL, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. SAMUEL E. EBBESEN [redacted] U.S. ARMY.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1992:

DEPARTMENT OF STATE

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.

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 OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO THE REPUBLIC OF MALDIVES.

NUCLEAR REGULATORY COMMISSION

KENNETH C. ROGERS, OF NEW JERSEY, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR THE TERM OF 5 YEARS EXPIRING JUNE 30, 1997.

DEPARTMENT OF DEFENSE

G. KIM WINCUP, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

MORRIS S. ARNOLD, OF ARKANSAS, TO BE U.S. CIRCUIT JUDGE FOR THE EIGHTH CIRCUIT.

MICHAEL BOUDIN, OF MASSACHUSETTS, TO BE U.S. CIRCUIT JUDGE FOR THE FIRST CIRCUIT.

JEROME B. SIMANDLE, OF NEW JERSEY, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW JERSEY.

RICHARD G. KOPF, OF NEBRASKA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEBRASKA.

U.S. COAST GUARD

VICE ADM. MARTIN H. DANIELL, JR., U.S. COAST GUARD AS COMMANDER, PACIFIC AREA, U.S. COAST GUARD WITH THE GRADE OF VICE ADMIRAL WHILE SO SERVING.

REAR ADM. ROBERT T. NELSON, U.S. COAST GUARD AS VICE COMMANDANT, U.S. COAST GUARD WITH THE GRADE OF VICE ADMIRAL WHILE SO SERVING.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. BUSTER C. GLOSSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. GEORGE L. BUTLER, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

GEN. HANSFORD T. JOHNSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ROBERT D. BECKEL, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL OF THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ROBERT H. LUDWIG, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. C. NORMAN WOOD, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN E. JACKSON, JR. [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. DONALD J. KUTYNA, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. CHARLES A. HORNER, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. VERNON J. KONDRA, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. MICHAEL A. NELSON, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

LT. GEN. ROBERT L. RUTHERFORD, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. MALCOLM B. ARMSTRONG, [redacted] U.S. AIR FORCE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOSEPH W. RALSTON, [redacted] U.S. AIR FORCE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. ROBERT D. HAMMOND, [redacted] U.S. ARMY.

THE U.S. ARMY RESERVE OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. WILLIAM C. COCKERHAM, [redacted]
BRIG. GEN. ROLLYN C. GIBBS, [redacted]
BRIG. GEN. FRED E. MARQUIS, [redacted]
BRIG. GEN. THOMAS E. MATTSON, [redacted]
BRIG. GEN. JOHN C.C. ROTH, [redacted]
BRIG. GEN. ROBERT L. RUTH, [redacted]
BRIG. GEN. JOSEPH E. TURNER, [redacted]

To be brigadier general

COL. WAYNE W. HOFFMAN, [redacted]
COL. KENNETH J. KAVANAUGH, [redacted]
COL. GERALD L. DEBACKER, [redacted]
COL. DOUGLAS E. CATON, [redacted]
COL. RALPH L. HAYNES, [redacted]
COL. PETER A. GANNON, [redacted]
COL. JAMES D. SLAVIN, [redacted]
COL. ANTHONY R. KROPP, [redacted]
COL. ROBERT H. BEAHM, [redacted]
COL. WILLIAM C. MERCURIO, [redacted]
COL. JOHN M. O'CONNELL, [redacted]
COL. EVO RIGUZZI, [redacted]
COL. CURTIS A. LOOP, [redacted]
COL. JORGE ARZOLA, [redacted]
COL. JOHN H. BECKROGE, [redacted]

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. WILLIAM S. FLYNN, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. MICHAEL F. SPIGELMIRE, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. AUGUST M. CIANCIOLO, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be general

GEN. JOHN R. GALVIN, [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. WILLIAM G. PAGONIS, [redacted] U.S. ARMY.

THE U.S. ARMY RESERVE OFFICER NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADE INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be brigadier general

COL. JAMES J. SULLIVAN, [redacted]

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. (LH) JOHN M. MCCONNELL, [redacted] U.S. NAVY.

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. JEROME L. JOHNSON, U.S. NAVY, [redacted]

IN THE AIR FORCE

AIR FORCE NOMINATION OF WILLIAM B. BEAZLEY TO BE LIEUTENANT COLONEL, WHICH NOMINATION WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 7, 1992.

AIR FORCE NOMINATIONS BEGINNING ROBERT T. KINDLEY, AND ENDING ROBERT W. PATRICK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1992.

AIR FORCE NOMINATIONS BEGINNING MAJ. DANIEL W. BECK, [redacted] AND ENDING MAJ. SUE E. ROYER, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 6, 1992.

AIR FORCE NOMINATIONS BEGINNING JAMES T. ABERNETHY, JR., AND ENDING ROBERT W. ZID, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MAY 13, 1992.

IN THE ARMY

ARMY NOMINATIONS BEGINNING SIDNEY C. FRANCISCO, AND ENDING FRANCIS E. TRAXLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 7, 1992.

ARMY NOMINATIONS BEGINNING ERNEST F. BIVONA, AND ENDING DALE A. DOUGLASS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 7, 1992.

ARMY NOMINATIONS BEGINNING WILLIAM F. DAVITT, III, AND ENDING JOSEPH A. SNEAD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1992.

ARMY NOMINATIONS BEGINNING MARK S. ACKERMAN, AND ENDING JOHN I. WINN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1992.

NAVY

NAVY NOMINATIONS BEGINNING WILLIAM K. DAVIS, AND ENDING KENNETH J. WYDAJEWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 28, 1992.