HOUSE OF REPRESENTATIVES—*Wednesday, June 23, 1993*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 23, 1993.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember in our prayer, gracious God, all those who seek in their lives the healing of body or soul, those who desire the recovery of the gifts that give fullness to their days. We pray, O God, that You would restore and give strength to those who are weak, who are weighed down by the cares of the world, who suffer from lack of support from family or community. As we recognize that You have created us as one people, with responsibilities to each other, may we live our lives in ways that give meaning to the unity that we share. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The gentlewoman from Utah [Ms. SHEPHERD] will lead the House in the Pledge of Allegiance.

Ms. SHEPHERD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CONSERVATION AND A HEALTHY ENVIRONMENT MUST BE NATIONAL PRIORITIES

(Ms. SHEPHERD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SHEPHERD. Mr. Speaker, today our scientists at the National Institute of Environmental Health Service can tell us how environmental toxins dramatically damage human genes. In fact, scientific breakthroughs have shown how air pollutants transform healthy genes into mutated, cancer-causing genes which are passed down from generation to generation.

Too many people are exposed to this risk. Americans are living too close to incinerators and landfills. A recent study shows that more than half of the total U.S. population, from Salt Lake City to New York City, lives in communities with old, uncontrolled hazardous waste sites located dangerously close to homes and schools. Many of these people also lack access to health care. For them, the danger of exposure almost doubles.

Life in these communities does not have to be a prisoner's dilemma. We have choices. We can make conservation a national priority and give business incentives to help. Last year, a Utah company successfully cleaned up 4,700 tons of petroleum waste in Summit County, UT, and expanded Utah's local job base. We can transform local disasters into healthy environmental and business opportunities that will end dangerous practices that lead to sickness and result in waste. We can, Mr. Speaker, and we must.

AMERICANS DO NOT BUY THE PRESIDENT'S TAX INCREASES

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, President Clinton claims that under his tax-and-spend plan, every $10 in deficit reduction includes $5 in spending cuts for every $5 in tax increases. Well, let us take a closer look at that with this chart.

As the chart shows, out of that $5 in spending cuts 80 cents comes from cuts that were already promised in the 1990 budget deal. If he is going to take credit for these cuts, he should also take credit for the $160 billion in new taxes the 1990 budget deal contained. You cannot have it both ways; $1.35 are unspecified cuts promised in the outyears, but I have never met a taxpayer who lived in an outyear; 30 cents comes from user fees. Now, the Republican alternative contained user fees, but we called them user fees, not spending cuts; and $1 comes from interest savings on the debt, which is not a spending cut at all.

The President uses blue smoke and mirrors to make the largest tax increase in history seem a little easier to swallow, but thousands of Americans turned out for our town meetings on Saturday, and they are not buying it.

PREVENT THE CLOSURE OF UCLA'S GRADUATE SCHOOL OF PUBLIC HEALTH

(Ms. ROYBAL-ALLARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROYBAL-ALLARD. Mr. Speaker, on June 3 Chancellor Young of the University of California at Los Angeles shocked the public health community by announcing a proposal to eliminate the UCLA Graduate School of Public Health, the fourth largest in the country. We cannot afford to lose one of the world's premier institutions for the education and training of public health professionals.

If the proposed closure occurs, California and our Nation will suffer the diffusing of a major synergistic resource for the refined development of health professionals and policies at the very time our Nation's health issues require an expanded rather than a contracted role for the discerning expertise crafted and honed within UCLA's School of Public Health.

The education and training of public health professionals is vital to the promotion of public health in this Nation and to the success of our national health care program. We must not allow this closure to occur.

REVISIONIST HISTORIAN

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, the President's ability to revise history would make those old Soviet bureaucrats jealous.

He says that Republicans do not have a budget plan. He says that Republicans are simply obstructionist. And he says that his package contains an equal proportion of spending cuts to tax increases.

This sounds great on TV, but it is simply not true.

Republicans do have a plan that will cut almost $500 billion without raising taxes. It is called the Kasich budget.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Republicans have offered credible alternatives on several other legislative issues as well. But the Rules Committee, the black hole of good ideas, has refused to allow debate on most of them.

The President's package is 72 percent tax increases, and only 24 percent spending cuts. Worse, the taxes come now, while the cuts come later. Not quite the 1-to-1 ratio we were promised.

President Clinton can try to revise history all he wants. But he cannot escape the facts.

JAPANESE CONDOMS SING THE BLUES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Uncle Sam has Buy American laws, but in Michigan Buy American means buy Japanese. That is right, Michigan bought 1½ million blue-colored condoms from Japan. A Michigan spokesman said these blue-colored condoms, even though they were more expensive, best met the tough standards of the State of Michigan.

Mr. Speaker, since when did Michigan become experts on condoms? In fact, I have heard of the rally cry of the University of Michigan, "Go, Blue," but I think this is stretching it too far, folks.

If you ask me, when the State of Michigan starts passing out Japanese condoms that are blue, in the State of Michigan, the American worker is in deep trouble.

□ 1010

INCREDIBLE SHRINKING SPENDING CUTS

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, most of us have heard of the movie "The Incredible Shrinking Hulk." And here in the last 5 months we are working over the process of the incredible shrinking spending cuts.

During the campaign we know the President promised $3 in cuts for every dollar in new taxes. During the Inaugural it was $2 in cuts for every dollar in taxes. The budget speech said we will hope to get 1 to 1, and the budget proposal came to the House at 25 cents in cuts for every dollar in new taxes. The way the House passed the bill was 16 cents in cuts for every dollar in taxes.

Mr. Speaker, this may perhaps not be "Honey, I Shrunk the Kids," but it is "Honey, I shrunk my principles."

IT'S NONE OF YOUR BUSINESS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I read in the newspapers that the Pentagon is edging toward a "don't ask, don't tell" policy on gays in the military. Most Americans always thought that was the military's policy about everything. We can't ask them anything, and they won't tell us anything.

A case in point. The Pentagon commissioned a $1 million Rand Corp. study on gays in the military. The report is finished and recommends a complete lifting of the ban. What did the Pentagon do? It suppressed the report. Don't ask, don't tell.

"Don't ask, don't tell" is bad policy: First, it continues to sanction a gay individual's discharge for status rather than misconduct. Second, it leaves the question of investigations to the discretion of commanders, which is no different from current policy and will lead to widely varying practices throughout the military. Third, investigations will supposedly no longer be initiated without "credible information." What constitutes credible information? Attendance at a meeting of the largest gay organization in America, the Metropolitan Community Church? So military personnel will no longer be able to attend church? What about men who cross-dress when their ship crosses the equator, a common male Navy ritual?

Worst of all, the proposed policy will promote snitching among military personnel, an already uncommon and invidious practice. In retaliation for the spurning, they are reported as lesbians, which often triggers a harrowing investigation into their private life. In fact, women are three times more likely than men to be investigated and discharged for homosexuality. That is why Navy reservist Zoe Dunning is challenging this irrational policy in court as a form of sex discrimination against all women.

I urge the Pentagon to consider another approach, as time-honored as it is all-American: It's none of your business.

LET'S CALL A TAX A TAX

(Mr. DOOLITTLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLITTLE. Mr. Speaker, over the past 6 months, working Americans have grown accustomed to a lot of doublespeak coming from the White House. While candidate Clinton promised a middle-class tax cut, President Clinton proposed the largest tax increase in U.S. history. While candidate Clinton promised to cut Government spending, President Clinton has called for the largest spending increases in U.S. history. While candidate Clinton supported a line-item veto, President Clinton has backtracked.

Last week, the Senate Finance Committee inserted a massive increase in the gas tax into President Clinton's budget proposal. Despite his solemn promises during the Presidential campaign to lower the tax burden placed on working Americans, President Clinton now appears ready to support such a measure.

Mr. Speaker, if President Clinton truly believes that Americans will stand for his doublespeak on taxes, maybe he did inhale after all.

THE FATAL SHOOTING OF ARCHIE ELLIOTT III

(Mr. SCOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, today I am asking Attorney General Reno to open an investigation into the fatal shooting of Archie Elliott III.

Archie Elliott, the son of Archie Elliott, Jr., of Portsmouth, Virginia, was slain by police officers in District Heights, MD, last Friday, June 18, 1993, under very suspicious circumstances.

According to news reports, the officers claim that Mr. Elliott was shot repeatedly after he aimed an unloaded pistol at the officers. The reports also stated that at the time of the shooting, Mr. Elliott's hands were handcuffed behind his back and he was restrained by a seatbelt in the police car.

Because of the unusual nature of this incident, I am calling for an immediate investigation by the Attorney General.

The Civil Rights Division of the Department of Justice has made clear that they vigorously pursue allegations of civil rights violations. I believe that this case surely merits the Department's speedy intervention.

THE DEMOCRATS' STRANGE TAX AFFLICTION

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, the President has a strange tax affliction. Not once, but twice, House Republicans have offered alternative budget bills with well over $400 billion in spending cuts in each. However, the White House claims they haven't seen either one. The New York Times saw them; the Washington Post saw them; Ross Perot saw them; but somehow the White House missed them both.

The only explanation as to how the White House could miss two plans with $400 billion in spending cuts was that the plans didn't have what they were looking for: taxes. Evidently, the administration has a blind spot for spend-

ing cuts, they can't see anything but taxes. To them no taxes mean no plan.

The administration's tax affliction is stranger still. While they can't see anything but taxes, they call them anything but taxes. They call them "patriotism," "responsibility," "contribution," and now "plan." So the next time you hear President Clinton claim the Democrats have a "plan" and the Republicans don't, remember what they can't say and can't see. When the President says "plan," he means taxes, and he couldn't see the Republican budget because they weren't there.

INTRODUCTION OF THURGOOD MARSHALL COMMEMORATIVE STAMP RESOLUTION

(Mr. BLACKWELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLACKWELL. Mr. Speaker, I have introduced a resolution to honor a great American, Justice Thurgood Marshall.

House Joint Resolution 215 provides that a commemorative stamp be created in Justice Marshall's image, from a rendering offered by one of my constituents, Mr. Steven Johnson.

Mr. Johnson, a paraplegic, reflects what Justice Marshall stood and fought for, an America for all the people. He has done an excellent job of capturing the essence of this great jurist.

Justice Marshall beamed in our cramped and constricted community, a community in which the law at one time ordained segregation in the court room and exclusion of African-Americans from the jury box.

As a result of his career as a lawyer and as a Justice, Thurgood Marshall left an indelible mark, not just upon the law, but upon this country as well.

He finished first in his class at Howard Law School. He founded the NAACP Legal Defense Fund. He served as this Nation's first African-American Solicitor General. And he won the landmark case of Brown versus Board of Education.

Of the 32 cases he argued as a lawyer before the Supreme Court, he won 29 of them. Perhaps his name foretold his future. It was derived, and appropriately so, from his grandfather's name, "Thorough Good."

Mr. Speaker, it is fitting that we honor this great grandson of a slave, brought from the Congo region of Africa. Born in Baltimore, the son of a school teacher and yacht-club steward, his roots in America run deep.

This Nation is indebted to Thurgood Marshall's accomplishments. We, who have been nourished by the sunlight of his deeds, owe a special debt of gratitude.

I urge my colleagues to join me in sponsoring the Thurgood Marshall commemorative stamp resolution.

SUPER COSTS OF SUPER COLLIDER

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUTCHINSON. Mr. Speaker, in this week's U.S. News & World Report, some of the super costs of the supercollider were outlined.

The supercollider's primary civil construction contractor has billed the Department of Energy for some very interesting—and expensive—items.

A small sample of the 1990 and 1991 expense reimbursements for this contractor are $18,403 for coffee; $21,369 for office plants and their upkeep; $1,626,605 for relocation costs over 15 months, or $10,844 for each relocated person, and over a quarter of a million dollars for auto leasing and rental.

Until this kind of contract is prohibited by Congress, these types of expenses will continue to plague what might otherwise be a worthy project. Unfortunately, somebody has to foot the bill. That somebody is the U.S. taxpayer.

BREAKING THE GRIDLOCK

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, the gridlock griots continue to weave tales of deceit and doom about the President's economic plan.

These crafty raconteurs would prefer to bankrupt the middle class, allow the rich to get richer, and the jobless to remain hopeless.

President Clinton's vision for this country is about balanced economic growth, tax fairness, and real deficit reduction.

Already we are seeing rises in hourly earnings and consumer confidence, and falls in mortgage rates and unemployment benefits.

Yet those gridlock griots would have us believe the sky is falling.

They continue to cry wolf when it is they who are attempting to disrupt the roost of economic stability.

Those grim fairy tales doled out by these pied pipers of perfidy must be silenced.

Mr. Speaker, President Clinton's economic plan provides sound solutions that will eventually lead to a happier future for everyone.

□ 1020

BIG GOVERNMENT'S SHRINKING HARVEST

(Mr. BAKER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAKER of California. Mr. Speaker, while President Clinton fights for more taxes, more spending, and bigger government, we should learn what happens when governments do just that.

Across the Atlantic, one finds the kind of big government Bill Clinton likes. Europe has big social welfare programs, plus big unemployment, big deficits, and economic decline. Noting Europe's 11 percent unemployment, Robert Samuelson writes in today's Washington Post:

> To many, Europe's welfare states represent a model worth emulating. Please, look again. The combination of rigid wages and generous welfare benefits hampers economic growth, which raises welfare spending—which hampers growth.

He continues:

> We should take heed. We ought to be wary of proposals that raise companies' labor costs, from higher minimum wages to more mandated benefits.

And that, Mr. Speaker, is why Americans are wary of the Clinton tax-and-spend plan. They plead to us to cut spending first.

ROEMER-ZIMMER AMENDMENT WOULD ELIMINATE SPACE STATION PROGRAM

(Mr. ZIMMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, as we debate the space station program today, you will hear proponents say that eliminating the space station will not assure that any more money will go to space science programs. They will also say that the space station is needed to ensure the very survival of the space program.

In fact, the opposite has proved to be true.

Dozens of important, successful space programs have had their funding cut or eliminated because of the space station's escalating costs.

Among those are:

The Earth Observing System—plans for environmental satellites being designed to gather data about global climate change were delayed for lack of funds.

The Magellan—a mapping satellite surveying Venus was turned off while in perfect working order due to lack of funds.

The Space Exploration Initiative—our only long-range plan for human space exploration, was eliminated from the budget.

As recently as yesterday, the VA, HUD Appropriations Subcommittee cut a variety of space programs—including $165 million from the space shuttle—in order to bring funding for the space station up to the President's new request. Chairman STOKES predicted that more NASA programs will have to be eliminated in order to make room for the space station.

Instead of ensuring the survival of our space program, the space station is sucking the lifeblood out of the rest of the space program.

Support the Roemer-Zimmer amendment to H.R. 2200, the NASA authorization bill, and eliminate the space station program now.

GAYS AND LESBIANS IN THE MILITARY

(Mr. DEUTSCH asked and was given permission to address the House for 1 minute.)

Mr. DEUTSCH. Mr. Speaker, today while the United States is debating the role of gays and lesbians in our military, there is another country in the world which just yesterday made a change in their policy, and that is the State of Israel.

The State of Israel lifted any restrictions in any security classification of gays and lesbians to work in any security classification in the Israeli military. The Israeli Defense Force has never asked recruits if they were gay, has never kicked out any soldier whose homosexuality has been known.

Israel's existence, as our existence, is directly tied to its military capability. Israel has fought six wars in the last 40 years.

A country that lives and survives on its military capability has come to a conclusion which I believe this country should be sharing in our decisionmaking process. There is no question that gays have ably served this country as well as served every army in the history of the world.

I urge the President to look and focus on the leadership that other countries in the world have shared and have done including the State of Israel in their recent decision.

SHOOTING THE HORSE

(Mr. KIM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIM. Mr. Speaker, the latest version of the tax plan increases the capital gains tax by 10 percent.

Instead of taking steps to lower the cost of capital or to make our private sector more competitive, the Democrats will increase the effective tax rate on small business by 30 percent.

The President has consistently stated he supports small business, but his actions speak louder than his words. And those actions are saying: Forget small business.

But Mr. Speaker, like a horse pulling a carriage, small business pulls our economy.

Putting more taxes on small business in the name of economic growth is like shooting the horse to get the carriage moving faster.

Such logic flies in the face of reason.

Mr. Speaker, the President should not shoot the horse. He should not abandon our private sector. That is no way to get our economy going.

PROPER MENTAL HEALTH CARE A MUST

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, on yesterday we had a very sad occasion. It was a tragic day not only for the District of Columbia but for America and Americans all over this country.

Six schoolchildren were injured in the District of Columbia as they were trying to partake in the summertime activities of swimming at a local pool, Mr. Speaker, just another one in the long litany of heinous crimes that we see from week to week now with gunmen, snipers, whether they be in the post office or whether they be in this situation.

Mr. Speaker, people are looking to this body, to this House to do something about it, to put the brakes on all of these senseless, endless, countless violent attacks. Children, seniors, it does not matter who it is.

It is time that this body gets off the dime and passes the Brady bill, and then, Mr. Speaker, if we can get ourselves off of this focus on cutting, cutting, cutting so much, it is time that we cut back and get to the business of providing some health care for the people in this country.

When we provide mental health care, maybe we will not have so many crazies, whether they be in Waco, Wacko, or the District of Columbia shooting our young kids.

STOP THE TAXING AND CUT THE SPENDING

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, the American taxpayers are speaking but President Clinton and his fellow Democrats just are not listening.

The American people want spending cuts first. Not tax increases.

The Clinton Btu tax, adopted by House Democrats was roundly rejected by the taxpayers. So, Democrats in the other body regrouped and came up with—guess what—a gasoline tax.

There seems to be a communications problem here. The people keep saying cut spending first. The Democrats keep hearing raise taxes.

What the Democrats in the other body have concocted is a $265 billion tax increase package which contains a mere $83 billion in spending cuts. And only $30 billion of those cuts occur before 1996.

Listen up, my Democrat friends. You do not have to read lips. Just open your ears. The taxpayers want spending cuts now. Not promises of spending cuts a few years from now.

Mr. Speaker, stop the taxing. Cut the spending.

JOE LOUIS, A REAL AMERICAN HERO

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute.)

Mr. APPLEGATE. Mr. Speaker, as a young boy many, many years ago, I sat in front of our upright Philco radio listening to the Joe Louis-Max Schmeling fight when Joe Louis cold-cocked him in about 2½ minutes, erasing what Hitler was talking about as the superior race.

The U.S. Postal Department yesterday issued a stamp for the Brown Bomber, as he was affectionately known. Joe was a real American hero. He was quiet, he had fists of steel, he had a 6-inch punch which would put you out in no time where you'd see the stars, and he defended against all comers. In fact, there were so many of them they used to call it the "Bum of the Month Club." He took all comers on.

He was a role model and an inspiration to all of us young kids who used to listen to that radio and watch Joe Louis fight. He served his country when his country asked him to serve.

Joe Louis was a real American hero.

WHERE IS THE SPACE STATION MONEY GOING?

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, I have been prepared for a couple of days to vote against the space station. Frankly, I find it hard to justify with our huge budget deficit, and I think many of my colleagues feel the same way.

But just yesterday, a question popped into my mind. If it does not pass, where will the money really go?

I had always assumed it would go to deficit reduction. Well, guess what? Not necessarily.

By merely eliminating the space station's budget authority, we do not prevent the money from being spent elsewhere, say for instance in public housing programs or community development block grants.

Indeed, rather than taking it away entirely, the amendment puts its trust in Congress not to spend the money, a situation I personally do not find very comforting.

Make no mistake. I am going to cast my vote against the space station. But I want my vote to be for deficit reduc-

tion, not for taking money away from science only to further pad wasteful spending programs.

So, Mr. Speaker, I say to the sponsors and supporters of the amendment. If it passes, we must follow this money like hawks through the appropriations process, through the conference committee, all the way to the President's desk. If we really want this to go to deficit reduction, this is merely our first battle.

□ 1030

PRESIDENT CLINTON'S BROKEN CAMPAIGN PROMISES

(Mr. WELDON asked was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, if President Clinton were Pinnochio, his nose would be longer than his list of broken campaign promises. The President insists upon telling the American people that his tax plan is half spending cuts and half tax increases. Well, you can call a duck a cow all you want, but at the end of the day it still has feathers and it still quacks.

The White House is lying to the American people. He is utterly undeterred by the facts. His budget being debated today in the Senate, includes $3.18 in tax hikes for every dollar in spending cuts. And take a look at the spending cuts President Clinton is taking credit for:

Forty-four billion dollars in cuts already written into law by the 1990 budget agreement. Bill Clinton had nothing to do with those cuts.

Fifty-five billion dollars in savings on interest on the national debt. Now there is a tough choice from the White House.

One billion dollars by shifting the reimbursement dates for American hospitals from a fiscal to a calendar year basis.

Seventy billion dollars in future spending cuts during 1997 and 1998, almost $200 billion in sham spending cuts. The only cuts are in defense, and they will cost us up to 2.8 million jobs.

Mr. Speaker, in the Land of Oz that is Bill Clinton's White House, this qualifies as bold leadership.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). The Chair would warn the gentleman that he should not make certain references to the President of the United States.

DEFENSE FOR DEFENSE BILL

(Mrs. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I have introduced a bill to defend our country's defense budget. The fall of communism has allowed us to enter into a new era where a leaner defense budget is possible. However, leaner does not mean nonexistent.

Funds are being transferred out of the defense budget for nondefense purposes. The defense budget has become a pot of gold for Members of Congress who can't get their programs funded in other budgets. In fact, over the past 5 years over $5 billion has been transferred out of the Pentagon in this manner.

My bill is not a new idea—it simply strengthens and codifies a 1989 provision in law by reaffirming the statutory prohibition on the transfer of DOD funds to any other agency or Department of Government, unless the Secretary of Defense submits a certification to the Congress that such a transfer would be in the national security interest.

My bill will stop the dollar drain from the Pentagon, and I urge my colleagues to support it.

THE TAX GRABBERS ARE BACK

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, the tax grabbers are back again. And they are coming for your pocketbooks.

Only last month, this House passed a bill which included the largest tax increase in American history. Now, the other body is preparing to consider its own package.

The latest version of the tax and spend budget, passed last week by the Senate Finance Committee, calls for $3.18 in new taxes for every $1 in spending cuts.

No, this version of the tax grab does not include the job-killing Btu tax favored by President Clinton and House Democrats. It contains instead a job-killing gasoline tax, which particularly hits hard at rural areas like those I represent in northern California.

Mr. Speaker, like the House-passed energy tax, it will pick the pocket of every American from the gas pump to the grocery store. Like the House-passed tax, it will kill hundreds of thousands of American jobs.

Mr. Speaker, higher taxes do not create jobs. Higher taxes do not stimulate economic growth. Higher taxes do not reduce the deficit.

The President and his Democrat allies in the Congress should forget about all their new tax proposals and cut spending first.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments a bill of the House of the following title:

H.R. 2118. An act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2118), an act making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. LEAHY, Mr. SASSER, Mr. DECONCINI, Mr. BUMPERS, Mr. LAUTENBERG, Mr. HARKIN, Ms. MIKULSKI, Mr. REID, Mr. KERREY, Mr. KOHL, Mrs. MURRAY, Mrs. FEINSTEIN, Mr. HATFIELD, Mr. STEVENS, Mr. COCHRAN, Mr. D'AMATO, Mr. SPECTER, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. MACK, and Mr. BURNS, to be the conferees on the part of the Senate.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2446, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1994

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 204 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 204

Resolved, That during consideration of the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. The amendments en bloc specified in the report of the Committee on Rules accompanying this resolution to be offered by Representative Fawell of Illinois or a designee may amend portions of the bill not yet read for amendment, shall be considered as read when offered, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] for the purposes of debate only, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 204 is the rule waiving points of order against provisions of the bill, H.R. 2446, the Military Construction Appropriations for fiscal year 1994. Since general appropriations bills are privileged under the Rules of the House, the rule does not provide for any special guidelines for the consideration of the bill. Provisions related to time for general debate

are not included in the rule. Customarily, Mr. Speaker, general debate time is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to the consideration of the bill.

The rule waives clause 2 of rule XXI against all provisions of H.R. 2446. Clause 2 of rule XXI prohibits unauthorized appropriations and legislative provisions in general appropriations bills. The waiver is necessary because the authorizing legislation for this bill is not in place. In addition, the rule makes in order an en bloc amendment which is printed in the report accompanying the rule if offered by Representative FAWELL or his designee. The amendment en bloc is not divisible.

Mr. Speaker, H.R. 2446 appropriates approximately $10.3 billion for fiscal year 1994 military construction, family housing and base closure costs for the various branches of the Department of Defense. It is consistent with the budget resolution and under the administration's request. My colleagues on both sides of the aisle have worked diligently under difficult budgetary constraints to produce an excellent piece of legislation.

The bill appropriates approximately $27.6 million in funding for several projects at Wright-Patterson Air Force Base, which is partially located in my congressional district. I am pleased that the committee approved the necessary projects which were requested by the Department of Defense. Included in the bill are funds for the next phase of an acquisition management complex for the Aerospace Systems Center and the second phase of an avionics research laboratory which was authorized in 1992. In addition, the committee provided assistance to renovate electrical substations, replace underground fuel storage tanks, and improve aboveground tanks. These projects replace old facilities and tanks which pose an unacceptable risk to people who work on the base and live near it. Finally, I appreciate the funds provided to install gas-fired boilers at the Defense Electronics Supply Center [DESC].

Mr. Speaker, these projects are important to Wright-Patterson Air Force Base, and to the community of Dayton, OH which has been a world leader in aviation since the days of the Wright brothers. I commend my colleagues for including them in H.R. 2446.

Mr. Speaker, under the normal rules of the House, any amendment which does not violate any House rules could be offered to H.R. 2446. The rule received unanimous support in the House Rules Committee, and I urge my colleagues to adopt it.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Ohio [Mr. HALL] for yielding. The gentleman has ably explained the provisions of the rule.

Mr. Speaker, the rule does not restrict the normal amending process, and I support it.

This bill is $521 million below the President's request, and I commend the members of the Appropriations Committee for putting together a bipartisan, fiscally responsible measure while still meeting the construction needs of our military.

Mr. Speaker, this bill also addresses the important issue of base realignment and closure by setting aside 30 percent of the total funding into three separate accounts for this purpose.

H.R. 2446 contains some legislative provisions, including the requirement that the Department of Defense inform the Congress 30 days in advance of any proposed military exercise that involves U.S. personnel with an anticipated cost in excess of $100,000. The measure also requires the Defense Department to report to Congress on specific actions it is taking to encourage NATO allies and Japan and Korea to assume a greater share of the common defense burden. Given our Nation's current economic situation, we have to make some tough choices, and it is imperative that other nation's contribute a fair share toward global responsibilities.

I know some Members have concerns over specific spending items in this bill, and this rule will allow Members to offer amendments to reduce or eliminate certain expenditures if they so desire. The rule also allows the gentleman from Illinois [Mr. FAWELL] to offer an en bloc amendment to strike 143 unauthorized projects from the bill.

□ 1040

Mr. Speaker, I want the Members to take special notice of this amendment. Projects are being cut in practically every State of this Nation.

I do not support the amendment of the gentleman from Illinois [Mr. FAWELL], but I do not object to his offering it on the floor of the House.

I would hope the Members would find out the specific projects in their districts being eliminated by this en bloc amendment and take notice on the floor of the House when the amendment is presented.

Mr. Speaker, I have no objection to the rule.

Mr. QUILLEN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on the bill, H.R. 2446, which will be presently considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1994

Mr. HEFNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentlewoman from Nevada [Mrs. VUCANOVICH] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Maryland [Mr. CARDIN] as Chairman of the Committee of the Whole and requests the gentleman from Ohio [Mr. HALL] to assume the chair temporarily.

□ 1044

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2446, with Mr. HALL of Ohio, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from North Carolina [Mr. HEFNER] will be recognized for 30 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to present to the House, H.R. 2446, the fiscal year 1994 military construction appropriations bill.

BILL TOTAL

The bill we are recommending totals $10.3 billion which is below the subcommittee 602(b) allocation for both budget authority and outlays. The bill is under the President's request by $521 million. This bill is over the 1993 appropriated level, but one should review that with caution and qualification. the reason I say that is because, last year, we were forced under a veto threat to reduce military construction by over 40 percent with the understanding that, in 1994, we would return to a more appropriate level. The comparative numbers are all laid out on page 2 of the report which shows that when you separate out base closure funding, and go back to the 1992 level, the military construction and family housing portion of the bill is under the 1992 level by $848 million. Again, this bill is under the President's request by $521 million and under the 1992 level by $848 million.

BASE CLOSURE

With regard to base closure the bill provides funding to implement three separate rounds of base realignment and closure, the total of which has tripled since 1992 to a point that represents 30 percent of the entire bill. We have included $1.2 billion to facilitate the next round of base closure recommendations that are currently pending before the Base Closure Commission. However, such funds are available, only to the extent, that a formal budget request is transmitted. The committee took this action to avoid the need for supplemental appropriations at a later date.

ENVIRONMENTAL CLEANUP

Within the base closure funding, the committee recommends $582 million for environmental cleanup which is so essential to expediting orderly cleanup of closed bases.

QUALITY OF LIFE

The bill before you is a bill that provides for quality of life of our military. Our service men and women need to have better living and working conditions. For example, we still have troops living in antiquated World War II barracks. For that reason, we are supporting a department initiative to upgrade and replace antiquated barracks. This bill also includes funds to repair and replace housing that is substandard and dangerous to the health of families because of the presence of asbestos and lead based paint.

INVESTMENT PROGRAM

Members should realize that the military construction bill is an investment bill that has significant payback in economic terms and provides for offsets in other parts of the Defense budget.

BILL FEATURES

Let me just go over some of the special features of the bill. The bill provides about $500 million for new barracks and modernization of existing barracks.

It provides about $300 million for environmental compliance type projects.

It provides about $100 million for child development centers.

It provides about $200 million for overseas priority projects, one-third of which is for construction in Guam as a result of the Philippine relocation.

It reduces the President's request for NATO funding by $100 million.

For the Reserve Components, it provides for an increase of about $200 million over the President's request but is under the 1993 level.

It continues the longstanding policy of phase funding of large hospital complexes based on executable rates.

It provides $50 million as an ongoing effort to reduce energy costs.

ACKNOWLEDGMENT

Mr. Chairman, before I conclude my remarks, I want to express my appreciation to all the members of the subcommittee, and especially our ranking minority member, the gentlelady from Nevada [Mrs. VUCANOVICH]. It is a pleasure to work with the gentlelady from Nevada. This is why we are presenting, to you, a bipartisan bill and a good bill given the budget constraints that we have to work with.

Mr. Chairman, that concludes my remarks and I reserve the balance of my time.

□ 1050

Mrs. VUCANOVICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am delighted today to bring to the floor, along with my chairman and friend, Mr. HEFNER, the bill making appropriations for military construction for fiscal year 1994.

I would like to thank the subcommittee chairman. Mr. HEFNER has been patient and informative as he has guided me through my first year as ranking member.

I would also like to thank the members of the subcommittee for their hard work and input during our hearing process. The staff work has been exemplary and I want to commend them for their hours of toil and trouble.

I support this bill. It is a truly bipartisan bill and a very balanced and fair bill.

Although the measure is not all things to all Members, I believe we treated everyone fairly.

Mr. HEFNER has outlined the highlights of the bill so I will not be repetitive. I would simply point out again that the bill totals $10.3 billion for fiscal year 1994, is under the President's request by $521 million, and is below the subcommittee's 602(b) allocation.

While the bill shows a significant increase over fiscal year 1993 funding—due to base closure expenses and making up for a DOT-initiated construction pause—when combined with the defense appropriations bill, overall defense numbers will be $17.3 billion below fiscal year 1993 in outlays.

The military construction bill constitutes about 3 percent of DOD's total budget. The majority of the other 97 percent is provided through the annual defense authorization and appropriations bills. Both these bills have been delayed this year. However, our subcommittee has worked closely with the Armed Services Committee in crafting this bill to allow it to move forward. The appropriations bill language makes all appropriations subject to authorization.

Military construction is an investment program that has significant paybacks in economic terms, in better living and working conditions, and in environmental restoration.

With reduction in forces, it is imperative that we put a priority on providing the best working and living conditions for our service members and their families. The bill contains $3.6 billion for family housing. An example of these needs exist in my district at Nellis Air Force Base. There are 70 homes for junior enlisted and their families which are falling apart. They are 50 years old and made of cinder block which allows water seepage causing interior wall damage. Some have severe foundation and wall cracks. The roofs are deteriorated and the old cast iron sewer lines under the slabs are in desperate need of repair.

These are the men and women to whom we entrust the care and maintenance of $40 million airplanes. These are the men and women across the Nation we sent to Desert Storm and Somalia. I believe they deserve a decent roof over their heads, and a home for their families.

This bill helps meet that goal. I hope that my colleagues will support H.R. 2446.

Mr. Chairman, I reserve the balance of my time.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I especially want my colleagues in the freshman class to know that this is a most responsible bill, a bill that is already $521 million below the President's request. As a new member of the Military Construction Subcommittee, I know the extent that we are downsizing military construction. The Congress has concerns about military families, including child care for their children. We have concerns about the inadequate housing that we ask our military pesonnel to live in. We also have concerns about base closure, including in my own district.

There is nothing in this bill for my own district other than ensuring that the Base Closure and Realignment Commission has adequate funds to begin final base closures and hazardous

cleanup so that our communities can get on with defense conversion.

The Fawell amendment uses the excuse of congressional add-ons. The committee has made some necessary changes in the President's request. It is the prereogative of the Congress, and indeed our duty, to do so. The bill gives the President 95 percent of what he has requested. The Fawell amendment also uses the excuse that projects are not authorized. He is wrong. The military installations in the bill are not projects. Furthermore, there is a provision under every heading in the bill, making the appropriation subject to authorization. Last, the bill drafted under the excellent leadership of Chairman HEFNER is well under the 602(b) allocations, and well under the budget resolution.

Mr. Chairman, I ask my freshmen colleagues to oppose the Fawell amendment and vote for final passage of this bill.

Mrs. VUCANOVICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I would like to take this opportunity to commend Chairman HEFNER and the ranking Republican, Mrs. VUCANOVICH, for their efforts in crafting a balanced and bipartisan military construction bill. I strongly support their efforts on this necessary legislation.

As my colleagues know, military construction funding is an integral part of our defense planning. The appropriations bill before us today provides a total of $10.3 billion in fiscal year 1994 for new building construction, revitalization of existing military facilities, and the costs associated with the base closure process. Most importantly, H.R. 2446 allocates $3.6 billion of the fiscal year 1994 funds for family housing projects. I believe it is extremely important to focus our efforts on family housing projects because this improves the quality of life for our military families. As we continue to downsize our military, it is more necessary than ever to maintain a high quality of life for our families in order to attract the highest quality servicemember.

Finally, I would like to note that a significant portion of military construction money now goes to fund base closures—I believe base funding closure constitutes 30 percent of this appropriations bill. I would like to work with my colleagues to ensure that this funding goes to actually get these bases off the military rolls, and is not spent on hordes of lawyers and endless litigation.

Again, I commend the chairman and Mrs. VUCANOVICH and look forward to working with you both on military construction issues.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I rise in strong support of this bill, and I am opposed to the Fawell amendment.

Mr. Chairman, I serve on the House Committee on Armed Services, and am ranking member on the Subcommittee on Military Forces and Personnel, and the Subcommittee on Military Installations and Facilities. We have worked very closely with the gentleman from North Carolina [Mr. HEFNER] and his committee, and this bill attracts a lot of what the authorization bill does do.

Mr. Chairman, I point out that this is a jobs bill. It will put people back to work. It is military construction, and it spreads defense spending around the country in the United States. It gives jobs to people in small States, building armories and building ranges.

So, Mr. Chairman, it is good legislation, I strongly support it, and I oppose the Fawell amendment.

Mr. NATCHER. Mr. Chairman, I rise in support of the military construction appropriations bill for fiscal year 1994. This is the fourth appropriations bill for fiscal year 1994 to come before the House.

I want to commend the gentleman from North Carolina [Mr. HEFNER], chairman of the Military Construction Appropriations Subcommittee, and the gentlelady from Nevada [Mrs. VUCANOVICH], the ranking minority member on the subcommittee.

This important bill provides support for our active duty forces as well as our National Guard and Reserves. Also, this bill provides funding for base realignment and closure activities. We need to provide for these activities so that the Department of Defense can continue to downsize in an efficient manner.

I want to commend all 11 members of the Subcommittee on Military Construction on a good bill.

The next 2 weeks will be active ones on the floor of the House because of bills reported by the Committee on Appropriations as we continue to move our bills for consideration prior to our Fourth of July work period. I want to thank all Members for their cooperation.

Again, I want to commend subcommittee members for a job well done.

I urge adoption of this bill.

Mr. MCDADE. Mr. Chairman, the military construction appropriations bill for fiscal year 1994 is the 4th of 12 appropriations bills we intend to act on in the next 2 weeks. Under the leadership of Chairman NATCHER our committee is under an ambitious schedule—and one I know we will meet—to bring 12 fiscal year 1994 appropriation bills to the floor before the July 4 recess.

I'd like to take this opportunity to commend the chairman of the subcommittee, Mr. HEFNER for his diligence in bringing this bill to the floor. And Mrs. VUCANOVICH, serving in her first year as the ranking minority member of the subcommittee, has done a superb job in juggling the difficult task presented her. We also have three other new members on our side, Mr. CALLAHAN, Mrs. BENTLEY, and Mr. HOBSON who have played an instrumental role in crafting this bill.

Mr. Chairman, the military construction appropriations bill funds military construction and family housing throughout the world. In addition, one-third of the bill accounts for all funds related to domestic base closures. H.R. 2446 totals $10.3 billion and is $521 million below the President's budget request. The bill is $1.89 billion above the fiscal year 1993 level, which is due to the funding of the 1993 base closures to be voted on by the Commission this week and making up for a DOD initiated military construction pause.

This funding increase, I might add, was also intended under the Bush administration.

While military construction shows an increase over last year, because of the priority given to these programs, you have to look at defense in the aggregate—and, the total defense function is coming down. The Clinton request for the defense budget as a whole is $10.2 billion less in budget authority and $14.8 billion less in outlays than last year.

Under the 602(b) allocations total Defense comes down even more by some $10.8 billion less in budget authority and $17.3 billion less in outlays than fiscal year 1993. And, this bill goes even further by cutting an additional $63 million in budget authority from the allocation—which for milcon was already cut by nearly half a billion dollars from President Clinton's budget. To put this in perspective, defense is the biggest single budget cutting contribution to deficit reduction for fiscal year 1994—some $17 billion outlays.

This is proposed at a time when our military commitments appear to be growing, given the military's expanded role in disaster relief, humanitarian assistance, and international peacekeeping and sanctions enforcement. At the same time, there are disturbing signs that a return to the hollow military of the 1970's is imminent. Military recruitment is down, while a greater proportion of those enlisting have failed to complete high school.

The Joint Chiefs have testified to growing morale problems resulting from uncertainty about future defense cuts, a pace of deployments which is increasing as force structure shrinks, and most recently, the administration's proposals to cut military cost-of-living adjustments.

As we try to juggle these problems with limited resources it is imperative now more than ever that we provide the finest working and living conditions to our men and women in uniform.

This bill is a quality-of-life bill for our service members and their families but it is also an investment, produces jobs, and produces savings in other defense accounts. In the wake of Desert Storm and Somalia it is imperative we send a strong signal of support for our service members. When visiting military installations around the world you will see tangible results from this bill—results that make a difference in morale and in turn, improve the quality of our Armed Forces.

Mr. Chairman, I strongly support this bill and urge my colleagues to oppose any amendments to it which further decreases our defense resources.

Mrs. BENTLEY. Mr. Chairman, I would like to thank Mr. HEFNER, Mrs. VUCANOVICH, and the military construction staff.

I ask the Members to support the bill.

Member's quote unquote projects are being given a bad name. There is no question that,

in the past, there have been abuses, but I remind you, that under the Constitution, it is the duty of the Congress to decide what is to be funded.

If we are to act merely as a rubberstamp for the administration's proposals, all of us might as well go home.

And if we go home, the executive could save $2 billion for the operation of the legislative branch—but then the Constitution would not be served because there would be no representation of the people.

I have a Member's initiative in this bill—it is a day care center for the children of the troops serving at Edgewood arsenal.

The Army slated this project to be completed with minor construction funds. However, there is a limit of $1.5 million for those items. The day care center's projected cost is $1.45 million. If the bids come in for over $1.5 million—minor construction funds could not be used.

As a result, the day care center could not be built—and one is needed.

Currently, the child care center is housed in a World War II era stable. I would like to quote DOD's own description:

Buildings "consist of three separate World War II wood buildings contaminated with friable asbestos and lead paint. The buildings have structural problems. * * * Facilities are presently required to use bottled water for drinking due to the condition of the pipes. The present capacity of 125 does not meet the current need of 363 children."

This need has existed for years; and the Army did not budget for an adequate child care center.

The executive branch cannot know the needs in every congressional district. That is why we are here.

We are not rubberstamps. That is why my constituents have sent me here. It is my duty to raise this and other issues that affect my district.

I urge support of the bill.

Mr. OXLEY. Mr. Chairman, I rise today in support of the military construction appropriations bill and in support of funding included for construction at the Ohio Air National Guard's 179th Medical Squadron's installation in Mansfield, OH.

The Guard has a dire need for facilities adequate to train personnel. The unit's current medical training and dining facilities offer only half the space needed. They are housed in poorly configured structures in the unit's overcrowded operational training area, which cannot be expanded. The current facilities present health risks, inefficient training routines, and increased operation and maintenance costs that degrade the mission readiness of the unit.

The $2.9 million included in the bill to construct a 19,000 square foot facility is a reasonable appropriation to improve the readiness of the Ohio National Guard. I commend the committee for its foresight, and I urge support for the bill.

Mr. HOBSON. Mr. Chairman, I rise in strong support of H.R. 2446, the fiscal year 1994 military construction appropriation bill. This is an important bill because it is an investment in the protection of our peace and freedom. Even in these days of downsizing the military, what we ultimately spend on our armed forces guarantees that we can live in peace and freedom. American men and women are encouraged to serve in the military when we provide efficient, quality workplaces and modern housing facilities. This is something we must do to continue having an all volunteer force.

The $10.3 billion bill is roughly divided into thirds: First, $3.5 billion for military construction, second, $3.6 billion for family housing, and third, $3 billion for base closure. While the bill is over fiscal year 1993 levels, this is due to base closure expenses and making up for a Department of Defense-initiated construction pause. H.R. 2446 is $63 million under the military construction 602(b) allocation in budget authority. It is at the 602(b) allocation in outlays.

On a parochial bases, let me note about $28 million in construction projects at Wright-Patterson Air Force Base which is partially in my district. All of these projects were requested by the administration.

Finally, I want to say what a great privilege it is to serve on the military construction subcommittee. Of the choices I looked at when I came to the Appropriations Committee this year, Milcon was my first choice. My thanks and compliments to the distinguished chairman, the gentleman from North Carolina [Mr. HEFNER], the distinguished ranking minority member, the gentlewoman from Nevada [Mrs. VUCANOVICH], and all the subcommittee members for their hard work. H.R. 2446 is an excellent bill and I highly recommend it to you.

Mr. BEREUTER. Mr. Chairman, I rise in strong support of H.R. 2446. In an era of increasingly limited resources, this Member recognizes the enormous difficulties that our colleagues on the Appropriations Committee must face. They are forced to make difficult choices among many worthy programs, knowing full well that there are not sufficient funds to support even a fraction of the competing initiatives. This is particularly true for the military construction subcommittee, which must simultaneously deal with issues such as the base closings, the NATO infrastructure account, consolidation of numerous assets for active duty forces, and the continued modernization of National Guard and Reserve facilities.

It is with that in mind that this Member expresses his sincere gratitude to the Chairman of the military construction subcommittee, the distinguished gentleman from North Carolina [Mr. HEFNER], and the distinguished ranking m.Member, the gentlewoman from Nevada [Mrs. VUCANOVICH], for supporting important and much needed modernizations for the Nebraska Air National Guard with the recommended $7.3 million for hanger construction and renovation plus $1,850,000 for a necessary fire station construction project. As the subcommittee recognizes, the Nebraska Air Guard is in the midst of a transition from RF–4C reconnaissance aircraft to KC–135R tankers. The Nebraska Air Guard has enthusiastically embraced this new mission, and the conversion is well underway. However, a number of infrastructure alterations are necessary to support the conversion.

Of particular concern is the old maintenance hanger and repair facility. The hanger in question is almost 40 years old and is showing its age. Moreover, it is filled with old asbestos insulation, which carries with it obvious health risks. While it may have been adequate to maintain small fighter-type aircraft such as the RF–4C, it is completely unsuitable for the much larger KC–135R tankers. Construction of the new maintenance hanger is absolutely essential if the Air Guard is to support its new mission.

Mr. Chairman, this Member is particularly appreciative of the fact that the military construction subcommittee was able to find the funds required to support the hanger renovation. In doing so, they have made an important, positive contribution to the readiness of our Air National Guard.

Mr. PACKARD. Mr. Chairman, as we consider the military construction appropriations bill today, I have several observations.

I would like to thank Chairman HEFNER and ranking member Mrs. VUCANOVICH for their help and consideration in addressing the genuine needs of the Marine Corps base, Camp Pendleton, in this bill.

H.R. 2446 contains funds to repair extensive flood damage at Camp Pendleton, which is in my district.

I visited Camp Pendleton earlier this year to see flood damage at the base. We saw helicopters buried in mud up the cockpit. A portion of the airstrip was washed away and tons of mud accumulated on the airfield.

Bridges and major portions of roadways literally disappeared. Wells were washed away and a sewage treatment plant was severely damaged. Funding in this bill will cover a small portion of flood repairs that need to be made to the base.

We have an obligation to provide funding to repair damage at the base. When cities and counties in southern California needed help from flooding this year, they were able to turn to FEMA for help. Obviously, the marines can't do that.

We cannot ask the Marine Corps to absorb these costly repairs from a budget that is already stretched to its limits. The defense budget is being hit from all sides. The armed services are being asked to downsize at an historic rate. Military personnel, are being asked to accept a pay freeze, weapons programs are being canceled or drastically scaled back. In short, the defense budget is being cut too deep, too fast. It simply is not fair to turn around and ask them to absorb the costs from this flood damage and any other emergencies that, by definition, come along unexpectedly.

Mr. GALLO. Mr. Chairman, I would like to commend the distinguished chairman of the Military Construction Subcommittee, Mr. HEFNER, and the able ranking member, Mrs. VUCANOVICH, for the hard work they have done in bringing to the floor a military construction appropriations bill that is both responsive to the demands of budget constraints and to the changing demands on our defense infrastructure.

I particularly appreciate their favorable consideration of my request for two important military construction projects at the U.S. Army Armament Research, Development and Engineering Center [ARDEC] at Picatinny Arsenal, NJ. They are:

The construction of an advanced warhead development facility. This facility would enhance ARDEC's ability to meet its Army mission for the development of armament sys-

tems, including antiarmor warheads. It would provide a safe, secure, cost-effective, environmentally acceptable facility for conducting tests for terminal ballistics evaluation of explosive warheads for large caliber munitions. This facility will permit testing in any weather and will also comply with environmental mandates for reducing noise and eliminating radioactive and toxic waste. Construction of this facility will result in an annual cost savings of $1.3 million, with a payback in less than 4 years, and;

The construction of an explosive development facility. This facility would enhance ARDEC's ability to meet its missions to formulate, characterize, and determine the sensitivities of new explosives and propellants, as well as its Army mission for interim qualification of new and improved energetic materials employed in munitions systems—mines, artillery, et cetera. It will consolidate preparation and small scale testing for the research and development of new explosive formulations and will be used to develop new Army insensitive energetic materials to be used in future insensitive munitions [IM] as mandated by the triservice insensitive munitions policy. Construction of this facility will result in an annual cost savings of $1.8 million, with a payback of less than 4 years.

I believe both of these projects, which have Army support, represent important and wise investments in the Army of the future. By providing ARDEC—an Army center of excellence 3 years running—with these up-to-date facilities, we can enhance their ability to meet their mission while investing in infrastructure improvements of the arsenal that will pay for themselves in less than 4 years.

Mr. FAWELL. Mr. Chairman, I had intended to offer an amendment to H.R. 2446, the Military Construction Appropriation Act, with Congressman PENNY, ZIMMER, and THURMAN. Unfortunately, due to the fact that general debate was cut far short of what was anticipated, and the vote on final passage occurred unusually fast, I lost my opportunity to offer an amendment on behalf of the porkbusters coalition to cut 143 unauthorized, unrequested projects totaling over $520 million.

The following is the statement I had prepared on our amendment:

STATEMENT OF CONGRESSMAN HARRIS W. FAWELL ON THE FAWELL-PENNY-ZIMMER-THURMAN AMENDMENT TO H.R. 2446, MILITARY CONSTRUCTION APPROPRIATIONS

Mr. Chairman, I am offering an amendment, with Congressmen PENNY, ZIMMER, and THURMAN, on behalf of the porkbusters coalition to eliminate earmarked funding for 143 projects totaling over $520 million. All of these projects were specifically earmarked by the Appropriations Committee—in other words, the committee directs tax dollars to be spent in a specific location for a specific project. The earmarks were not requested by the Defense Department. They have not been authorized.

This amendment is straightforward. It asks that Congress abide by the rules it sets for spending tax dollars. And these rules are straightforward: First get it authorized, then appropriate the money. The Appropriations Committee is asking us to do it the other way around.

If the Appropriations Committee is going to earmark specific projects, then they should be specifically earmarked for funding first by the authorizing committee, Armed Services. These rules assure that projects will be carefully considered by Congress and taxpayers' funds will not be wasted.

It appears that none of these 143 projects has had a specific authorization in previous years, and could not have been authorized this year because the Defense Authorization bill has not yet been reported out of committee. Further raising our suspicions about the projects, all are earmarked in the committee report for specific locations—all domestic locations, of course—and none were requested by the administration.

Mr. Chairman, the porkbusters coalition is a bipartisan group of 72 Members of Congress and 11 taxpayer organizations. I cannot stress the following point enough: Porkbusters is not questioning the merits of these projects; we are questioning the way in which they are being funded in violation of established procedures.

Opponents of the amendment will argue that H.R. 2446 requires that projects be authorized before they can be funded. From my reading of this bill, that is not the case. The bill does not require that the earmarks be specifically authorized. Moreover, projects are supposed to be authorized prior to receiving funding.

Opponents of the amendment will also argue that we need not cut $520 million from the bill because the military construction appropriation bill is already under the President's request. Total requested spending under the President's budget is irrelevant. What is relevant is that this bill appropriates $1.9 billion more than was appropriated last year in a time of expanding national debt. Therefore, if we adopt our amendment, we will only cut the increase over last year by one-quarter. If the Federal Government were operating under zero-based budgeting where you begin with what you got last year, the burden would be on the proponents of this bill to justify a 20-percent increase in spending in a single year.

Opponents will argue that the bill comes in under the budget allocation, the 602(b) allocation. This half billion dollars in earmarks will have to be borrowed from our grandchildren. These earmarks are equivalent to a one-half cent per gallon gasoline tax—think of it, we could knock off that much from the proposed new gas tax just by cutting these earmarks.

One-half billion dollars will not burn a hole in our pockets if it is not spent. Even if all of the President's budget plans are implemented—all of the tax increases and spending cuts take place—we will still add $1.8 trillion to the national debt over the next 5 years. If we can find a half billion dollars that isn't absolutely essential to spend, then we'd darn well better use it to reduce the accumulated debt.

If we cannot cut spending, such as this $520 million, that has never gone through the authorization process, then what can we cut? If we cannot cut spending that was not even requested by the military for the military, then what can we cut? If we cannot make this first toddling step, how can we ever be trusted to take more taxes from the American people? How can we be trusted to move toward balancing the budget?

I would especially like to appeal to the 110 new Members of this body who came to Washington to change business as usual when it comes to spending taxpayers' money. If you campaigned on cutting waste in government, on eliminating unnecessary defense spending, or if you pledged to support the line-item veto, this amendment goes to the heart of why you ran for Congress.

This is a bipartisan amendment that also has the support of the National Taxpayers Union, Citizens Against Government Waste, Citizens for a Sound Economy, U.S. Chamber of Commerce.

I urge a "yes" vote on the Fawell-Penny-Zimmer-Thurman amendment.

Mr. STUMP. Mr. Chairman, I rise to express my appreciation to today's bill managers for their efforts on behalf of Luke Air Force Base, AZ, so that flood control improvements may go forward. Chairman BILL HEFNER and ranking minority member BARBARA VUCANOVICH, of the Appropriations Subcommittee on Military Construction, recognized the urgency of this matter, and the opportunity to involve local government in cost sharing.

Last September, Luke AFB was flooded by storms representing a 100-year activity within the watershed that drains toward the base. Flood depths on Luke AFB ranged from 0.5 to 4 feet. Twenty-two fighter aircraft sustained brake and wheel bearing damage. In addition, 78 houses were damaged and 63 families were evacuated. Damage sustained on Luke AFB was $3.2 million. In January 1993, another storm caused $310,000 of damage when the Dysart drain on the north side of the base again breached its banks.

This flood channel was built in the 1950's. Luke AFB owns the channel and its related right of way. Ground water subsidence caused by many years of agricultural ground water pumping caused the channel to settle nearly 17 feet in some places. This subsidence has lowered the channel near Luke, with the presence of a salt dome creating a channel high point between Luke and the channel discharge point. This high point has negated the channel's effectiveness.

The estimated cost of a long-term fix to this problem is $12 million. Local county and municipal officials surrounding Luke AFB are aware of this situation and have repeatedly expressed a strong commitment to participate with the base on this project. On March 3, 1993, the board of directors of the flood control district of Maricopa County approved project resolution FCD 92–10 authorizing negotiation of an intergovernmental agreement with Luke, including cost sharing. They have already undertaken approximately $200,000 in technical study-design cost.

I strongly commend the actions of local officials in support of Luke AFB, and believe Congress should recognize their commitment to the base by moving forward with funding for this project as soon as possible. H.R. 2446 provides funding for this effort, and I again want to express my appreciation to the subcommittee leadership and staff for their assistance.

Mrs. VUCANOVICH. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFNER. Mr. Chairman, I, too, have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. HALL of Ohio). All time for general debate has expired.

Pursuant to the rule, the amendments en bloc printed in House Report 103–148 to be offered by the gentleman

from Illinois [Mr. FAWELL] or his designee, may amend portions of the bill not yet read for amendment, shall be considered as read, and shall not be subject to a demand for division of the question.

The Clerk will read.

The Clerk read as follows:

H.R. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1994, for military construction functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, $837,644,000, to remain available until September 30, 1998: *Provided*, That of this amount, not to exceed $109,441,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $575,971,000, to remain available until September 30, 1998: *Provided*, that of this amount, not to exceed $64,373,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $913,297,000, to remain available until September 30, 1998: *Provided*, That of this amount, not to exceed $63,882,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $618,770,000, to remain available until September 30, 1998: *Provided*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further*, That of the amount appropriated, not to exceed $42,405,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $203,980,000, to remain available until September 30, 1998.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $161,761,000 to remain available until September 30, 1998.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $87,825,000, to remain available until September 30, 1998.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $28,647,000, to remain available until September 30, 1998

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $66,136,000, to remain available until September 30, 1998.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of North Atlantic Treaty Organization Infrastructure programs for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts and section 2806 of title 10, United States Code, $140,000,000, to remain available until expended.

FAMILY HOUSING, ARMY

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $218,785,000 to remain available until September 30, 1998; for operation and maintenance, and for debt payment, $1,067,922,000; in all $1,286,707,000.

FAMILY HOUSING, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $367,769,000, to remain available until September 30, 1998; for operation and maintenance, and for debt payment, $781,952,000; in all $1,149,721,000.

FAMILY HOUSING, AIR FORCE

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $192,197,000, to remain available until September 30, 1998; for Operation and maintenance, and for debt payment, $805,847,000; in all $998,044,000.

FAMILY HOUSING, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration, and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $159,000, to remain available for obligation until September 30, 1998; for Operation and maintenance, $25,711,000; in all $25,870,000.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966, as amended (42 U.S.C. 3374), $151,400,000.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART I

For deposit into the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), $27,870,000, to remain available for obligation until September 30, 1995: *Provided*, that none of these funds may be obligated for base realignment and closure activities under Public Law 100-526 which would cause the Department's $1,800,000,000 cost estimate for military construction and family housing related to the Base Realignment and Closure Program to be exceeded: *Provided further*, That not less than $19,800,000 of the funds appropriated herein shall be available solely for environmental restoration.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

For deposit into the Department of Defense Base Closure Account 1990 established

by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), $1,800,500,000, to remain available until expended: *Provided*, That such funds are available solely for the approved 1991 base realignments and closures: *Provided further*, That not less than $262,300,000 of the funds appropriated herein shall be available solely for environmental restoration.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

For deposit into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), $1,200,000,000, to remain available until expended: *Provided*, That such funds will be available only to the extent an official budget request is transmitted to the Congress: *Provided further*, That such funds are available solely for the approved 1993 base realignments and closures: *Provided further*, That not less than $300,000,000 of the funds appropriated herein shall be available solely for environmental restoration.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in Military Construction Appropriations Acts shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in Military Construction Appropriations Acts shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, of (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in Military Construction Appropriations Acts shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual Military Construction Appropriations Acts.

SEC. 107. None of the funds appropriated in Military Construction Appropriations Acts for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in Military Construction Appropriations Acts may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds appropriated in Military Construction Appropriations Acts may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 111. None of the funds appropriated in Military Construction Appropriations Acts may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan or in any NATO member country, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds appropriated in Military Construction Appropriations Acts for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 113. The Secretary of Defense is to inform the Committees on Appropriations and the Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel thirty days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

(TRANSFER OF FUNDS)

SEC. 114. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account, shall be transferred to the appropriations for Family Housing, as determined by the Secretary of Defense, based on the sources from which the funds are derived, and shall be available for the same purposes, and for the same time period, as the appropriation to which they have been transferred.

SEC. 115. Not more than 20 per centum of the appropriations in Military Construction Appropriations Acts which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 116. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 117. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 118. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 119. Of the funds appropriated in this Act for Operation and maintenance of Family Housing, no more than $13,000,000 may be obligated for contract cleaning of family housing units.

(TRANSFER OF FUNDS)

SEC. 120. During the five-year period after appropriations available to the Department of Defense for military construction and family housing operation and maintenance and construction have expired for obligation, upon a determination that such appropriations will not be necessary for the liquidation of obligations or for making authorized adjustments to such appropriations for obligations incurred during the period of availability of such appropriations, unobligated balances of such appropriations may be transferred into the appropriation "Foreign Currency Fluctuations, Construction, Defense" to be merged with and to be available for the same time period and for the same purposes as the appropriations to which transferred.

SEC. 121. The Secretary of Defense is to provide the Committees on Appropriations of the Senate and the House of Representatives with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization and Japan and Korea to assume a greater share of the common defense burden of such nations and the United States.

SEC. 122. (a) Notwithstanding any other provision of law, the Secretary of the Army shall transfer, no later than September 30, 1994, without reimbursement or transfer of funds, to the Architect of the Capitol, a portion of the real property, including improvements thereon, known as the Army Research Laboratory, Woodbridge Research Facility, located in Prince William County, Virginia, consisting of approximately 100 acres, more or less, as determined under subsection (c).

(b) The Architect of the Capitol shall, upon completion of the survey performed pursuant to subsection (c) and the transfer effected pursuant to subsection (a), utilize the property to be transferred to provide facilities to accommodate the varied long term storage and service needs of the Library of Congress and Legislative Branch.

(c) The exact acreage, legal description and apportionment as to the portions of the property to be transferred under this section shall be determined by a survey satisfactory to the Architect of the Capitol and the Secretary of the Army.

SEC. 123. Proceeds received by the Secretary of the Navy pursuant to section 2840 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190) are appropriated and shall be available for the purposes authorized in that section.

SEC. 124. Defense access roads from Camp Dodge, Iowa, (86th Street Improvements)

shall be considered as fully meeting the certification requirements specified in section 210 of title 23 of the United States Code.

□ 1100

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 17, line 9, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order against those portions of the bill?

The Chair hears none.

Are there any amendments?

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: At the end of the bill, add the following new sections:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. . SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. . PROHIBITION OF CONTRACTS.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a fraudulent label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that was not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, I want to commend the chairman of the subcommittee and the ranking member for bringing us a fine bill.

This language is the "Buy American" provision and has been placed on many of the appropriation bills. The amendment has been in essence cleared with Chairman CONYERS, and it does speak to those provisions of the bill that make it stronger. I appreciate the fact that it has been accepted.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the chairman of the subcommittee.

Mr. HEFNER. Mr. Chairman, we have reviewed the amendment, and it has been cleared through Chairman CONYERS. We have no objection to the amendment.

Mrs. VUCANOVICH. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentlewoman from Nevada.

Mrs. VUCANOVICH. Mr. Chairman, I accept the amendment.

Mr. TRAFICANT. Mr. Chairman, with that, I would like to commend the committee for this legislation. I also want to commend them for what they are doing with base closings, as well as congratulate them for the fine effort they have made in building our infrastructure, which was so successful in Desert Shield and Desert Storm.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, the Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Military Construction Appropriations Act, 1994".

Mr. HEFNER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MONTGOMERY) having assumed the chair, Mr. CARDIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2446) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1994, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 67, not voting 20, as follows:

[Roll No. 261]

YEAS—347

Abercrombie	Costello	Hefley
Ackerman	Coyne	Hefner
Andrews (ME)	Cramer	Hoagland
Andrews (NJ)	Cunningham	Hobson
Andrews (TX)	Danner	Hochbrueckner
Applegate	Darden	Holden
Archer	de la Garza	Horn
Armey	DeLauro	Houghton
Bacchus (FL)	DeLay	Hoyer
Bachus (AL)	Dellums	Huffington
Baesler	Deutsch	Hughes
Baker (CA)	Diaz-Balart	Hunter
Barca	Dicks	Hutchinson
Barcia	Dingell	Hutto
Barlow	Dixon	Hyde
Barrett (NE)	Dooley	Inglis
Barrett (WI)	Durbin	Inhofe
Bartlett	Edwards (CA)	Inslee
Barton	Edwards (TX)	Jefferson
Bateman	Emerson	Johnson (CT)
Becerra	Engel	Johnson (GA)
Bellenson	English (OK)	Johnson (SD)
Bentley	Evans	Johnson, E.B.
Bereuter	Everett	Johnston
Berman	Ewing	Kanjorski
Bevill	Farr	Kaptur
Bilbray	Fazio	Kasich
Billrakis	Fields (LA)	Kennedy
Bishop	Fields (TX)	Kennelly
Blackwell	Filner	Kildee
Bliley	Fish	Kim
Blute	Flake	King
Boehlert	Foglietta	Kingston
Bonilla	Ford (MI)	Kleczka
Borski	Ford (TN)	Klink
Boucher	Fowler	Kolbe
Brewster	Franks (CT)	Kopetski
Brooks	Frost	Kreidler
Browder	Furse	Kyl
Brown (CA)	Gallegly	LaFalce
Brown (FL)	Gallo	Lambert
Brown (OH)	Gejdenson	Lancaster
Bryant	Gekas	Lantos
Buyer	Gephardt	LaRocco
Byrne	Geren	Laughlin
Callahan	Gibbons	Leach
Calvert	Gilchrest	Lehman
Camp	Gillmor	Levin
Canady	Gilman	Levy
Cantwell	Gingrich	Lewis (CA)
Cardin	Glickman	Lewis (FL)
Carr	Gonzalez	Lewis (GA)
Castle	Goodlatte	Lightfoot
Chapman	Goodling	Lipinski
Clay	Gordon	Livingston
Clayton	Grandy	Lloyd
Clement	Green	Long
Clinger	Gunderson	Lowey
Clyburn	Gutierrez	Machtley
Coleman	Hall (OH)	Maloney
Collins (GA)	Hall (TX)	Mann
Collins (IL)	Hamburg	Manton
Collins (MI)	Hamilton	Markey
Combest	Hansen	Martinez
Conyers	Harman	Matsui
Cooper	Hastert	Mazzoli
Coppersmith	Hastings	McCandless

McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Porter
Poshard
Price (NC)
Pryce (OH)
Quillen
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Scott
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Tanner
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Torres
Torricelli
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Visclosky
Volkmer
Vucanovich
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)
Zimmer

NAYS—67

Allard
Baker (LA)
Ballenger
Boehner
Bunning
Burton
Coble
Condit
Cox
Crane
Crapo
Deal
DeFazio
Doolittle
Dornan
Dreier
Duncan
Dunn
Fawell
Fingerhut
Franks (NJ)
Goss
Grams
Greenwood
Hancock
Herger
Hoekstra
Hoke
Istook
Jacobs
Johnson, Sam
Klein
Klug
Knollenberg
Lazio
Linder
Manzullo
Miller (FL)
Minge
Moorhead
Nussle
Orton
Pallone
Paxon
Penny
Pomeroy
Portman
Quinn
Rahall
Rohrabacher
Roukema
Royce
Schaefer
Sensenbrenner
Shepherd
Solomon
Stark
Talent
Taylor (NC)
Thurman
Torkildsen
Upton
Vento
Walker
Washington
Wyden
Zeliff

NOT VOTING—20

Bonior
Derrick
Dickey
English (AZ)
Eshoo
Frank (MA)
Hayes
Henry
Hilliard
Hinchey
Margolies-Mezvinsky
McDermott
McKeon
Rush
Schumer
Sharp
Skeen
Synar
Tauzin
Towns

□ 1127

Messrs. STARK, GREENWOOD, MOORHEAD, and CRAPO changed their vote from "yea" to "nay."

Messrs. MURPHY, KLINK, and WAXMAN changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. ESHOO. Mr. Speaker, due to events beyond my control, I missed House rollcall vote No. 261. Had I been present, I would have voted "aye."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

The SPEAKER pro tempore. Pursuant to House Resolution 193 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2200.

□ 1130

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, with Mrs. UNSOELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, June 14, 1993, all time for general debate had expired.

Mr. BROWN of California. Madam Chairman, at the request of the Democratic leadership, I move that the Committee do now rise briefly for some incidental business.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MONTGOMERY) having assumed the chair, Mrs. UNSOELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, had come to no resolution thereon.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. HOYER. Mr. Speaker, at the direction of the Democratic caucus, I offer a privileged resolution (H. Res. 205) designating membership on certain standing committees of the House, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 205

Resolved, That the following named Members, be, and they are hereby, elected to the following standing committees of the House of Representatives.

Committee on Agriculture: SAM FARR, California.

Committee on Natural Resources: SAM FARR, California.

Committee on Public Works and Transportation: PETER W. BARCA, Wisconsin.

Committee on Science, Space and Technology: PETER W. BARCA, Wisconsin.

Committee on Small Business: BENNIE G. THOMPSON, Mississippi.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, FISCAL YEARS 1994 AND 1995

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House Resolution 193, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2200.

□ 1134

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for the other purposes, with Mrs. UNSOELD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment, and each title is considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

H.R. 2200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, Fiscal Years 1994 and 1995".

Mr. WALKER. Madam Chairman, I move to strike the last word.

Madam Chairman, there is an amendment to section 1, to the findings section that the gentleman from Wisconsin [Mr. KLUG] wishes to offer at some point. Given the constraint of time that we have been put under for this bill, we are being told that we are to offer two amendments today, and we

just want to make certain that the time is reserved for the gentleman from Wisconsin to be able to come back and bring up his amendment at a later date, and he does not lose his opportunity as a result of us moving past that.

I think that the chairman of the committee, Mr. BROWN, has agreed to that procedure, that we would ask unanimous consent that he be allowed to come back at the appropriate time.

Mr. BROWN of California. Madam Chairman, will the gentleman yield?

Mr. WALKER. I am happy to yield to the gentleman from California.

Mr. BROWN of California. Madam Chairman, the gentleman from Wisconsin has spoken to me about his amendment. I am perfectly agreeable to protecting his right to offer that amendment at the appropriate time, and if necessary, we can come back to that amendment.

Mr. KLUG. Madam Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Wisconsin.

Mr. KLUG. Madam Chairman, I thank my colleague from Pennsylvania for yielding.

So even though today we are going to deal with two amendments, and essentially we are bypassing the section that would include the findings, which is where my amendment is, it is the intention of the gentleman from California [Mr. BROWN] that later on that section will remain open, subject to the amendment.

Mr. BROWN of California. If the gentleman will yield, that is correct.

Mr. KLUG. I thank the gentleman.

Mr. WALKER. In that regard, Madam Chairman, I ask unanimous consent that at the appropriate time in the future the gentleman from Wisconsin [Mr. KLUG] be able to offer his amendment to section 2 when we return to the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) the civil space program has the potential to contribute to the advancement of technologies critical to the competitiveness and productivity of United States industry;

(2) the core mission of the National Aeronautics and Space Administration is, and depends upon, the extension of human presence beyond Planet Earth, specifically by the construction and operation of the International Space Station Freedom in the near term, and by the acquisition and development of knowledge necessary for expanding human presence beyond low Earth orbit to other celestial bodies over the middle and long term;

(3) the reduction in international tensions and the end of the Cold War provide an opportunity for the National Aeronautics and Space Administration to achieve a closer coordination with defense-related agencies and, consistent with the National Aeronautics and Space Act of 1958, to reduce overlap and duplication among Federal space programs and to take greater advantage of other Federal space capabilities;

(4) the National Aeronautics and Space Administration should play an active role in preserving a robust space industrial base and should seek to strengthen incentives for industry to conduct research and development for both Federal mission needs and the diversification of space-related applications;

(5) in the conduct of its space activities, the United States should employ the existing space assets and capabilities of the former Soviet Union on a selective basis when unique programmatic benefits are offered, and should encourage a collaboration between United States industry and the privatizing space organizations of the former Soviet Union in developing future space capabilities;

(6) in the conduct of space missions, the United States should give preference to integrating the broad range of "off-the-shelf" existing space assets and capabilities available from commercial sources; and

(7) the cancellation of the Advanced Solid Rocket Motor program should result in a reduction of the funding requirements for the National Aeronautics and Space Administration equal to 50 percent of the project cost of such program over the 5-year period following the date of enactment of this Act.

The CHAIRMAN. Are there any amendments to section 2?

The Clerk will designate title I.

The text of title I is as follows:

TITLE I—AUTHORIZATION OF APPROPRIATIONS

Subtitle A—Authorizations

SEC. 101. RESEARCH AND DEVELOPMENT.

(a) SPACE STATION FREEDOM.—

(1) AUTHORIZATION.—There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Development" for the Space Station Freedom, $1,900,000,000 for fiscal year 1994, $1,900,000,000 for fiscal year 1995, $1,900,000,000 for fiscal year 1996, $1,900,000,000 for fiscal year 1997, $1,900,000,000 for fiscal year 1998, $1,900,000,000 for fiscal year 1999, and $1,300,000,000 for fiscal year 2000.

(2) SCOPE OF PROGRAM.—The Space Station Freedom shall be designed to provide the capability for productive scientific and engineering research in low Earth orbit, shall be capable of incorporating advanced technologies over the operational life of the Space Station for the purposes of increasing the productivity of research and reducing the costs of operation, shall include a habitation module as part of its permanently manned configuration, and shall be developed in accordance with the international agreements in place as of the date of enactment of this Act.

(3) ADDITIONAL FOREIGN PARTICIPATION.—The Space Station Freedom program shall, where feasible, employ the existing space assets and capabilities of the former Soviet Union on a selective basis when such use will reduce the cost of developing and operating the Space Station Freedom to the United States and its international partners. Any proposed use of such assets and capabilities shall be in accordance with the international agreements in place as of the date of enactment of this Act.

(4) PROGRAM MANAGEMENT OFFICE.—The National Aeronautics and Space Administration shall maintain a strong, independent Space Station Program Management Office with financial control of the program budget at least through the date of the First Element Launch, unless the Administrator of the National Aeronautics and Space Administration (in this Act referred to as the "Administrator") certifies to the Congress that an alternative management approach will save money and will not result in increased annual funding requirements or schedule delays.

(b) OTHER RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Development" for—

(1) Technology Investment Program, established under title II of this Act, $22,000,000 for fiscal year 1994, and $40,000,000 for fiscal year 1995, none of which shall be available for administrative expenses of the National Aeronautics and Space Administration, except that no funds appropriated pursuant to this Act may be obligated for the establishment of any Technology Research institutes unless otherwise specifically provided for by law;

(2) Space Transportation Capability Development, $751,600,000 for fiscal year 1994, and $819,300,000 for fiscal year 1995, of which $21,000,000 for fiscal year 1994 and $40,000,000 for fiscal year 1995 are authorized to develop improvements in existing expendable launch vehicles (including the development of a single-engine version of the Centaur upper stage rocket), and of which $21,400,000 for fiscal year 1994 and $46,000,000 for fiscal year 1995 are authorized to support the development of advanced launch technologies, including single-stage-to-orbit technologies, and components;

(3) Physics and Astronomy, $1,094,700,000 for fiscal year 1994, and $1,162,300,000 for fiscal year 1995, of which $20,000,000 for fiscal year 1994 and $15,000,000 for fiscal year 1995 are for augmenting the funding for Mission Operations and Data Analysis activities by that amount;

(4) Planetary Exploration, $622,200,000 for fiscal year 1994, and $646,800,000 for fiscal year 1995, of which $65,000,000 for fiscal year 1994 and $85,000,000 for fiscal year 1995 are for augmenting funding for Mission Operations and Data Analysis activities and to initiate development of a Mars Environmental Survey mission;

(5) Life and Microgravity Sciences and Applications, $426,000,000 for fiscal year 1994, and $485,700,000 for fiscal year 1995, of which at least $2,000,000 for each such fiscal year is reserved for research on the causes of breast and ovarian cancers and other women's health issues;

(6) Mission to Planet Earth—

(A) $1,109,900,000 for fiscal year 1994, of which $5,000,000 are authorized for the development of instrumentation for and flight of remotely piloted aircraft, $25,000,000 are authorized for the High Resolution Multispectral Stereo Imager for Landsat 7, if the Administrator determines and reports to Congress in writing that equivalent data will not be made available by private remote-sensing space systems at the time Landsat 7 will be launched, or for the purchase of equivalent data to be provided in the future by private remote-sensing space systems, and of which $18,000,000 may be provided for the Consortium for International Earth Science Information Network, except that no funds may be obligated for the Consortium for International Earth Science Information Network in excess of $18,000,000 in fiscal year 1994 unless an equal amount of matching funding is provided from non-Federal sources; and

(B) $1,448,100,000 for fiscal year 1995;

(7) Space Research and Technology, $298,200,000 for fiscal year 1994, and $333,100,000 for fiscal year 1995;

(8) Commercial Programs, $172,000,000 for fiscal year 1994, and $141,400,000 for fiscal year 1995;

(9) Aeronautics Research and Technology Programs—

(A) for Research Operations Support, $143,500,000 for fiscal year 1994, and $148,300,000 for fiscal year 1995;

(B) for Research and Technology Base activities, $448,300,000 for fiscal year 1994, and $433,900,000 for fiscal year 1995;

(C) for High-Speed Research, $187,200,000 for fiscal year 1994, and $236,300,000 for fiscal year 1995;

(D) for Advanced Subsonic Technology, $101,300,000 for fiscal year 1994, and $128,500,000 for fiscal year 1995, of which $5,000,000 for fiscal year 1994 and $13,000,000 for fiscal year 1995 shall be for Short-Haul Aircraft, $30,200,000 for fiscal year 1994 and $30,500,000 for fiscal year 1995 shall be for Noise Reduction, and $11,500,000 for fiscal year 1994 and $12,000,000 for fiscal year 1995 shall be for Technology Integration for Reducing Environmental Pollution;

(E) for Other Systems Technology Programs, $140,400,000 for fiscal year 1994, and $168,000,000 for fiscal year 1995; and

(F) for the National Aero-Space Plane Program, $80,000,000 for fiscal year 1994, and $80,000,000 for fiscal year 1995;

(10) Safety, Reliability, and Quality Assurance, $35,300,000 for fiscal year 1994, and $38,500,000 for fiscal year 1995;

(11) Academic Programs, $74,500,000 for fiscal year 1994, and $81,500,000 for fiscal year 1995; and

(12) Tracking and Data Advanced Systems, $24,600,000 for fiscal year 1994, and $25,100,000 for fiscal year 1995.

The Administrator shall make available for the National Aero-Space Plane the full amounts authorized under paragraph (9)(F) from the amounts made available pursuant to paragraph (9) for each fiscal year.

SEC. 102. SPACE FLIGHT, CONTROL, AND DATA COMMUNICATIONS.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Space Flight, Control, and Data Communications" for—

(1) Space Shuttle Production and Operational Capability, $1,069,200,000 for fiscal year 1994 and $978,500,000 for fiscal year 1995, of which no funds are authorized for the continuation of the Advanced Solid Rocket Motor program, and of which $150,000,000 for fiscal year 1994 and $35,000,000 for fiscal year 1995 are authorized to cover the cost of terminating the Advanced Solid Rocket Motor program and transferring the production of Space Shuttle and other solid rocket motor nozzles and the refurbishment of Redesigned Solid Rocket Motor cases to the new production site located near Yellow Creek, Mississippi;

(2) Space Shuttle Operations, $3,006,500,000 for fiscal year 1994, and $2,810,400,000 for fiscal year 1995;

(3) Space and Ground Networks, Communications, and Data Systems, $795,500,000 for fiscal year 1994, and $964,600,000 for fiscal year 1995, including procurement of Tracking and Data Relay Satellites on a fixed-price basis using functional performance specifications, and, to the extent practicable, seeking to incorporate potential improvements to such Satellites that result in cost savings or a greater probability of returning data; and

(4) Launch Services, $300,300,000 for fiscal year 1994, and $313,700,000 for fiscal year 1995. None of the funds appropriated pursuant to this section shall be used to launch the Advanced X-ray Astrophysics Facility on the Space Shuttle. By fiscal year 2003, the combined annual cost for the production and operation of the Space Shuttle program and the Space Station Freedom program shall not exceed, after adjustments for inflation, $4,325,000,000 in fiscal year 1992 dollars.

SEC. 103. CONSTRUCTION OF FACILITIES.

(a) FISCAL YEAR 1994.—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1994 for "Construction of Facilities", including land acquisition, for—

(1) Construction of Space Station Freedom Facilities, $25,000,000;

(2) Replacement of Mission Control Center Air Handlers, Johnson Space Center, $8,000,000;

(3) Replacement of Thermal Vacuum Helium Refrigeration System, Johnson Space Center, $7,400,000;

(4) Rehabilitation of Electrical Distribution System, Project Management Building, Johnson Space Center, $2,200,000;

(5) Modification of Launch Complex 39 Exterior Utility Piping, Kennedy Space Center, $1,200,000;

(6) Refurbishment of Launch Complex 39 Cooling System, Kennedy Space Center, $4,000,000;

(7) Refurbishment of Launch Complex 39 Secondary Circuit Breakers, Kennedy Space Center, $3,300,000;

(8) Refurbishment of Vehicle Assembly Building/Pad Water Storage Tanks, Kennedy Space Center, $3,000,000;

(9) Rehabilitation of Industrial Area Fire Alarm Reporting System, Kennedy Space Center, $4,900,000;

(10) Restoration of C-5 Substation, Launch Complex 39 Area, Kennedy Space Center, $5,000,000;

(11) Restoration Class III Landfill, Kennedy Space Center, $1,900,000;

(12) Restoration of High Pressure Air Compressor System, Marshall Space Flight Center, $8,500,000;

(13) Restoration of Electrical Power System, Marshall Space Flight Center, $2,600,000;

(14) Repair of Decking and Roof, X-Ray and Staging Facility, Michoud Assembly Facility, $1,500,000;

(15) Replacement of Cooling Tower and Boiler, Michoud Assembly Facility, $4,000,000;

(16) Restoration of Space Shuttle Main Engine Text Complex High Pressure Industrial Water System, Stennis Space Center, $2,300,000;

(17) Restoration of High Pressure Gas Storage Capacity, Stennis Space Center, $2,300,000;

(18) Restoration of Underground Communication Distribution System, Stennis Space Center, $3,800,000;

(19) Construction of Earth Systems Science Building, Goddard Space Flight Center, $12,000,000;

(20) Replacement of Central Plant Steam and Electrical Generation Equipment, Goddard Space Flight Center, $8,600,000;

(21) Restoration and Modernization of Chilled Water System, Goddard Space Flight Center, $5,000,000;

(22) Restoration of Airfield, Wallops Flight Facility, $5,200,000;

(23) Replacement of Chillers and Modification of Related Systems, Various Buildings, Jet Propulsion Laboratory, $2,900,000;

(24) Construction of Advanced Solid Rocket Motor Facilities, Various Locations, $32,600,000;

(25) Phase I Facility Studies, Requirements Definition, Design, and Modification and Construction of National Aeronautics Facilities, Various Locations, $74,000,000;

(26) Modifications for Composite Technology Center, Lewis Research Center, $27,000,000;

(27) National Transonic Facility Productivity Enhancement, Langley Research Center, $60,000,000;

(28) Performance Improvements in 11-Foot Wind Tunnel, Ames Research Center, $20,000,000;

(29) Rehabilitation of Control Systems, National Full-Scale Aerodynamics Complex, Ames Research Center, $2,100,000;

(30) Upgrade of Outdoor Aerodynamic Research Facility, Ames Research Center, $3,900,000;

(31) Modernization of the Unitary Plan Wind Tunnel Complex, Ames Research Center, $25,000,000;

(32) Construction of EOSDIS Distributed Active Archive Center, Langley Research Center, $8,000,000;

(33) Rehabilitation of Rocket Engine Test Facility, Lewis Research Center, $12,500,000;

(34) Construction of 34-Meter Multifrequency Antenna, Goldstone Facility, Jet Propulsion Laboratory, $17,600,000;

(35) Repair of facilities at various locations, not in excess of $1,000,000 per project, $36,000,000;

(36) Rehabilitation and modification of facilities at various locations, not in excess of $1,000,000 per project, $36,000,000;

(37) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $750,000 per project, $14,000,000;

(38) Facility Planning and Design, $27,000,000; and

(39) Environmental Compliance and Restoration, $50,000,000.

Notwithstanding paragraphs (1) through (39), the total amount authorized to be appropriated under this subsection shall not exceed $570,300,000.

(b) FISCAL YEAR 1995.—There are authorized to be appropriated to the National Aeronautics and Space Administration for fiscal year 1995 for "Construction of Facilities", including land acquisition, $422,200,000.

SEC. 104. RESEARCH AND PROGRAM MANAGEMENT.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Research and Program Management", $1,650,000,000 for fiscal year 1994, and $1,675,000,000 for fiscal year 1995.

SEC. 105. INSPECTOR GENERAL.

There are authorized to be appropriated to the National Aeronautics and Space Administration for "Inspector General", $15,500,000 for fiscal year 1994, and $16,000,000 for fiscal year 1995.

Subtitle B—Limitations and Special Authority

SEC. 111. USE OF FUNDS FOR CERTAIN ITEMS AND GRANTS.

(a) AUTHORIZED USES.—Appropriations authorized under sections 101 and 102 may be used for—

(1) any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the National Aeronautics and Space Administration for the performance of research and development contracts; and

(2) grants to institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities.

(b) VESTING OF TITLE; GRANT CONDITIONS.—Title to facilities described in subsection (a)(2) shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in the grantee institution or organization or the Federal contribution to such purchase or construction is not substantial enough to warrant vesting title in the United States. Each grant under subsection (a)(2) shall be made under such conditions as the Administrator shall determine to be required to ensure that the United States will receive therefrom benefits adequate to justify the making of that grant.

(c) LIMITATION.—None of the funds appropriated under sections 101 and 102 may be used in accordance with this section for the construction of any facility, the estimated cost of which, including collateral equipment, exceeds $750,000, unless 30 days have passed after the Administrator has notified the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives of the nature, location, and estimated cost of such facility.

SEC. 112. AVAILABILITY OF APPROPRIATED AMOUNTS.

Appropriations authorized under sections 101, 102, and 103 may remain available until expended. Contracts may be entered into with funds appropriated under section 104 or 105 for training, investigations, and costs associated with personnel relocation and for other services provided during the fiscal year following the fiscal year for which funds are appropriated.

SEC. 113. LIMITED USE OF FUNDS.

(a) USE FOR SCIENTIFIC CONSULTATIONS OR EXTRAORDINARY EXPENSES.—Appropriations authorized under section 101 may be used, but not to exceed $35,000 per fiscal year, for scientific consultations or extraordinary expenses upon the authority of the Administrator, and the Administrator's determination shall be final and conclusive upon the accounting officers of the Government.

(b) USE FOR FACILITIES.—(1) Except as provided in paragraph (3), appropriations authorized under sections 101 and 102 may be used for the construction of new facilities and additions to, repair of, rehabilitation of, or modification of existing facilities, except that the cost of each such project, including collateral equipment, shall not exceed $200,000 per fiscal year.

(2) Appropriations authorized under sections 101 and 102 may be used for unforeseen programmatic facility project needs, other than those described in paragraph (1), except that the cost of each such project, including collateral equipment, shall not exceed $750,000 per fiscal year.

(3) Appropriations authorized under section 101 may be used for repair, rehabilitation, or modification of facilities controlled by the General Services Administration, except that the cost of each such project, including collateral equipment, shall not exceed $500,000 per fiscal year.

SEC. 114. REPROGRAMMING FOR CONSTRUCTION OF FACILITIES.

Appropriations authorized under any paragraph of section 103—

(1) in the discretion of the Administrator may be varied upward by 10 percent; or

(2) after the expiration of 30 days following a report by the Administrator to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives on the circumstances of such action, may be varied upward by 25 percent, to meet unusual cost variations.

The total amount authorized to be appropriated under section 103 shall not be increased as a result of actions authorized under paragraphs (1) and (2) of this section.

SEC. 115. SPECIAL REPROGRAMMING AUTHORITY FOR CONSTRUCTION OF FACILITIES.

Where the Administrator determines that new developments or scientific or engineering changes in the national program of aeronautical and space activities have occurred; and that such changes require the use of additional funds for the purposes of construction, expansion, or modification of facilities at any location; and that deferral of such action until the enactment of the next National Aeronautics and Space Administration Authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities; the Administrator may transfer not to exceed one-half of one percent of the funds appropriated pursuant to sections 101 and 102 to the appropriation under section 103 for such purposes. The Administrator may also use up to $10,000,000 of the amounts authorized under section 103 for such purposes. The funds so made available pursuant to this section may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No such funds may be obligated until a period of 30 days has passed after the Administrator has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives a written report describing the nature of the construction, its costs, and the reasons therefor.

SEC. 116. CONSIDERATION BY COMMITTEES.

Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made by the President for the National Aeronautics and Space Administration to either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Science, Space, and Technology of the House of Representatives;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for the particular program by section 101, 102, or 104; and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to either such committee,

unless a period of 30 days has passed after the receipt, by each such committee, of notice given by the Administrator containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action. The National Aeronautics and Space Administration shall keep the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of those committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either committee relating to any such activity or responsibility.

SEC. 117. LIMITATION ON OBLIGATION OF UNAUTHORIZED APPROPRIATIONS.

(a) REPORT TO CONGRESS.—Not later than 30 days after the later of the date of enactment of an Act making appropriations to the National Aeronautics and Space Administration for fiscal year 1994 or 1995 and the date of enactment of this Act, the Administrator shall submit a report to Congress and to the Comptroller General which specifies—

(1) the portion of such appropriations which are for programs, projects, or activities not specifically authorized under subtitle A of this title, or which are in excess of amounts authorized for the relevant program, project, or activity under this Act; and

(2) the portion of such appropriations which are specifically authorized under this Act.

(b) FEDERAL REGISTER NOTICE.—The Administrator shall, coincident with the submission of the report required by subsection (a), publish in the Federal Register a notice of all programs, projects, or activities not specifically authorized under Act, and solicit public comment thereon regarding the impact of any such obligations on the conduct and effectiveness of the national aeronautics and space program.

(c) LIMITATION.—Notwithstanding any other provision of this Act, no funds may be obligated for any programs, projects, or activities of the National Aeronautics and Space Administration for fiscal years 1994 and 1995 not specifically authorized under this Act until 30 days have passed after the close of the public comment period contained in the notice required in subsection (b).

SEC. 118. LIMITATION ON APPROPRIATIONS.

Notwithstanding any other provision of this Act, no funds are authorized to be appropriated for carrying out the programs for which funds are authorized by this Act for any fiscal year other than as provided by this Act.

SEC. 119. ADDITIONAL LIMITATION.

No funds authorized under this Act may be obligated or expended to transfer the management of the External Tank Program from the Marshall Space Flight Center unless 30 days have passed after the Administrator has made a report of the technical justification for such a move to the Committee on Science, Space, and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, and such Committees have raised no objection.

SEC. 120. PRIORITY EXPENDITURE.

Of the amounts authorized under—

(1) section 102(1), only $258,200,000 for fiscal year 1994 and only $252,200,000 for fiscal year 1995;

(2) section 103(a)(24), no funds for fiscal year 1994 and no funds for fiscal year 1995;

(3) section 102(2), only $1,887,800,000 for fiscal year 1994 and only $1,870,000,000 for fiscal year 1995; and

(4) section 104, only $1,400,000,000 for each of fiscal years 1994 and 1995 to effect the closure of at least one National Aeronautics and Space Administration Center and the corresponding reduction in full-time equivalent employees,

may be expended unless $1,900,000,000 are made available for such fiscal year for the Space Station *Freedom*.

AMENDMENT OFFERED BY MR. HALL OF TEXAS

Mr. HALL of Texas. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALL of Texas: Page 4, after line 9, insert the following new section:

SEC. 100. TOTAL AUTHORIZATION.

Notwithstanding any other provision of this subtitle, the total amount authorized to be appropriated under sections 101(b), 102, 103, 104, and 105 for fiscal year 1994 shall not exceed $12,889,000,000. Each amount stated in such sections shall be reduced proportionately as necessary to meet the requirement of this section.

Mr. HALL of Texas. Madam Chairman, this amendment is a bipartisan amendment which was originally conceived by the gentleman from California [Mr. CALVERT]. I will shortly defer to him to further explain this amendment, but I want to make one central point.

I think we all want to achieve deficit reduction, both Democrat and Republican alike, and indeed, this is perhaps our highest priority this Congress.

The tough question, of course, is how to do this and keep essential programs like the space station on track. This amendment achieves deficit reduction without further cutting the space station, and I would point out that we cut space station in committee $226 million. The President cut $18 million off the total program in the outyears. This cuts about $250 million. This amendment achieves deficit reduction, I say, without touching space station.

It also will allow NASA to perform all of the essential things that it needs to do, including continuing the space station, and to do so without adversely affecting veterans, housing, and other high-priority programs.

I want to commend the gentleman from California [Mr. CALVERT] for his work on this amendment.

Mr. CALVERT. Madam Chairman, will the gentleman yield?

Mr. HALL of Texas. I yield to the gentleman from California.

Mr. CALVERT. Madam Chairman, I thank the gentleman for yielding.

Madam Chairman, before I begin, I would like to thank the gentleman from Texas [Mr. HALL] for his support of this amendment.

I would also like to thank Chairman BROWN of California for once again providing for an open rule which gives all Members the opportunity to participate in the legislative process.

And, I would like to thank Mr. WALKER, our ranking member for his leadership on this issue.

And finally, I would like to thank Mr. SENSENBRENNER, the ranking member of the Space Subcommittee, for his help with this amendment.

Madam Chairman, this is a very simple bipartisan amendment.

What it does is freeze the appropriations for NASA in fiscal year 1994 at the fiscal year 1993 level plus 3.2 percent to compensate for inflation.

This means that the increase of 4.9 percent that NASA has requested will be reduced by 1.7 percent.

Let me make it very clear that I am one of NASA's strongest supporters. I believe the work they are doing is of vital importance to all Americans—and to future generations.

And, let me emphasize that this amendment will do nothing to prevent NASA from continuing its important work.

All we are asking NASA to do with this amendment, is to bite the bullet of fiscal responsibility just as we have asked the American people to do.

In fact, we are not even asking that much.

Just a little over 2 weeks ago, this body passed a bill which would impose billions of dollars of new taxes on the American people.

While our constituents are being asked to live on less, is it too much to ask that Government agencies operate at the same level of funding as last year?

I do not think so.

Madam Chairman, as I said before, this is a simple amendment.

Members who believe we need to get Government spending under control so that their constituents will not be asked for even more taxes, should vote "yes" on the Calvert amendment.

□ 1140

Ms. DUNN. Madam Chairman, I rise in support of the amendment.

Madam Chairman, I rise in support of this amendment to cut a quarter of a billion dollars out of next fiscal year's authorization for NASA.

All of us probably agree that the deficit is the No. 1 issue for our Nation and that Congress must do more to address it. There is disagreement only over whether and how much we can rely upon tax increases to reduce the deficit.

However, we all agree that further spending reductions are necessary, reductions beyond what Congress has done in the past, reductions, where possible, beyond what President Clinton has called for.

Madam Chairman, this amendment, and this bill, give us the opportunity to do just that.

Already, the NASA authorization brought forth by Chairman BROWN is well below what the White House requested, some $226 million less than the President asked for. This amendment will cut another $250 million, right away, in the first year.

Why must we cut even further? Because even if the President's program is enacted in total, and even if the tax increases do not depress the economy, even if everything turns out exactly as the President predicts, even if all that happens, the President's plan still would add another $1 trillion to the national debt over the next 4 years.

That is why we must, we must, cut more deeply where possible. We must cut as deeply as we can without cutting so severely that we kill the economy and our collective future.

The Calvert-Hall amendment does that. It takes us another big step forward, another step in the right direction, another step toward reduced spending without sacrificing national priorities.

And this cut can be achieved. I believe that any good manager can always find ways to trim his or her budget. This amendment will tell NASA managers to get their budgetary scissors out and start cutting.

At the same time, this amendment does not require us to abandon the vital role we enjoy as the world's leader in space exploration and research. Our Nation, alone among all the nations on the Earth, is capable of continuing a space program.

Mr. BROWN of California. Madam Chairman, I move to strike the last word.

Madam Chairman, I wish to reiterate what the distinguished chairman of the Space Subcommittee has already said, that the amendment being offered by him, and the distinguished gentleman from California [Mr. CALVERT], is a bipartisan amendment which has my approval. It is a version of an amendment offered in committee by the gentleman from California [Mr. CALVERT], which at the time we thought was a little bit too strong, but we have worked with the gentleman from California [Mr. CALVERT] to put it in the shape that it is now.

We thoroughly agree with it and support it and ask all the Members to support it.

Mr. WALKER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I first want to thank the gentleman from Texas for offering this amendment. I do think it improves the bill. I think it is something that many Members of the House will want to do as part of our deficit-reduction efforts in the House. This does, I think, bring us closer to where we need to be in terms of the spending that this House can justify.

I also want to thank the gentleman from California [Mr. CALVERT] for his perseverance and fortitude in pursuing this. This is something he offered at the committee, ran into somewhat of a buzz saw in the committee in terms of getting it passed, but I think has been very persuasive since, and as a result, we do have a bipartisan effort out here.

I want to thank the chairman of the full committee also for being on board on the amendment.

This is a good vote. It is a vote to cut back on NASA while at the same time assuring that we have sufficient money to do that which is important to the future of manned space, and that is build the space station.

So I rise in favor of this amendment and urge my colleagues to support it.

Mr. BAKER of California. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I also would like to thank the chairman, the gentleman from California [Mr. BROWN], in the way he has handled this whole issue. He has allowed us to speak and had an open rule allowed for amendments, and he has handled himself in a very dignified manner. I appreciate it very much.

This amendment merely states that we are going to ask NASA to live within their budget, to grow only as much as the cost of living.

If we could do that to all government, we would not have the tremendous deficit that we have. There is only one thing more important than continuing our exploration in space, continuing to be a high-technology country, and that is to put our fiscal house in order.

Bankrupt nations do not feed poorer nations. Bankrupt nations do not explore space, if you will notice the former Soviet Union and their space program as it continues, but at a lesser level. No, our fiscal good health is what is important, and this amendment merely says, "NASA, we are going to hold you to cost-of-living increases. Make do with your budget," and they are going to do it. They are a good operation. They are becoming more efficient.

I want to commend again our chairman for allowing this debate.

Mr. ZIMMER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, this amendment makes sense only if we also eliminate the insatiable budget demands imposed on the space program by the space station.

The problem that we have had with NASA is that many excellent, cost-effective programs have been delayed or scaled back or terminated because of the ongoing cost of the space station.

This amendment, which will modestly reduce the authorization, for a single year, will not solve the problem that we have been confronting year after year of multibillion-dollar appropriations for the space station.

Already we have seen dozens, Madam Chairman, of important and successful space programs have their funding cut or eliminated because of the escalating costs of the space station. The Earth Observing System has been delayed. The Magellan Venus probe was turned off when it was in perfectly good operating order because they ran out of money. The Space Exploration Initiative, which is our only long-range human exploration program that NASA has conducted, has been terminated, and as recently as yesterday the VA-HUD Appropriations Subcommittee cut a variety of space programs including $164 million from the space shuttle in order to bring funding for the space station up to the President's request.

The chairman, the gentleman from Ohio [Mr. STOKES], predicted that more NASA programs will have to be eliminated in order to make room for the space station.

So the only way we are going to deal with the problems that we have had in the NASA budget is to eliminate this black hole, this fiscal black hole, which has been absorbing the money we ought to be spending on worthwhile programs, manned and unmanned, in space.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. HALL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 411, noes 11, not voting 17, as follows:

[Roll No. 262]

AYES—411

Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bellenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Emerson
Engel
English (OK)
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Nadler
Natcher
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Scott
Sensenbrenner
Serrano
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—11

Abercrombie
Bacchus (FL)
Bachus (AL)
Becerra
Browder
Clay
Cramer
Hilliard
Roemer
Washington
Watt

NOT VOTING—17

Collins (IL)
Coyne
Derrick
English (AZ)
Faleomavaega (AS)
Hayes
Henry
Hinchey
Margolies-Mezvinsky
McDermott

McKeon Sharp Towns
Meek Skeen
Schumer Synar

□ 1209

Mr. HILLIARD and Mr. BROWDER changed their vote from "aye" to "no."

Mr. MILLER of California and Mr. DIXON changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. McDERMOTT. Mr. Speaker, during rollcall votes number 261 and 262 on H.R. 2446 and H.R. 2200 I was unavoidably detained. Had I been present I would have voted "yea" on both.

PERSONAL EXPLANATION

Mrs. COLLINS of Illinois. Madam Chairman, during rollcall vote No. 262, the vote on the amendment offered by the gentleman from Texas [Mr. HALL] on H.R. 2200, I was unavoidably detained. Had I been present I would have voted "aye."

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROEMER: Page 4, line 11, through page 6, line 2, amend subsection (a) to read as follows:

(a) SPACE STATION FREEDOM.—The Administrator shall cancel the Space Station Freedom program. There are authorized to be appropriated to the National Aeronautics and Space Administration for the costs of such cancellation for fiscal year 1994, $825,000,000.

Page 12, lines 10 and 11, strike paragraph (1).

Page 12, line 12, through page 16, line 9, redesignate paragraphs (2) through (39) as paragraphs (1) through (38), respectively.

Page 16, line 11, strike "(39)" and insert in lieu thereof "(38)".

Page 16, line 13, strike "$570,300,000" and insert in lieu thereof "$545,300,000".

Mr. ROEMER (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ 1210

Mr. ROEMER. Madam Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 3 hours, the time to be equally divided among myself, the gentleman from California [Mr. BROWN], the gentleman from Pennsylvania [Mr. WALKER], and the gentleman from New Jersey [Mr. ZIMMER].

The CHAIRMAN pro tempore (Ms. PELOSI). Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROEMER. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, this amendment, simply put, would terminate space station *Freedom*.

I would like to begin by thanking a number of the cosponsors on this amendment that have worked so hard through the last year, and, in the case of the gentleman from New Jersey [Mr. ZIMMER], over the last 2 years, to end this space station *Freedom* program. I would like to thank the gentleman from Minnesota [Mr. PENNY], the gentleman from Connecticut [Mr. SHAYS], the gentleman from New York [Mr. SCHUMER], the gentleman from Michigan [Mr. UPTON], the gentlewoman from New York [Mrs. MALONEY], the gentleman from Illinois [Mr. DURBIN], the gentleman from Michigan [Mr. HOEKSTRA], the gentleman from Wisconsin [Mr. BARRETT], the gentleman from Nebraska [Mr. HOAGLAND], the gentleman from Massachusetts [Mr. FRANK], the gentleman from New Jersey [Mr. KLEIN], the gentleman from North Dakota [Mr. POMEROY], the gentlewoman from Missouri [Ms. DANNER], the gentleman from Ohio [Mr. STRICKLAND], the gentleman from Massachusetts [Mr. MEEHAN], the gentleman from Minnesota [Mr. MINGE], the gentleman from Washington [Mr. INSLEE], the gentleman from Nebraska [Mr. BEREUTER], the 18 cosponsors.

Madam Chairman, as we debate this very, very important amendment, I would like to bring up the name of a President that challenged us to put a person on the Moon in the 1960's, and that was President Kennedy. President Kennedy asked this country to plan wisely and dream big, and we did. We put a man on the Moon by 1969. We saw the success of Apollo XI where we returned $7 for every $1 invested from NASA.

Now, while those glory days are gone, they are not over. This amendment hopes to return to the days of Apollo XI, the days when we have successful technology spinoffs and good jobs, the days when we are all proud of NASA and we do not have an average cost overrun of 76 percent on each individual item.

President Kennedy also said, "If not now, when? If not us, who?" It is us, Members of Congress; we are going to have to make some of these tough decisions to restore NASA to the days of credibility and prominence, discovering new frontiers. We are going to have to help NASA in supporting the small science programs like the Earth observing system, the Magellan Program, the Explorer, programs that are returning good data for us but are threatened to be cut off by a bloated space station.

We need to look at the common sense of this amendment, Madam Chairman. We are faced with a $300 billion budget deficit. We cannot afford to go on spending money in a callous and cavalier manner, such as we have, on this space station where we have experienced a billion dollar cost overrun just this year.

Finally we will hear arguments, Madam Chairman, about the need to participate because it is important for our international partners, whereby our international partners, such as the Japanese, are not helping us out on the superconducting super collider. They are not helping us out with our trade negotiations in the world. They are not helping us out in a number of important science projects. We should not feel compelled to spend $100 billion on a space station because the Japanese want us to take the lead so they can spend a couple billion dollars.

We will also hear panacea arguments, that this is a panacea for every disease imaginable. We have to be realistic, Madam Chairman. We fund one out of every four approved grants in the NIH budget. We are not adequately dealing with our budget at NIH, only funding one out of every four approved grants for diseases, for heart disease, breast cancer, prostate cancer. We have AIDS problems in this country, lots of problems here on Earth that we are not dealing adequately with with our already limited NIH budget.

So, I say to my colleagues, "When you hear these arguments, I hope that we apply some pragmatism, some reality and some common sense to these arguments, given the problems that NASA faces, given the problems of a huge budget deficit and given the tough choices that we have to deal with here in the U.S. Congress with an escalating budget deficit."

I would urge particularly the freshmen to vote with this Roemer-Zimmer amendment.

Madam Chairman, the Roemer-Zimmer amendment is supported by: the National Taxpayers Union, Citizens Against Government Waste, Citizens for a Sound Economy, Businesses for Social Responsibility, the American Physical Society, the Planetary Society—Carl Sagan—and other civic, social, and environmental groups.

Madam Chairman, I reserve the balance of my time.

Mr. BROWN of California. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise in strong opposition to the amendment offered by the gentleman from Indiana [Mr. ROEMER] and I urge all of my colleagues to vote against it.

Over the past 5 years, the House has voted on five separate occasions to continue the space station program. There have been many arguments made in favor of and against the space station since the beginning of this program. One central issue which all agree on, however, is that the space station is at the heart of the manned space program. Without the space station, our Nation's long commitment to the manned exploration of space will be at an end.

We will have walked away from the legacy of the Mercury, the Gemini, the

Apollo, and the skylab programs. What will we have gained by this decision? Will we have balanced the budget? Will some other field of science experience a windfall? I am certain that no one 10 years from now will have the slightest idea of what we gained this day—but they will certainly know what we lost. We will have lost the opportunity to establish man's permanent presence in space and accomplish the dream that President Kennedy inspired us with 30 years ago.

Ever since the first American flew into space, our space program has been a steady progression of technology and human will all directed towards one goal—to achieve the capability to do things in space. Not just go there and return, but to live and work there on a permanent basis, to produce things, and achieve scientific results rather than merely survive.

Today, as we debate this issue, the space shuttle *Endeavor* is flying overhead, its crew struggling to scratch the surface of what might be possible. We have flown 56 such shuttle missions and we are still learning. All of the shuttle missions flown to date barely amount to a year's worth of work in orbit.

Opponents of the space station are fond of counting what they refer to as missions of the space station and explaining how these have gone away with each space station redesign. The truth of the matter is that there is only one mission for the space station and it hasn't changed. Its mission is to establish an outpost in space in which we can work year round. This is and always will be the next logical step in our manned space program. Once this initial step is taken, all those other things will follow.

What practical benefits will there be from such a facility? It is, of course, impossible to predict the future. Based on the work we have done on the shuttle, we know that there is a vast potential to use what space offers best and what we will never really achieve on Earth—a zero gravity environment.

In the zero gravity environment, we can study and conquer metallurgical problems and begin to understand, and perhaps even manufacture, valuable new alloys in space. In the zero gravity environment, we can grow more perfect crystals of critical proteins and understand their structures and how to alter them to perform better. We can understand, not only the effects of gravity on our biological functions, but how these system fundamentally work.

Madam Chairman, I also want to point out that we are not alone in this commitment. The space station is also the centerpiece of the national space programs of Canada, Japan, and 10 European nations. They perceive the same logical progression in space and the same potential benefits that can be realized. We have signed intergovernmental agreements that require cost sharing of the type that I hope will be the hallmark for all of our future endeavors in science.

We are also discussing with the Russians the prospects for broadening this international cooperation. Certainly, the end of the cold war should drive a dramatic realignment in the competition in space which has characterized the past 30 years. This is a difficult process and it is vital that we demonstrate our own ability to follow through on such undertakings as the space station.

Finally, I want to ensure that all my colleagues clearly understand the progress that has been made in the station program thus far and the work that remains to be done. We have now spent over $8 billion on the space station and our partners have spent over $3 billion. We and our partners have developed a design we know will work and will serve the needs of the user community. There are tens of thousands of detailed engineering drawings and many subsystems that we will use have already been built.

The President's call for a redesign early this year was, to be sure, a difficult challenge for all involved in the space station program. The President envisioned a major cost reduction and commissioned a review of alternative designs to accomplish this goal. What emerged was in some ways remarkable but in some ways not surprising at all.

First of all, there are no better designs. The station has gone through countless such reviews over the past 6 years and certain fundamental features of the station have been validated time and again. What the President and the blue ribbon panel he commissioned to review the station concluded was that we should continue the space station *Freedom* Program and take advantage of the work that has been done thus far.

What was accomplished however is nevertheless a major cost reduction. By streamlining the management, and cutting back on some of the hardware features, the President has been able to cut the costs by over $4 billion over the next 5 years and $18 billion over the life of the program.

In order to accomplish these goals, there will need to be a major reduction in management overhead and a dramatic increase in Government efficiency. I believe these things can be done and they will have consequences far beyond the space station. This new way of doing business will become the standard for all major Government development programs in the future, both civil and military. This may be the only way we can accomplish what needs to be done in the austere budgetary environment we envision in the future.

Madam Chairman, I want to conclude by calling the attention of my colleagues to the letter that was received by the Speaker from the President on H.R. 2200. This signifies that, for the first time ever, that there is a broad consensus on the need for and approach to the space station that is shared by the authorizing committee, the Appropriations Committee and by the President.

Now is the time to reaffirm our commitment to the Space Station program.

□ 1220

Madam Chairman, I urge my colleagues to vote against the Roemer amendment.

Mr. ZIMMER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, shortly after he took office, President Clinton concluded that space station *Freedom* was going to cost more than we could afford, so he directed NASA to prepare three options for building a space station that would require the Nation to spend between $5 and $9 billion over the next 5 years.

After 3 months of frantic work by NASA engineers and managers, three space station designs were submitted to the President for his review. But each design cost far more than the President's targets. Each design also delayed or eliminated significant capabilities of the current program.

Last week, the President endorsed NASA's option A, but said he would enhance it with elements of the more capable option B. Well, according to NASA and the President's own blue ribbon review panel, option A costs $12.8 billion and option B costs even more. But by using political math, Clinton announced that the 5-year cost of this space station program would be only $10.5 billion.

The promise of a capable, inexpensive space station has been made before. When it was first proposed in 1984, the space station was to be a space-based workshop, a laboratory, an observatory, a transportation hub, a repair shop, and a warehouse. Taxpayers and the Congress were told it would cost only $8 billion to build this beauty.

But, the experts, including then-NASA Administrator James Beggs, knew it would cost more. Rather than reflecting actual cost estimates, the $8 billion figure was chosen because it seemed politically viable. But that decision undermined the program's credibility and doomed it to an endless series of political battles. As costs went up, capabilities diminished and the rest of our space program was cannibalized.

By ignoring the sober assessments of his own blue ribbon panel, President Clinton has again consigned the space station program to the political thicket. Congress is again debating the future of an imaginary space station program, one that was created out of

whole cloth inside the White House, one that does not bear any resemblance to any of the options created by NASA engineers and reviewed by the President's experts. It is a space station program based on politics rather than science.

In a White House briefing about the new space station plan last week, senior administration officials admitted to the press that they could not provide details about what the new space station would look like, who would build it, what it would do, the extent of participation by Russia and other foreign nations, or its planned orbit. We were told that these essential facts would be revealed only after 90 more days, that is, only after Congress has agreed to pay for whatever it is we are building. But somehow these administration officials knew that whatever it is we are building would cost exactly $10.5 billion.

In short, the administration is asking taxpayers to buy a pig in a poke. The administration cannot explain how a 5-year, $12.8 billion space station program will have its capabilities expanded, yet cost only $10.5 billion.

Let us look for a moment at that magic $10.5 billion figure. If the space station program should survive, we will hear a great deal in the future about how the $10.5 billion number was never intended to represent the entire cost of the program and how we need to spend a lot more on it. With all of the numbers flying around in this debate, it is easy to get confused.

Proponents of the program will keep repeating the number $10.5 billion while doing little to explain what it includes. It does not include the money already spent, roughly $9 billion. Because the space station will not be fully operational within the 5-year budget period, it does not include the money needed to complete construction, at least $3.7 billion, and probably a lot more due to a stretched out construction schedule which NASA has admitted could delay completion for 2 years. The $10.5 billion number does not include the extra billions needed to add upgrades from option B. It does not include the full cost of payloads. And it does not include the money needed to use the space station once it is built, at least $1.4 billion annually. NASA itself has estimated that the full cost of option A without upgrades is $47 billion. But without supporting details, there is no way to know for sure how much whatever it is we are buying today is going to cost. One way to put the new costs in perspective is to listen to space station advocates who are boasting that the latest redesign will save taxpayers $8 billion. Just remember, that is the total amount we originally planned to spend. Let us not let ourselves be deluded again by low-ball budget estimates. It is time to stop the hemorrhaging. It is time to cut our losses. It is time to terminate the space station program.

Mr. WALKER. Madam Chairman, I yield 3 minutes to the gentleman from Florida [Mr. LEWIS].

Mr. LEWIS of Florida. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, I rise in opposition to the amendment and in strong support of the space station.

It is no secret that opponents of the station have employed the old strategy of divide and conquer.

They attempt to prove that a station is not the best method of conducting certain individual missions. In doing so, however, they show exactly why it is needed.

They say it is not the most efficient method of conducting scientific research or of conducting medical research or that it may not be the best way of preparing for future endeavors or to inspire children to become young scientists. Each isolated argument just might be true.

But, by using this argument, they beg the next question:

Is it the best method of pursuing all of these goals? The answer is yes.

For just over one one-thousandths of our budget we can continue to conduct space research which will have applications none of us can yet imagine.

After all, could any of us have imagined just a few years ago that our space program would lead to advances in areas such as wastewater treatment, liquid crystals, materials, batteries, engines, and microbiology.

I dare say no.

If the same shortsighted attitude were applied just a few decades ago, we might likely be without such taken-for-granted items like antilock brake systems for cars, magnetic resonance imagers, and artificial knees and hips.

With regard to budget considerations, few in this Chamber can match my voting record on budget matters. I strongly believe we must balance our budget like any family in America and my voting record shows that belief.

However, when an American family runs into tough times, they do not take funds from their children's education, they cut out unnecessary spending.

Cutting the station would be tantamount to taking money from a child's education fund to continue to eat dinner out every night.

Finally, the opponents of the station want to have it both ways. They claim they are not against a space program. They tell you they believe the station is crowding out other NASA programs.

This implies their savings would go to other NASA programs. In the next breath they claim to be doing this to cut the deficit, citing unrealistic numbers. My friends, it cannot be both.

Madam Chairman, we all know the case for the space station in terms of economic benefits and the advancement of science but there is one more very important reason and that is I still believe, as do the majority of the American people, that it is America's destiny to explore space. Not for the cold war reasoning of proving we are the greatest Nation on Earth, but because we are the greatest Nation on Earth.

We became great by dreaming and pursuing that dream. As soon as we lose the ability to dream and reach for the stars we cease to be great.

Madam Chairman, let us keep the dream alive. Support the space station. All mankind will continue to reap the magnitude of benefits from this program.

□ 1230

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Madam Chairman, I congratulate the offerers of the amendment, and hope it is adopted.

Madam Chairman, this space station is not a bad thing. It is a very good thing. It is marginally better with people on it. But we do not have the luxury in this House of killing only bad things if we want to cut the deficit. We have incurred a deficit, by and large, by doing a number of good things, things people wanted, and not paying for them. The question is not whether in the abstract there is any value to a manned space station or not, but how it stacks up in terms of priorities.

It is true the space station has been evolving because of the need to control the cost. But the rationale has also been evolving. We used to hear about the importance of America being No. 1. We used to hear about the psychological and geopolitical and world political aspects of this.

That is no longer the case. I recommend Members go back to the prior debate, if they have nothing else to do, and look at the arguments. They were that America must be No. 1, that we were challenged to do this by the Soviet Union. One whole strong rationale for the manned space station, the international competitive aspect, has completely collapsed.

Nobody argues that if you said to any objective panel of scientists, "Here is this amount of money; what would you spend it on to get scientific benefit?" that they would say adding men to the space station would be the way to do it. That does not mean that there is no benefit. There is some benefit from it. But there is far less than from a number of other things.

In particular we talk about deficit reduction. We are underfunding Pell grants. You talk about taking money from children's education? We are doing that in this budget. We are underfunding Pell grants, we are underfunding Head Start, we are underfunding basic services.

We are talking in the budget being considered about the unmentionable, cutting Medicare. How can you justify the tens of billions of dollars for putting men on the space station in that context?

Mr. BROWN of California. Madam Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. HALL], the chairman of the Subcommittee on Space.

Mr. HALL of Texas. Madam Chairman, I, of course, rise in active opposition to the amendment from the gentlemen to kill the space station. I think it would be a terrible mistake for this Congress to vote to terminate the space station.

I am as strong a supporter, Madam Chairman, of fiscal responsibility. As the gentleman from Florida [Mr. LEWIS] has stated, there are many of us here who are not strangers to fiscal responsibility in this House. In H.R. 2200 we have cut the space station by $4 billion over the next 5 years. The House has just adopted an across-the-board cut to the NASA budget that cuts an additional $250 million.

We have shown that we can cut back. But I think we also must show that we are not going to cut out and lose the dream that many youngsters, many schoolchildren have, many old people who are wasting away in cancer wards with no hopes for the future. The space station, to these people, to these youngsters, and to the elderly, means hope. And that is what the space station is to us. Can you really put a price on hope?

I disagree with the gentleman from Massachusetts [Mr. FRANK] when he says this country does not want to be number one anymore. I disagree with anyone when they say we should not be geopolitically strong and have a leadership position in the eyes of the world.

I certainly want to also appeal to the new Members of this organization, the 110 freshmen, who will really be the beneficiaries of the gifts of discovery that we might find, that might be spawned through the space station.

This Congress in 1971, Madam Chairman, created and passed the National Cancer Institute. And the breakthroughs since that time, the MRI, the CT-scan, the many other findings along the way, discoveries that have come on the heels of research, have benefited millions and millions of people, and this Congress, in its wisdom, has supported that institute. It has grown by leaps and bounds and the discoveries and breakthroughs and the alleviation of pain and suffering has followed.

The gentleman from Indiana [Mr. ROEMER] made a series of arguments opposing the space station. Upon close examination, let us look and see whether or not they really and truly hold up.

The reality is that the space station in H.R. 2200 was introduced by the gentleman from California [Mr. BROWN] and others of us, before the President decided on A, B, or C option; then the decision made by the thinking Members of this Congress was that we should support that that the President sends over here. If it is a space station, we are going to give him the support. We endorse the President's cuts in costs in the space station. He cut those by over $4 billion over the next 5 years. We cut in committee $226 million. The President cut in the outyears $18 billion.

These are cuts. This is real money. Just 20 minutes ago this Congress cut $250 million out. So no one can take the position that we have not addressed this and not made the cuts.

Moreover, the total cost for the development and 10 years of operation of the space station will be about $47 billion, not $120 billion that they have been asserting. In addition, that $47 billion includes $11 billion that we have already spent. Of course, that should be taken into calculation. But that is not to be added to & held out as expenditures that we may have in the future.

As recently as yesterday the Subcommittee on Space, which I chair, received testimony from a group of nine very renowned doctors and medical researchers, including, Madam Chairman, the world famous Dr. Michael DeBakey, who told us how important the space shuttle is now to medical research and drug research that these scientists are conducting, and how much more important the space station will be to the research they hope to be able to do in the future.

Dr. DeBakey made calls on Members here, a man who came to Washington, who gave his time, gave his week to support the space station, a man who people cross oceans to get 30 minutes with, came to this body and gave up his time and his information.

These scientists explained that the microgravity environment that is provided on the space station is allowing them to do very important research on life-threatening diseases like cancer and AIDS, and it cannot be duplicated on Earth.

They also told us the Shuttle is allowing them to conduct experiments on revolutionary new drugs that cannot be done on Earth because of the presence of gravity. These scientists went on to explain that the space station will be even more important to their future research and experimentation efforts than the Space Shuttle is to their current endeavors. This is, of course, because of the extended volume of research, the duration of research, and more advanced research tools and equipment that can be accommodated on board the space station.

□ 1240

I believe that history has shown again and again that when a new line of research, scientific research, is pursued or, when a revolutionary new scientific research tool becomes available, the results and the benefits that eventually flow to society are immense. Sometimes it takes even decades for these benefits to fully mature and become widely recognized, but history has shown that these benefits always come.

History can also reveal that there is no return when there is no meaningful research.

Madam Chairman, I certainly recommend and point out many additional investments that are important to us, none more important than that of the youth.

Imaginations of the current generations of children in this country have been captivated by many movies, "Star Trek" and other movies, but this is just science fiction. The space station, on the other hand, is something real that they can feel, that they can see. It is something tangible that our children can dream about and then aim their educations and their careers toward.

I appeal to my colleagues to help keep these dreams alive.

In addition to the dreams for our children, I think we also have to be conscientious about the promises that we make to other nations. The gentleman from California, Chairman BROWN, has very well covered that. Accordingly, Madam Chairman, for these reasons and many more, I think it is very important—yes, I think it is imperative—that this Congress defeat any and all amendments to terminate the space station. I just do not think the American people would tolerate it.

I think if we want to have cards, letters, telegrams, and people in person converging on this city, converging on our districts, then kill something that is as meaningful to them as the space station.

Mr. ROEMER. Madam Chairman, will the gentleman yield?

Mr. HALL of Texas. I yield to the gentleman from Indiana.

Mr. ROEMER. Madam Chairman, first of all, I would like to salute the distinguished chairman for the open rule that he has brought to the floor but also the openness that he has had in the committee to debate both sides of this issue.

Second, I would just like to say that I voted against the across-the-board cut that opened debate on this bill because I think that NASA needs good money for research. I am not against NASA. I am not against good programs that are working and across-the-board cuts. I think we should hone in and target in on those programs that are not.

And third, on the distinguished Dr. DeBakey's testimony, oral testimony yesterday, he never mentioned the space station in his oral testimony. He said we do need to invest in good research in NASA but never said, in his

oral testimony, that space station was part of that.

Mr. HALL of Texas. Madam Chairman, I thank the gentleman. I think the gentleman is right 99 percent of the time. I just disagree with him on this amendment.

Mr. ZIMMER. Madam Chairman, I yield 4 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Madam Chairman, I want to first thank the gentleman from New Jersey [Mr. ZIMMER] and the gentleman from Indiana [Mr. ROEMER] for the excellent job they have done in presenting a very real and helpful case for our decision on whether to fund the new space station. I do not know which version of the space station we're debating, but I know there have been many.

All of us here want to do the right thing. But in the process of determining the right thing, I think of these things: I think of my daughter, who is 13 years old, who has seen in her lifetime the national debt go up fivefold, from over $800 billion to over $4,000 billion.

I think of my daughter, who sees us here debating whether we should spend $47 billion but knows that the deficit this year alone is nearly $400 billion.

I do not know who is mostly to blame for our deficits. Is it Congress or the White House? Is it the White House that never has submitted a balanced budget in at least 17 years? Or is it the Congress, who never gives back the President a balanced budget? Or is it the Presidents who have never vetoed these unbalanced budgets? I do not know who is mostly to blame. Maybe we all have a role to play. In fact, I do not think, I know we do.

I believe that in this Chamber there are more than 50 percent who would vote for a balanced budget amendment. They would vote for a balanced budget amendment, and I will, too. But to vote for a balanced budget amendment means that we then have to balance the budget. It means we have to cut out programs that we may think are wasteful and fraudulent or programs that we like, which we just cannot fund.

I put the space station in that category. I do not think we can arrive at coming close to a balance budget, even with all the new taxes some may contemplate, without making cuts in programs we like.

The net national debt without Presidential action, without the President's plan, will go up a trillion and a half dollars, the net. With Presidential action, it will still go up a trillion dollars. That is the net, because we subtract out Social Security. If we do not subtract out Social Security, the national debt will go up, in 5 years, $2.1 trillion.

With the President's program to cut spending and raise taxes, primarily raise taxes, as I view it, the gross debt will still go up $1.7 trillion. So on top of the $4 trillion we are going to see $1.7 trillion. That is what is in my mind as I debate this bill.

Tom Toles, a cartoonist, had a cartoon in the Buffalo News. He is syndicated, and it may be in other areas. He captures this debate for me.

In the beginning of his cartoon he has a question box and he asks, "So is there any good news coming out of Washington about plans to cut the deficit?" And then, we see an Uncle Sam, a very small Uncle Sam with a hatchet. And we see a pretty large space porky, "The missionless $30 billion, manned space station."

Well, he really was off $17 billion. So I guess we should change the cartoon to say $47 billion. This is the space porky. This is what I think I am debating today.

You see a little Uncle Sam with a hatchet trying to cut spending. I do not know how we get to a balanced budget amendment unless we eliminate some programs. And this is a program that we need to eliminate. Thank you.

Mr. WALKER. Madam Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Madam Chairman, I rise in opposition to the amendment this afternoon and in strong support of space station *Freedom*. I rise as the most fiscally responsible Member of the House of Representatives, according to the National Taxpayers Union last year. And I also rise as a Representative of a State that does not do much NASA business. So there is no porkbarrel spending for NASA in the State of Wisconsin.

I am taking the position that I am today because this is a note on whether or not to continue a manned space program that has put America on the cutting edge of technology since its inception in 1957. All one needs to do is look at the spinoffs from NASA activities and how they have improved our lives and even extended those lives.

Without the manned space program, we would not have had a revolution in telecommunications, which has made long distance telephone calls dirt cheap. We would not have had the development of medications that have eased pain and extended the life expectancy of people in this country and around the world. We would not have seen new materials developed, whether it be Velcro or materials that could be used for artificial hips and joints. And we would not have been able to see things that have made our lives easier, such as sunglasses that many people now use that can more effectively diffuse the rays of radiation from the Sun.

The space station holds the potential of keeping America on the cutting edge of technology. If we back away from this program, now, the technology, which America has developed, will be developed by those who do go into space, the Russians, the Europeans, and the Japanese, who will be there regardless of what this Congress decides today.

I do not want to see that happen. As was mentioned earlier, there was a hearing at the Subcommittee on Space yesterday with an all-star panel of witnesses, lead by Dr. Michael DeBakey. Just in the area of medical research alone, there was evidence placed on the table at that hearing to show that we need microgravity research in order to develop a permanent heart ventricle valve, in order to understand better the human body's immunology, which is the key to curing cancer and AIDS. All kinds of other things will flow from the permanent microgravity research, which can be done on space station *Freedom*.

During the last Presidential campaign we heard an awful lot about thinking about tomorrow. This is a vote, Madam Chairman, that will show who is thinking about tomorrow and who is not.

□ 1250

Vote "no" on the Roemer-Zimmer amendment, to keep America on the cutting edge of technological research. Vote "no" on the Roemer-Zimmer amendment, to keep our technology being what makes American business best, and reduces our balance of payments deficit as far as possible.

Vote "no" keep America No. 1 in space, so the rest of the world can follow our lead, rather than the United States of America following somebody else's lead.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. MALONEY], a freshman Member who has been very helpful on this matter.

Mr. ZIMMER. Madam Chairman, I yield 2 minutes, as well, to the gentlewoman from New York [Mrs. MALONEY].

The CHAIRMAN pro tempore. The gentlewoman from New York [Mrs. MALONEY] is recognized for 4 minutes.

Mrs. MALONEY. Madam Chairman, today Congress has an opportunity to make serious budget cuts.

The Roemer-Zimmer amendment would save the American taxpayer over $2 billion in the next year alone and as much as $12 billion over the next 5 years.

We cannot afford to build the biggest pork barrel ever shot into space.

We have tough, serious choices to make.

Our compact with the American people requires Congress to make significant spending cuts in return for increased taxes.

But before we increase taxes on Social Security recipients or cut Medicare, we must eliminate these big-tick-

et scientific boondoggles that return very little on their massive investment.

When Congress first approved the space station, it was estimated that the program would cost $8 billion to complete.

Today, even with the scaled-down design, NASA estimates completion of the project will cost over $27 billion, while the General Accounting Office estimates are much higher than that. This does not include the nearly $60 billion it will cost to operate the station after 1999, bringing the total estimated cost to over $80 billion.

Extensive national projects may add to our prestige and may even serve science. However, none should take precedence over human needs. Many supporters of the space station hail the microgravity research as a key element of this program. Yet, in March 1991, Dr. Allan Bromley, President Bush's top science aide, wrote a lengthy summary of the space station's merits for then-Vice President Quayle.

Dr. Bromley wrote, and I quote:

> Neither the commercial processes nor the scientific merit of the microgravity experiments come close to justifying the cost and effort required to build, deploy, and operate the station.

In fact, for many scientists, this program can be summarized in three simple words: "Waste in space."

So, we are going to spend $80 billion to build a Red Roof Inn in outer space for four astronauts, when we will spend only a fraction of that amount to house thousands of homeless families here on Earth.

Let me repeat that: billions for housing in space, and only millions for affordable housing in the Nation.

Some might argue that the space station is an important jobs program. The truth is that every job the space station will create costs $100,000.

This doesn't even begin to address the high technology jobs that are lost because NASA cancels, postpones, or squeezes out other worthy scientific projects.

We must be able to cut programs like the space station that the Nation does not need and can no longer afford. Continued funding for these projects will help ensure that we continue to drown in debt.

Madam Chairman, let us concentrate on the real priorities of this country—putting people, not pork, first.

I urge my colleagues to vote for the amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. GLICKMAN], chairman of the Subcommittee on Program and Budget Authorization of the Permanent Select Committee on Intelligence.

Mr. GLICKMAN. Madam Chairman, the gentleman from Indiana [Mr. ROEMER] is one of the most effective Members here. He almost had me convinced. In fact, he makes a lot of good arguments, but I have to tell the Members, this is one of those issues that I slept over this weekend and decided to use my best instincts, rather than looking at the politics or the jobs issue.

Basically, I came down to the fact that the space station has had a lot of serious trouble in terms of development. NASA has done, at times, a miserable job of managing. But the fact is that America is the leader of the post-World War II world. We are the leader in technology and productivity and manufacturing and in jobs, and yes, in clout as well. That allows us to influence human rights and democracy and market reforms everywhere in the world, and we are being directly and effectively challenged by Japan, by Europe, by Russia, and a whole new group of competitors who are actively engaged in an effort to push us out of our leadership role wherever it exists: in space, in manufacturing, in technology.

While this program has not been perfect and the redesign has at times been a bit sloppy, to kill it now is to accept the fact that we are relegating our position to a secondary status in the area of space exploration, to accept the fact that other countries will take the lead in the future.

How will we feel when Japan and Europe and Russia are the only ones doing this and not us? How will our children feel when this happens? I think it is a pretty sad state of affairs when America so withers and so internalizes that we have lost the role of ourselves as being a great leader.

It is a jobs issue. It is not just jobs to create the station, but it is a whole lot of spinoff jobs. Let me tell the Members this, defense spending is coming down radically. If we look at America's industrial base right now, much of it is defense-related. Much of it is. Much of the spinoff is defense-related. Our new airplanes are defense-related. Our new automobiles, technology, composites. All that was largely done as part of the defense budget.

The space program is really one of the few things we have left going to keep that technological base, in light of that defense spending coming down. Let me finally mention the issue of budget. It is an important issue. I would point out that the real culprit in our budget problem is not the space station, it is entitlement programs. In 1965, we spent $33 billion on all entitlement programs, from pensions to health care. That was 5 percent of our GNP.

This year we are spending $770 billion on entitlement programs. That is 25 times they have grown in the last 30 years or so, or about 12.5 times.

I am just saying, in perspective, that the real culprit in deficits is not the space station, while we need to look at waste in this area as well. I hope my colleagues will not reject it for that reason.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Madam Chairman, I rise in support of the bipartisan Roemer-Zimmer amendment to cut funds for the space station. I would agree with some that this project would be nice to have, but we simply cannot afford it, not with a $300 billion annual deficit.

The GAO, the General Accounting Office, said recently that this project will cost $150 billion to build and operate. We cannot afford that, not with the $300 billion deficit.

Do the Members remember the old Muppet TV show, "Pigs in Space"? Maybe this space station ought to be the star attraction on a congressional version of a show called, "Pork in Space." Even Elmer Fudd, I think, could have a comeback.

A few weeks ago one of my largest newspapers in southwestern Michigan editorialized this program as "Can the Space Station." That is exactly what this project is, pork in a can. Maybe some would even call it Spam. But whatever we call it, it is a pig in a poke.

Madam Chairman, let us wake up and smell the bacon. It is time to kill this pork project and bring a little fiscal sanity back into our budget recipe.

□ 1300

The time is now for Congress to stand up, make a tough choice and say no to a program that we simply cannot afford. With a $300 billion deficit, it is time to change business as usual, and I would urge all of my colleagues to vote yes on this wonderful bipartisan amendment to cut spending first.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN. Madam Chairman, last week I spoke in support of H.R. 2200, the NASA authorization bill. Today, I want again to underscore my support for the space station and for the superb leadership provided by GEORGE BROWN, chairman of the Science, Space, and Technology Committee and ranking member, BOB WALKER.

There are many reasons to support the space station and you will be hearing them today on the floor. But to me, one of the singular reasons for a space station and the continuation of a strong manned space program, is the unique scientific and medical research that can only be done in the microgravity environment of space.

The NASA appropriation provides for ongoing biomedical research programs in the fields of microgravity and life sciences especially in the area of womens health. This research has been both ground-based and on space shuttle missions.

The space station, Madam Chairman, offers a one-of-a-kind environment for this critical health work. While microgravity research is being conducted even now on the shuttle, the long-term research necessary especially for the growth of cancer tissue will be conducted on the space station.

Madam Chairman, projections from the American Cancer Society indicate that 1 in every 3 people alive today will be diagnosed with some form of cancer. That means that about 85 million Americans now living will eventually have cancer. And projections from the American Cancer Society indicate that by age 85 1 in every 9 women will be diagnosed with breast cancer, and 1 of every 65 women will develop ovarian cancer and it is important to note that ovarian cancer survival rates today are no better than they were 30 years ago.

One in nine, Madam Chairman. Look around this Chamber. Those are not very good odds for the 48 women who are now serving in Congress. They are not good odds for our mothers, daughters, friends, and other family members either.

The little research that has been done recently in the life sciences and microgravity fields has been extremely beneficial to women. One of the reasons for this recent focus, is that women now comprise almost 25 percent of our astronauts.

Above all other reasons to support the station and a robust, manned space program is that the research done in space will impact future generations with its continuing benefits. The more research we do, the more new knowledge is derived.

There are many people in my life, both women and men who have been touched by cancer. And many of the treatments they have received have been the results of space research. My two sons, one who has just graduated from college have their full and vigorous lives ahead of them. I would like to think that they and their future wives and daughters will be able to benefit from the decisions we make here today.

Madam Chairman, I am submitting a letter underscoring the importance of NASA's microgravity research on women's health issues.

Madam Chairman, this letter I am including for the RECORD is from the University of South Florida College of Medicine underscoring the importance of NASA's microgravity research and of cancer issues. The text of the letter is as follows:

UNIVERSITY OF SOUTH FLORIDA,
COLLEGE OF MEDICINE,
Tampa, FL, June 23, 1993.

Congresswoman JENNIFER DUNN,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSWOMAN DUNN: I am sorry that I missed you yesterday during the Space Subcommittee hearing. I think that the hearing went very well and that the testimonies presented were truly exceptional. I hope that the vote goes favorably today—it worries me a great deal that so much apprehension about this program still exists for some members.

I have been told of your plans to institute increased funding for research on women's cancer, specifically in the area of biotechnology. This sounds very exciting; although other sources of funding for women's diseases are certainly in place, to my knowledge, there is no other work outside of the studies we have going on with Johnson Space Center which involve the NASA bioreactor culture vessel for evaluating breast and ovarian tumor growth.

If I can help you at any time in the future, please don't hesitate to call.

Sincerely,

JEANNE L. BECKER, PH.D.,
Assistant Professor.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. DURBIN] who will speak to some extent about health claims.

Mr. DURBIN. Madam Chairman, with all due respect to the previous speaker, I think those listening to this debate can understand the desperation of the supporters of the space station when they try to convince the American people that putting this station in space is going to find a cure for cancer, or a cure for AIDS. Those arguments have been made on the floor of the House, and I think they betray the problem with this program.

This program has been searching for a mission. If we want to find a cure for cancer or a cure for AIDS, turn to the medical experts in America.

I held a hearing last year and I asked medical research experts if the space station was the place to turn to find medical breakthroughs. They said no. They said Congressmen, stay right here on Earth, because we cannot find enough money in this Federal budget to fund the National Institutes of Health.

This year we will put about $10 billion into all of the Federal research to find cures for heart disease, cancer, AIDS, Alzheimer's, and still we will only be funding one out of every four approved research grants at NIH. To suggest that we should now turn around and spend $150 billion on the space station to cure cancer is ludicrous.

If we want to think about tomorrow, as one of my colleagues said in reference to supporting the space station, I would like to join in thinking about tomorrow. The tomorrow I think about is a tomorrow where a child in America finally has a cure for AIDS. The tomorrow I think about is a tomorrow with men and women who find cures for heart disease and cancer by investing here on Earth.

Some people in this world and this Nation need a liftoff and brave astronauts to believe that they are embarking on a great national adventure. I do not need that. I think America can continue to be a leader in medical research. I think we can find cures for diseases. But let us focus on curing the problems right here on Earth.

The President can put a new set of tires and a new paint job on the space station, and it still will not fly. Let us stick with curing those problems right here at home.

Mr. HALL of Texas. Madam Chairman, I yield myself such time as I may consume so I may include for the RECORD a statement by another noted physician, Dr. Michael DeBakey, who will address the words of the gentleman from Illinois [Mr. DURBIN].

STATEMENT OF MICHAEL E. DEBAKEY, M.D., CHANCELLOR AND CHAIRMAN, DEPARTMENT OF SURGERY, BAYLOR COLLEGE OF MEDICINE

Mr. Chairman and Members of the Subcommittee: Knowledge, science, and human advancement have always been a reflection of their time. Recorded history began some 5,000 years ago. From those earliest writings we know that humans wondered about their world and sought to learn more about it. The first treatise on surgery was written in Egypt about 2,700 B.C. by Imhotep, the Pharaoh's grand prime minister whose status was so great that after his death he was declared a god.

Surgery in western culture originated with the peoples of Greece and Asia Minor. Hippocrates, known as the father of medicine, was one of the first physicians to view medicine as a systematic science. Medicine and surgery achieved great peaks during the third and fourth centuries B.C., especially in Alexandria. But in the early history of Rome the story was different. Before the Romans conquered the Greeks in 146 B.C., medicine and surgery were considered such lowly pursuits that no Roman citizen would undertake them. Pliny the Elder wrote that because Romans had gotten along without doctors for more than 600 years, they should be able to survive without "the cult of Aesculapius," the Greek-Roman god of medicine, a reference to the medical community.

In the fourth century A.D. the Dark Ages, which lasted nearly an entire millennium, the pursuit of knowledge, new ideas, technology, and science was heresy. Miracles replaced medicine as the form of healing. Civilization regressed to an era of ignorance and fear.

These historical examples underscore the tenuous position science, medicine, and research—the quest for knowledge—sometimes hold in society. In the early Roman days and the later Middle Ages, the decline of medicine and science was due not to ill intentions of societies' leaders, but to other priorities considered at the time as more important: conquest and power for the Romans and faith and religious predominance for citizens of the Middle Ages.

Today, the world and, at its forefront, the United States, are far more enlightened about the critical roles science, research, education, and medicine play in the welfare of our people and of our future.

But today our leaders—you among them—also face the issue of priorities. The Cold War that required much of our attention and resources for half a century is over. Defense as a priority is being replaced by increasingly urgent issues concerning our economic security, social well-being, and future welfare.

I am well aware that with each passing day our country's deficit makes our priorities more difficult to set and our choices harder

to make. My profession of health care has been placed squarely under the microscope of fiscal scrutiny.

But I am here today not only as a physician and surgeon, but as an explorer, a researcher, a participant in today's quest for knowledge. Medicine, after all, is about exploration, the exploration of the human body. I am the explorer of a world composed of microscopic cells and a researcher of systems far more complex than mankind can create. The human body is a world of wonder and discoveries, and we have many, many more discoveries to make in medicine and in surgery.

In times of competing priorities, I hear calls to eliminate what some have called "frivolous big science" programs, such as a space station. Under deficit-imposed pressure, I hear "choices" described that pit possible cutbacks in vitally important programs, such as medicare and medical assistance to our elderly and disabled against so-called "big science" programs like a space station in a heated either-or financial competition.

Better health care for our citizens is not at odds with a space station. As a physician, teacher, and explorer, I must emphasize that our space program and space station are not frivolous, because they may provide keys to solving some of the most vexing problems that affect our people. Health care is improved not only by such immediate proposals as providing more accessible care to our citizens, but also by promoting the research that will lead to far reaching advances in the field.

For example, you, our leaders, should not see programs such as Medicare and a space station as a choice. Rather, the goal should be to use the unique microgravity laboratory of a space station to research ways to treat or prevent the deteriorating physical conditions that affect the elderly and disabled.

Many health problems that affect the aged—bone density loss, breakdowns in immune response, changes in the cardiovascular system—also affect very young, very healthy astronauts once they are in weightlessness. A space station provides a facility unavailable on Earth to observe these processes and develop countermeasures that could be applicable to the aged and the feeble, as well as astronauts. Such advances could, in turn, potentially lower future health care costs.

More than anything else, I believe a space station will teach us about ourselves, about how humans adapt, live, and work in an entirely new and challenging environment. The space station is not a luxury any more than a medical research center at Baylor College of Medicine is a luxury.

If fiscal priorities do not allow research into the medical mysteries of the human body at the best available research centers, whether they are 200 miles outside of Washington D.C. or 200 miles above the Earth, we are in a worse and likely more prolonged national health care crisis than any of us have imagined.

One way we will ultimately overcome the economic problem associated with medical care is to obtain the knowledge needed to prevent diseases and find new means to treat patients, especially as our population ages. We cannot always predict the outcome of scientific activity, especially efforts as broad and untried as space. One reason some scientists and political leaders question the efficacy of space research is that we have had limited opportunity for multiple experimentations and trial runs in space. Significant return on science research requires an ability to acquire information in both quantity and quality.

Present technology on the Shuttle allows for stays in space of only about two weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space—in months to years—to obtain research results that may lead to the development of new knowledge and breakthroughs.

There are concrete examples of technologies awaiting long-term research in space, and they demonstrate the benefits a space station holds for medicine.

Tissue modeling—producing exact replicas of human tissues—is a relatively new field that promises important insights for cancer research, organ transplant research, and human virus culturing. But on Earth, we have only a two-dimensional understanding of how human cells work and replicate in the body. A tissue modeling device, called a rotating wall vessel, recently developed by NASA at the Johnson Space Center in Houston, imitates certain microgravity properties.

Quite simply, by emulating those microgravity processes, this device has grown the largest three-dimensional cultures of normal and cancerous human tissues ever developed outside the body. This new technology provides an impressive research tool that may greatly advance cancer research and may even allow for the development of transplantable human tissues. Demonstrations on the Space Shuttle have shown great promise for this culture system.

But, quite literally, its full potential won't get off the ground until there is a space station where it can be researched for long periods.

In another area, crystalline structures have important research applications for medicine, pharmacology, and biotechnology. Space-grown crystals are usually large, more developed, and more uniform than those grown on Earth. Earth-bound crystals tend to be distorted by convection and gravity and are therefore poorly suited for study.

The superior space-grown crystals allow for a more complete and exact analysis of their molecular and cellular structures. The analysis then can be used to design and test specific treatments for diseases. Protein crystals for research on the HIV virus, insulin, cancer, rheumatoid arthritis, and emphysema are only a few examples of experiments already flown on the Shuttle. All of them can significantly benefit from long duration access to microgravity on a space station.

Unexpected and unpredictable side benefits for the private sector have stemmed from the technological developments achieved by the U.S. space program since its inception, and many of these involved clinical medicine. Before they were developed, I couldn't have testified to you that if you fund the space program, this will be the result. And I can't tell you now that if you build a space station, you will specifically get this side benefit from some new technology or that side benefit. The only thing I can tell you is what we in medicine have received from space technology thus far. But I don't know how anyone could look at these benefits and imagine similar advances wouldn't occur in turn as a byproduct of a space station.

NASA did not develop these new medical aids, but it did develop and transfer these potential technologies to the private sector. In many cases, NASA researchers actively collaborated with scientists in private and public research laboratories to obtain beneficial results.

The space program's requirements for miniaturized and highly reliable instrumentation and sensors were the precursors of cardiac pacemakers. The development of bi-directional telemetry for satellites resulted in programmable pacemakers in which heart rate could be adjusted by the physician as necessary without additional surgery.

The need to monitor astronauts' vital signs while hundreds of thousands of miles away from Earth has led to medical telemetry for monitoring ward patients' vital signs. The same telemetry has permitted paramedics to save countless lives while en route to hospitals. Space telemetry also has spurred the development of "telemedicine" that allows clinical consultation and support in disaster-stricken areas worldwide. "Telemedicine" has opened health care opportunities to remote sites such as Native American reservations. Telemedicine is now being adapted for long-distance medical specialty consultation and for medical education, and the result has the potential to lower health care costs.

Space imaging technology is used for computer-assisted tomography, or CAT scans, position-emission tomography, or PET scans, and Magnetic Resonance Imaging—technologies that diagnose tissue abnormalities without intrusive measures. Space imagery processing technology is used in the now common treatment known as "ballon angioplasty." This procedure makes use of a tiny balloon on the tip of a catheter that creates internal compression of narrowed heart arteries, opening them to improve circulation of the blood to the heart muscle. Heart attacks may be averted completely by this process.

These are just a few of the thousands of medical applications that have been derived from space technology and now touch lives daily. They were never expected when the space program began, and their original applications were not intended for the purposes that have now saved countless lives.

All of these advances are the serendipitous outcome of scientific and technological research. We investigate to uncover questions we do not yet know how to ask and to discover answers we never expected. These advances are now common, but they still deserve the label of recent. And the unexpected benefits of space exploration continue today. In my work they have been invaluable.

I have devoted my entire professional career to furthering knowledge in cardiovascular medicine and surgery. Before the first human ever flew in space, I was researching the development of a Left Ventricular Assist Device (LVAD) as a life support system for heart failure. This device assists the muscle-damaged heart in pumping blood and provides similar assistance for patients awaiting a heart transplant. The Institute of Medicine estimates that early in the next century, as many as 60,000 patients each year will require the support of an LVAD. If we include circulatory crippled patients, the number increases to 150,000 patients annually. Currently, the only means of circulatory support is through the use of large, complex and expensive pulsatile LVAD's that provide about one year of circulatory support. Such devices cost as much as $50,000 each and, therefore, are not practical for use on large populations.

I had been working on a non-pulsatile pump that could be compact enough and cost-efficient enough for widespread clinical

use. Unfortunately, currently available heart pumps of this type have a limited life span of just a few days. Another motivation for the development of a simple LVAD system is the scarcity of available donor hearts. In the past, about 2,000 heart transplants were performed annually in the United States. In the future, fewer transplants will likely be performed each year, regardless of the search for donors and an expanded criteria for acceptance. A simple, lower cost, portable heart pump is vital for patients risking heart failure and its complications. If an appropriate system can be developed, transplants will be more successful or not always necessary; the synthesis of anti-rejection drugs can be more effective; and post-transplant complications may be minimized. Early LVAD designs, unfortunately, were experiencing fluid flow problems that damaged blood cells during pumping. I am a surgeon, a researcher, and an explorer, but not an engineer. I needed engineering help with the heart pump, but did not know where to go.

In 1984, a Johnson Space Center engineer named David Saucier was in heart failure. We performed a heart transplant on him. During his convalescence, Saucier and I discussed the similarities between the heart and a spacecraft life support system. Both feature closed-loop systems, pumping fluids at various rates and pressures. Both receive and act upon electric impulses. Both have extensive networks to carry messages and send commands to all parts of the vessel. Saucier returned to work at NASA and put together a four-person team to work with our investigators at the Baylor College of Medicine to develop a prototype unit for an LVAD that eventually would be implanted inside the chest, between the heart and aorta.

Using their knowledge of electronic control systems, computational fluid dynamics, miniaturized spacecraft pump designs, power-efficient small motor designs, computer modeling, and engineering design parameters, the NASA team has helped our Baylor researchers develop an axial flow device. It consists of a spinning impeller, a fixed flow inducer, and a fixed diffuser within a flow tube. The first stage flow inducer for the LVAD was adapted from downsizing a liquid hydrogen inducer used on a Shuttle main engine. The impeller has six blades and is designed to rotate at 10,000 to 12,000 revolutions per minute depending upon the required flow output. The flow tube has an internal diameter of 0.5 inches and a length of 2.25 inches. Rare earth magnets implanted in the impeller blades allow the impeller to act as the rotor of a brushless direct current motor. The motor controller uses a back electromotive force principle for commutation control.

One of the most serious problems with the LVAD design was hemolysis, or trauma to the red blood cells that can occur if conditions are not optimal. Using their state-of-the-art test equipment developed for use in spacecraft design, the NASA team explored sheer force factors acting on the blood as it passes through the tiny impellers and how they correlated to the speed of passage and pressures involved in the process.

The design strengths of the NASA/Baylor LVAD include the small size of the device enabling easy implantation, low power consumption, and absence of blood seals. Thrombus formation, or blood clotting, and blood leakage problems associated with the seals are therefore avoided.

Current pump performance has demonstrated the planned flow rate of 5 liters per minute against a pump head of 1000 mm-Hg while using 9 watts of power. In vitro hemolysis using cow blood tests has been reduced from a high value of .189 to the current value of .031 grams of liberated hemoglobin per 100 liters of blood pumped. Studies of a prototype unit in calves will continue through this summer. The eventual goal of the project is to perfect the device and to obtain Food and Drug Administration approval for clinical trials.

Why do we need space exploration? You do not have to convince me. More progress was made in the three years I worked with the engineering team at NASA or LVAD than in the previous 35 years of effort on the design and development of this heart pump. I believe we are very close to making a major breakthrough that will revolutionize heart surgery.

Space exploration is human exploration. The knowledge we gain in space is not only from sending people beyond Earth, but also from marshalling the human resources on Earth that make space flight possible. Such people, like David Saucier, come from a variety of science and engineering disciplines and dedicate their lives to the challenge of space and to applying their space expertise for the benefit of those on Earth. Their efforts affect fields far beyond the focus of NASA. They truly are conducting human exploration.

The reason we conduct research is not so much to come up with the right answers as to ask the right questions. The more questions we uncover, the better the research. In the history of science and technology development, the great advances were made by the single person who wondered why and sought to discover how. That is why we go into space. That is why we explore. That is the genius of humanity.

We can be sure of one thing. If we stop researching, searching for answers and asking more questions, we won't expand our store of knowledge, and we will not grow as a civilization. Our priorities may emphasize the bottom line today, but that may not be enough to reach the finishing line as a nation in the future.

Our space program is a symbol to the rest of the world that the United States looks to the future and plans to maintain its leadership role in science, technology, and research. It demonstrates that our leaders have the foresight to look beyond today's challenges and make a commitment to the promise of a better world. The space program, and specifically the space station, is an investment in knowledge that does not exist today and will not exist tomorrow without a commitment now.

We can't predict the outcome of scientific research or the knowledge to be gained. But what we can foresee is that no new knowledge, no new solutions to our concerns will be gained without it.

Thank you.

Madam Chairman, I yield 2 minutes to the gentlewoman from California [Ms. ESHOO], a very valued member of our committee.

Ms. ESHOO. Madam Chairman, I am pleased to be here today to stand in opposition to the amendment that has been offered.

Just 32 years ago, President Kennedy offered a bold vision for our Nation, and he challenged an agency to come up with a mission that would place a man on the Moon. Americans applauded that, and that young President and his bold vision produced something for this Nation, and placed us first in space exploration and all that has come from it.

Today, another young President speaks to a vision and a boldness because it takes boldness today to reshape an agency as well as its plan, and that is why I support it.

The benefits are clear, telecommunications, health benefits. This is the basic physiological research project in the Nation. Can we afford to give up an international partnership, the only international partnership that this country has been engaged in other than the allies that we have pulled together in war? That is how critical this is.

What I would like to end my comments with is it is very important for all of us to know the price of everything. But it should not be said that we value nothing. It is our responsibility to place the price tag on things, but also to state the value. This is a reshaped plan in terms of dollars, and it speaks to a vision of that young President of over three decades ago. And I am proud to rise in opposition to the amendment and in support of the space station.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Madam Chairman, I rise today in support of the Roemer-Zimmer amendment to terminate the space station program.

Make no mistake about it. I have joined the millions of Americans who for the past 30 years have considered this a noble enterprise to explore outer space. And I have enjoyed the benefits of some of the scientific achievements which have accompanied this exploration.

And while I think that we should continue the scientific exploration of outer space, it must be done within our financial means. We responded to sputnik by putting a man on the Moon. In 1969, I was an exchange student in Stockholm, Sweden, and I remember in the wee hours of the morning the pride that I felt as Neil Armstrong put his footprint on the Moon as a giant step for mankind.

But today is not 1969. In 1969 we did not have a $4 trillion debt, we did not have a yearly budget deficit of $300 billion, and we were not paying more to service our debt than any other segment of our budget outlays.

This is not about dreams for the future. This is about hard financial choices for today so that the future will be economically sound.

Recently a newspaper article indicated that at least 30 percent of the 17,000 people who are working on this project could in fact be released as excess.

In the past I have voted for space station because I felt that some of the limited scientific and medical evidence

could support that. But not today. Not today as we tell the American people that we have a deficit that must come under control. The $16.5 billion even in this slimmed-down version is too much money for the limited scientific and medical evidence that we may achieve by putting the space station in space.

When I ran for Congress I had a small piglet. I called him Lester Pork, and I thought about Lester as I was thinking about this project. And I was thinking what Lester would say. We called him Les Pork. And I think if Lester were here today he would wink, and he would oink, and he would say this is the stuff that pigs are made of.

With all of our fiscal problems today, we cannot afford this. It has value for some medical and technological achievement. It will not solve our cancer problem. It will not solve the AIDS problem of this Nation.

□ 1310

But it will add to our deficit.

I would urge my colleagues to think of the future when they vote and to support the termination of the space station.

Mr. WALKER. Madam Chairman, I yield 3 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Madam Chairman, I thank my ranking colleague, the gentleman from Pennsylvania, for yielding me this time.

Madam Chairman, I want to express my deep appreciation for the bipartisan effort that has been put forth here today on the part of the chairman, the gentleman from California [Mr. BROWN], and my colleague, the gentleman from Pennsylvania [Mr. WALKER].

One of my earliest memories about our effort in space involves my bathroom early in the morning in California several years ago. I was listening to the television set as I was shaving and getting ready to go to work. At the last moment, walking down the hall, I looked into our family room and saw my youngest boys, twin sons, as they watched our first blastoff sending a man into outer space.

As I listened to their conversation talking about the apogee and the epogee of that flight it struck me that, indeed, they had been inspired to discover the future. Those boys today are college professors looking to a new horizon for America's future in space and, indeed, you and I should recognize that America's history is a reflection of pioneer spirit. Our effort and the vote today for a station program can cause the next generation of young people to aspire to a future that includes manned exploration of space.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. KLEIN], a valuable member of the Committee on Science, Space, and Technology.

Mr. KLEIN. Madam Chairman, I want to commend the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER] for their leadership on the amendment, and I commend as well the chairman, the gentleman from California [Mr. BROWN], for his leadership on the committee.

As a member of the Science Committee, I am totally committed to continued American leadership in science. I am also committed to reducing our budget deficit and cutting Government spending. That kind of sound fiscal policy demands that we make hard choices, that we establish our priorities, and eliminate low priority programs. When I weigh the space station against such compelling national needs as health care reform, more police on the streets to fight crime, and more quality affordable housing, the space station falls short on any reasonable priority scale.

And in the area of scientific research, there are far more urgent programs to which we should devote our resources. For example, developing new technologies to create new industries and new jobs; developing environmentally sound and cost effective manufacturing techniques, research in the area of environmental protection, medical research here on Earth and development of a national information infrastructure.

I ask: How can we go home to our constituents and justify spending these huge sums of money on a project when six of its eight scientific missions have been abandoned and when so much of the money has been dissipated in administrative costs? As much as I value most of NASA's work, and support the overall space program, it has become apparent that the space station *Freedom* is a project that is lost in space.

Madam Chairman, I call on my colleagues on both sides of the aisle to exercise sound fiscal judgment and support the Roemer amendment to bring to an end to throwing good money after bad.

Mr. HALL of Texas. Madam Chairman, I yield 2 minutes to the gentlewoman from Tennessee [Mrs. LLOYD], who chairs the Subcommittee on Energy.

Mrs. LLOYD. Madam Chairman, I rise in opposition to the Roemer amendment and in strong support of the space station.

Again this year, we do have a great deal of controversy over this legislation and specifically space station *Freedom*.

However, we must realize the benefits and the possibilities that these projects hold out for every American. Maintaining a strong industrial base that incorporates the most advanced technologies and materials is very vital to our economic stability and our growth.

This space station should be seen as a contributor to our economic future and a giant leap forward in our technological and our scientific capabilities.

Madam Chairman, you know, we are not alone in our endeavor. The international community looks to us as the leader, and should we take the drastic step of cutting off our involvement with the space station, we would jeopardize our standing in the international community.

We know that Japan, that Canada, that the European Community all will have a permanent presence in space.

I would like to comment on the comments by the gentlewoman from Washington. I am one of those nine that did develop cancer, and I am a lucky one because I am a survivor, but I certainly hope that we can look forward at the unique possibilities of a microgravity lab in a space station. I hope that we can have the longer missions to make this possible.

It is so important to establish an outpost in space.

So I would encourage all of my colleagues to support the space station *Freedom* program and the many other worthy projects that are encompassed in this legislative not only for our future but future generations of Americans.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Madam Chairman, the Senate is now talking about a budget proposal that will increase the public debt of this country by $1 billion a day. That overspending hurts our chances for a good future. Decisions on whether or not to vote for budget cuts, such as the space station, should be predicated on our overall goals to help our economic recovery and stop a decline in the standard of loving of Americans. In this regard, space station *Freedom* is indefensible and fiscally unjustified.

The money could more appropriately be spent on encouraging science and research projects to develop new technologies for American companies in order to increase productivity and our competitive position with other countries of the world. Some speakers have suggested we could get a lot of research information from the space station. The fact is, we have already signed away America's exclusive rights to this information to other countries. We have signed intergovernmental agreements that would share research findings with Japan and other countries.

Madam Chairman, if we are going to put billions and billions of dollars into research, then I suggest that it is in America's best interest to fund the kind of research efforts that could be best used by Americans in America, to improve our competitive edge, to improve our economy, and to increase the number of good jobs that are available.

Borrowing money to spend on this project is a luxury that we cannot afford. Each year that we sink more money into this pie in the sky boondogle makes it that much more difficult to reconsider. Let us put this project on hold while it is still in the planning stages and until this country deals with our most important priorities.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Madam Chairman, first of all, I would like to salute the leadership of our chairman, the gentleman from California [Mr. BROWN], and the cooperation that we have had between Republicans and Democrats on this vital technological project.

I rise in opposition to the amendment, while at the same time not only saluting the ranking member and my chairman, but also saluting the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER], who provided the leadership in their own way for the things that they believe in about the space station. Their constructive criticism has actually helped improve this program.

Budgets have been cut and costs have been brought under control. The space station now is on track, and its potential is greater now than it was perhaps because of those people who are providing loyal opposition to the project itself. It is actually much greater in its potential than when it was approved by Ronald Reagan back in 1984.

Unlike then, we now have the option of working with our former enemies in space. When Ronald Reagan first approved this station, it was in the height of the cold war. Today we are looking at this station as an example of cooperation for all mankind. Our former enemies can work with us in order to build a celestial beacon of cooperation, of peace, of progress, and, yes, of freedom.

□ 1320

In gravity-free research we can find things that we could not find on Earth. Yes, we have heard about that; medical achievements, scientific investigations and achievements that are impossible on Earth. But that is not the main reason why we are supporting space station *Freedom*. Space station *Freedom* represents humankind's potential; it represents not only scientific and not only medical research, but it symbolizes, as our chairman said, an outpost for mankind, a way station for mankind's future.

I see the space station serving as a way station for Moon colonization and commercial endeavors in space that will enrich our country and all of humankind.

Thus I would ask support of the space station *Freedom* and ask my colleagues to vote against this amendment.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARRETT], a freshman Member.

Mr. BARRETT of Wisconsin. Madam Chairman, I love our space program. As a child I watched American astronauts walk in space and land on the Moon. These were incredible moments, accomplishments that stirred patriotic feelings among all of us.

Americans love the space program because we are a nation of dreamers who think that nothing is beyond our grasp, that nothing is too difficult for us to accomplish. Unfortunately, in the case of the space station, our dreams far exceed what our budget can afford.

Just as parents have to tell their children that the family cannot afford that trip to Disney World or that Nintendo game, we as a nation must admit that the money just is not there.

Now is the time to do that with the space station. And it is the time for Members of Congress who claim they want to cut Federal spending to actually do it.

The National Taxpayers Union calls the space station "one of the most technologically indefensible and fiscally unjustifiable Government ventures." If you are for cutting spending, this is where you should start.

This amendment is not a vote against the space program. It is not a vote against space research. The fact of the matter is that the space station funding is crowding out other more important research funding. The space program will flourish without the space station.

It is time to tell the dreamers that we just cannot keep throwing money into the black hole that is the space station. It is wonderful to dream, but we cannot keep paying for our dreams with our children's money. We cannot afford it anymore.

This vote is a vote on our deficit. If you vote for the amendment, you are voting to cut the deficit that our children will be forced to pay by over $10 billion. Rather than leaving them with a fiscal nightmare, let us do the right thing and approve the amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Madam Chairman, I rise today in full support of H.R. 2200, the National Aeronautics and Space Administration Authorization Act and in strong opposition to the amendment offered by Mr. ROEMER and Mr. ZIMMER to terminate space station *Freedom*. Less than three decades ago Neil Armstrong captured the hearts and imaginations of the young and old around the world as he took those first few steps on the Moon. The words "one small step for man, one giant leap for mankind" still resonate with the sound of American achievement that has never been equaled.

It is now the dawn of a new era where international cooperation in the final frontier will serve all mankind and planet Earth. The development of space station is already pushing the envelope on international cooperation. NASA's flagship program will be an international research laboratory where partnerships with Canada, Japan, and the European Space Agency will bind together a common desire to explore and advance science and technology.

Ladies and gentlemen, what would it have been if about 501 years ago Isabel and Ferdinand had said, "We don't have the money. We can't afford it, Christopher, for you to try to find a new route?" What would this world be today? What are we saying today when we, if we defeat the space station *Freedom*, if we approve the amendment offered by the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER]? If you do, you are forever foreclosing manned activity on the Moon, man's habitat on the Moon, man going to Mars. Yes, that is all possible. Without the space station, it will never happen; not going to happen, folks.

What vision have you of our space program? It is a lot different than my vision. My vision of the future in space includes man going to Mars and man living on the Moon, not just here on Earth.

You know, we have the space station already; a lot of people have not recognized it. But you are sitting on it right now. It is Earth.

We have had a lot of frontiers on this Earth, but surely some of you, like I, can look beyond Earth and see new frontiers. This country, this mighty Nation, is still the No. 1 Nation, and to stand in this well and to say that we can no longer afford to have visions, we can no longer as a people afford to look to the future, to dream a little bit, we can no longer afford to do what John F. Kennedy did; we can no longer afford vision nor dreams. We can no longer afford the future. All we have is what we have now as far as space is concerned. The only space station without freedom that you are ever going to have is the one that you have now, and that is Earth.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. I thank the gentleman for yielding this time to me.

Madam Chairman, as a strong NASA supporter and a science and space afficionado this Member rises in opposition to funding the space station and in support of the amendment to delete funding for NASA's proposed space station. At a time of huge budget deficits, unmet domestic needs, and more appropriate NASA priorities, construction and operation costs of the space station are projected to reach an incredible and unacceptable $120 billion. Al-

ready, $8.5 billion has been poured into this black hole. Yet, the tangible benefits of this project are quite unpredictable, and recent discoveries have revealed countless arguments against, or obstacles to, the project's successful completion and operation of originally described missions. Too many missions were simply dreamed up to justify the space station instead of a legitimate focus first on legitimate missions that are justifiable.

There is, perhaps, no more telling demonstration of the infeasibility and impracticality of the space station program than the desperate attempts of the administration to force *Freedom*'s planners to drastically reduce the costs of this enormous science project. Despite having requested alternative designs which would cost $5, $7, and $9 billion over 5 years, the President was forced to choose from three alternatives that all exceeded the $9 billion design. Now, we have been informed by the President that he has decided to choose a scaled-down version of the space station which will cost less than the space station *Freedom*'s planners now estimate. Madam Chairman, given the complete unreliability of former estimates, this Member has no reason to believe that the latest estimate will be any more accurate.

Madam Chairman, we need to face the fact that many of the proposed missions and research applications of *Freedom* have been cut or rejected. At the same time costs have increased dramatically. Nevertheless, supporters of grandiose science projects like the superconducting super collider and the space station criticize opponents for abandoning science. However, in fact, opponents of these grandiose science projects are probably America's science protectors. Instead of focusing attention on just a few hugely expensive projects with little in guaranteed benefits, we prefer to place American science dollars on numerous, innovative projects with higher prospects for far greater returns for the money spent.

Madam Chairman, this Member urges his colleagues to support the Zimmer-Roemer amendment to delete funds for the space station, a glamorous, cost-ineffective project this Nation and American basic and applied science cannot afford and should not undertake. The space station is a well-intended, exciting project that is now clearly a costly boondoggle which is primarily supported for cost-ineffective parochial, geographic, and industrial reasons.

Madam Chairman, the arguments of the proponents in behalf of the space station are well-intended, but I am intellectually offended by the bogus and sometimes far-fetched scientific and medical facts that have been given by various sources to the proponents. We should all be offended by them.

If your constituents had the facts and the results of research we have been given, they would overwhelmingly say this is the wrong scientific investment for their tax dollars.

Madam Chairman, I urge my colleagues to load and fire the silver bullet by voting for the Zimmer-Roemer amendment to kill this gluttonous turkey now. It is starving too many truly valuable research and science projects.

□ 1330

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Madam Chairman, I rise today in strong opposition to this amendment and in strong support for the space station.

I want to bring just two points to bear on this debate. First of all, I think the Members of this body need to know that a vote for this amendment, that is, a vote to kill the space station is nothing less than a vote to kill manned and womanned exploration of space by the United States of America for the foreseeable future. Let us make no mistake about that.

This is not a vote for a substitute. This is not a vote for some other kind of manned exploration. This will be the end of our manned-womanned exploration of space for decades in the future.

What will happen as a result of that is that we will also abdicate our world leadership with respect to the technologies that drive manned space exploration, with respect to the private sector spinoffs in industry that come from the technology, with respect to the intellectual leadership, the exploratory leadership, and indeed the spiritual leadership that comes from being the premier pioneer of manned and womanned space voyages.

I would like to make another point that I have not heard made this afternoon, and that has to do with the fact that the United States has already entered into express commitments of our word as a nation with the Japanese, the Canadians, and a consortium of European nations with respect to the space station.

As a result of these commitments, those countries have already spent $3.6 billion and are committed to a total amount of expenditures of over $8 billion.

And even if we unilaterally shut this program down tomorrow, it is too late for those countries to keep from spending the money that they have already wasted in that event, and that will be required to be shut down.

Madam Chairman, if we in this Congress repudiate America's commitment to our allies around the world, we do two very damaging things. First of all, we cause them to waste extraordinary amounts of money, and second and more disturbing to me is that we have reneged on a solemn commitment. We have broken our word as a nation, and as the prophet said, "As you sow, so shall you reap."

Mr. ROEMER. Madam Chairman, I yield 1 minute to another distinguished freshman, the gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Madam Chairman, Will Rogers, the well-known humorist, once said, "I don't make jokes. I just watch the Government and report the facts. I have never found it necessary to exaggerate."

Or it might even be, as magician David Cooperfield might say, "Slight of hand which you see is not necessarily what you get."

The space station was supposed to have been in operation by 1994, next year. We did not get it.

Now the projection is somewhere in the neighborhood of the year 2,000. It was supposed to have cost $8 billion. Now we are hearing figures ranging up to $40, $50, $60, and $70 billion.

Not only would it greatly exceed the projected cost, but it has been redesigned five times in 9 years.

With these redesigns has come a reduction in the scientific goals of the project. We are now at a point where the scientific mission of the space station is questionable.

In these tight budgetary times, times in which there are discussions of cutting such important programs as Medicare and Medicaid, can we justify to the American people a project which has few scientific merits and will, at conservative estimates, cost the American people well over $40 billion?

I have heard people say we need to cut spending. I believe all Americans feel that we need to cut unnecessary spending.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. CRAMER], whose district houses the Marshall Space Center.

Mr. CRAMER. Madam Chairman, I thank the chairman of the full committee and the chairman of the Space Subcommittee for yielding me this time.

We have hammered out some tough issues through the committee hearings and have held NASA's feet to the fire on both sides of the aisle.

This is NASA's reauthorization bill that forges the space station program, so I rise in strong opposition to the Roemer-Zimmer amendment here.

I have listened to these arguments and I want to make my pitch to the Members of this body, and particularly the new Members.

Did we just wake up today and figure that we have a deficit now, and now we want to take care of this program?

Did we wake up today and decide that the house that has been built and is three-quarters built is a house that we cannot afford and consequently we need to walk away from it?

That is not the way my constituents want to see Government work, and

that is not a part of a process that I want to be a part of, at any rate.

The arguments that are being made today in support of this amendment to kill the space station are just years too late. It is irresponsible for this Government to walk away or for us to leave NASA holding an $8 billion bag here.

Now, other proponents of this amendment have talked about the spurious arguments that those space station supporters have made about medical issues, and I wish those proponents could have been present this morning at a breakfast that our colleague, the gentleman from Texas [Mr. ANDREWS] sponsored, where we heard from physicians from Texas who talked about the incredible process that they are involved in, even with other countries, where the Japanese and where the French, using the technology from the aerospace program, using it to make surgery more effective, using it for transplant issues, using it in incredible ways that would allow us to see cures down the line and breakthroughs that benefit people all over this country.

Madam Chairman, this is a people issue. It is too late to walk away from this space station program. It is a responsible thing to do.

Let us quit whining here. Let us look at what we are really doing. Let us not lose this battle to the bigger political issue of the deficit. Let us be responsible and let us support this program.

So I urge my colleagues to vote against the Roemer amendment.

Mr. ZIMMER. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Illinois [Mr. PORTER], a member of the Committee on Appropriations.

Mr. PORTER. Madam Chairman, I support the Romer-Zimmer amendment. I am not an expert, Madam Chairman, in science, but I know what we can afford, and I know that we cannot afford a manned space station. It will have to be deferred until we can put our fiscal house in order.

Earlier the gentleman from Wisconsin [Mr. SENSENBRENNER] said that wonderful technologies were developed through the manned space program, and I am sure that this is true.

He said there would be potentially wonderful technologies developed from the space station, and I am sure this is also true. But he also said that if we did not proceed, Japan, Europe, or Russia, would be there first, and I am sure that this is not true. In fact, it is ludicrous. Each of those economies are in deep trouble, more than our own, and if we shut down, they shut down. If we are going to compete in this way, it will not be a race into space, it will be a race into bankruptcy.

Others in this debate have said that NASA is the choice to find cures for AIDS and cancer.

This administration, in fact, is willing to put money into a manned space station and the SSC, and yet if you look at their budget carefully, they have suggested to us a 1-percent increase in the National Institutes of Health, the place where we will, in fact, ultimately, find the cures for AIDS and cancer and diabetes.

That is bad prioritizing, Madam Chairman. Science is going to have to contribute through NASA to bring down this deficit.

Let me leave you with one statistic for your scientific consideration. An average young American, like those in the gallery today, going into the work force will have to pay during his or her working lifetime $200,000 in extra taxes, that is extra before any money is spent by this country on science or defense or transportation or welfare or anything else, $200,000 each if they are an average American just to pay his or her share of the interest on the debt that we have accumulated to this point, money that they will not have available for the purchase of a home, for the education of their children or to start a business, money that they will have to pay to service that terrible, huge burden of debt.

□ 1340

This, Madam Chairman, is fiscal child abuse. We are abusing the young people of this country, and it has to stop. Science has to make a contribution to doing that. Sure, we want a space station, but it will have to wait. We have higher responsibilities.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Madam Chairman, space station *Freedom* will enable us to safely continue mankind's epic journey into space. It will be an international research laboratory, advancing science and technology, as well as expanding the human presence in space.

Today, we have heard a number of our distinguished colleagues from both sides of the aisle eloquently expounding upon the tangible benefits of space station *Freedom*—benefits and advances to our critical technologies, our global competitiveness, our space exploration, our economic stability, and our international cooperation, among others.

I take the floor now to address another benefit to be derived, which although intangible is, I believe, absolutely no less important—this is the benefit of the space station upon our educational system and its impact upon our Nation's youth.

Education, through exploration and discovery, is the best stimulant for the young mind. In our Nation's scientific classrooms, from our universities to our secondary schools to our elementary schools, space exploration is serving as an educational inspiration.

Space programs have always been an important impetus for the youth of our Nation, linking their imagination and sense of adventure to the practical study of mathematics and basic sciences.

For example, in 1961, when President Kennedy challenged this country to embark on the Apollo moon program, he inspired thousands of students to pursue studies in science and engineering.

And by 1969, when Apollo 11's lunar lander touched down in the Sea of Tranquility, the number of science and engineering doctorates awarded in the United States had jumped 150 percent.

The Apollo program successfully stimulated our Nation's young people to learn science and engineering. For today's youth, who have no personal knowledge of the Apollo program, space station *Freedom* has become a critical and powerful catalyst for stimulating academic interest and enthusiasm in space and science.

The space station is capturing the imaginations of American students and is helping guide many of them to careers in technically demanding fields, such as math, science, and engineering, which are necessary to maintain a work force capable of competing in the global marketplace. We in Congress have all recognized that there is a dwindling source of graduates in these areas from our Nation's school systems.

Although it is being conceived by, and constructed in our generation, the real beneficiaries of the space station's unique laboratory environment will be our future generations. Mr. Chairman, we must all understand that the key to our Nation's continued preeminence in space lies in the future of our youth.

A continuous supply of scientific talent is necessary to sustain our technological and economic competitiveness in the world. Our ability to lead in space, our quality of life, and the very security of our Nation is at stake. Space station *Freedom* can be an important link in achieving all of these objectives.

I urge my colleagues to oppose the Zimmer-Roemer amendment and continue investing in our next generation by supporting the space station.

Mr. ROEMER. Madam Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY], a distinguished leader on the Committee on Appropriations.

Mr. OBEY. Madam Chairman, I do not mind funding science; I really hate like heck to fund science fiction. And in my view it is science fiction to suggest that we really can afford to spend this kind of money on this program.

Madam Chairman, in 1984 we were told it would cost about $8 billion to build this flying turkey. It has been redesigned a number of times since then. Now NASA says that this will cost about $57 billion over the life of the program to construct and to operate. GAO estimated the old design, before

the redesign, would be well over a hundred billion dollars if we take all costs over the extended life of the program.

Madam Chairman, let me suggest to my colleagues that that is the equivalent to what we spend for EPA in 16 years. It is the equivalent to what we spend on child care in a hundred years. It is the equivalent to what we spend at the National Cancer Institute over 50 years.

Madam Chairman, it just seems to me that this package is designed more to fly politically than it is to fly scientifically. We know how the game goes. NASA comes in. They low-ball the cost estimate, they get the Congress hooked on the project. Once it is being built, Madam Chairman, they say, "Well, gee whiz, fellows, you can't stop now because it's going to cost you money. You're going to waste all of the money you've already invested, just like the B–1, just like the B–2, just like star wars, just like you name it, program after program."

Madam Chairman, that is what has happened to this Congress because we have listened to agencies we should not have listened to. I would suggest that we simply cannot afford this flying turkey. We cannot afford it despite the fact that NASA gets this thing to fly politically by salting contracts in hundreds of congressional districts around the country so that we have people from every district calling and saying, "Oh, gee whiz, we got a piece of that. You just have to go ahead and support it."

Madam Chairman, I suggest to my colleagues that we cannot afford it. Our budget it too squeezed. We have other priorities. I urge my colleagues to vote for this amendment.

Mr. HALL of Texas. Madam Chairman, I yield 3 minutes to the gentlewoman from California [Ms. HARMAN], a member of our committee.

Ms. HARMAN. Madam Chairman, I rise today in opposition to the amendment offered by the gentleman from Indiana [Mr. ROEMER] and to cast my vote for the redesigned space station, cautiously optimistic that the program will achieve several critical objectives:

First, it will be on time, on budget and on mission.

Second, it will force the reorganization, even reinvention, of NASA, and that reinvention will reinvigorate NASA's other important missions in science, exploration, R&D, and aeronautics.

Third, a hard freeze on station funding at $10.5 billion over 5 years will free up funds for programs to develop a new modern expendable launch vehicle to compete with the Europeans, Russians, and Chinese, and leapfrog technologies such as single-stage-to-orbit and low-cost high-thrust rocket engines; to reinvigorate the planetary exploration program and accelerate the frequency of Atlas-Delta class planetary probes; to undertake a series of low-cost, smaller earth science programs enhancing our knowledge of the Earth and its immediate environment; and to invest in space technology including the advanced x-ray telescope [AXAF].

At a time of scarce resources and in light of NASA's dismal record on this program, it is hard to resist the arguments of my colleague from Indiana, Mr. ROEMER. He is courageously defending the taxpayer's interest as he sees it. And he is right that NASA has been more captivated by Buck Rogers than by responsible control over your bucks and mine.

Concern has also been raised about the safety of the scaled down mission, though NASA responds that a well managed redesign will, in fact, be safer than the bloated version.

This Member is persuaded that we can introduce the prose of good management to the poetry and benefits of station's mission. And I am prepared to undertake a big portion of the oversight needed to assure that this time, NASA gets it right.

In long personal conversations in recent days with NASA Administrator Dan Goldin, aerospace executives in my district, experts on the Vest Commission, my subcommittee Chair, Mr. HALL, and committee Chair, Mr. BROWN, I conditioned my support of station on massive cutbacks in NASA overhead, centralization of program management, and full funding of NASA's other priorities. As a space Subcommittee member, I will carefully monitor what develops and bring my own business background to bear in assessing progress.

The space station program will, I hope, be spared today, but a clear message will be delivered. Focus, discipline, careful planning and sound business practice must become NASA's organizing principles—starting now.

Mr. ZIMMER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I listened carefully to the gentlewoman's statements, and I must say that they represent a triumph of hope over experience. The very programs that she thinks are going to be freed up somehow by this space station program are the very programs that have been cancelled or deferred because of the insatiable appetite of the space station program, and there are no plans in the administration or in the committee to restore those programs.

□ 1350

The advanced x-ray study was a wonderful program that was twice delayed because of the space station program. The same with the space exploration initiatives. The same with the new launch vehicle and Earth science initiatives. Every item the gentlewoman mentioned is in trouble because of the space station.

Madam Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. INGLIS], an outstanding freshman Member.

Mr. INGLIS of South Carolina. Madam Chairman, I rise in strong support of this bipartisan amendment that would save the taxpayers a significant amount of money and is something we can surely do this day in a bipartisan way.

Madam Chairman, the space station, like many other programs that we could be about, is a good program, and it may have significant scientific advantages. But I liken it much to the situation of a private company contemplating building a brand new headquarters and research facility.

If a private corporation is in good shape, if its debts are low and its profits are high, it has an opportunity to build a brand new glass and steel and marble structure called its new headquarters, with a research facility attached to it.

But if that company is losing money, and if that company is in debt, it just has to get along with the 1950's brown-green carpet it has on the floor, and it cannot afford to build one of those brand new glass and steel and marble structures.

Madam Chairman, that is the situation I think we are in right now in the U.S. Congress. We are about to bankrupt this country. We are $4 trillion in debt. It is not the time to be building a brand new glass and steel and marble structure as the headquarters building. It is time to stop projects like this, to put them on hold for a while, and get the fiscal house of this Government in order and save some of this money we are otherwise spending to add to our $4 trillion national debt.

I would also like to say that in hearing some of the speakers, I have heard that this is the only thing that could characterize an American vision. That going to Mars or being part of a manned space station is the only thing that can characterize American vision.

Well, I reject that analysis. There are a lot of other things that characterize American vision. One of them that I think we should all be about in this country right now is getting this fiscal house in order and getting a handle on the $4 trillion national debt. If we do that, that is a significant vision for us here, the 435 Members here to be about, and that is something that would be tremendously beneficial to the American people, to state that vision, to reinvent government, to make it more efficient, downsized, and right-sized. That is a good vision for America. It is not simply found in space exploration.

Mr. WALKER. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Madam Chairman, I rise in strong support of our space station mission. The United

States is clearly the world's only superpower. We are the world's leader. We are the world's leader militarily, we are the world's leader politically, and we have got to remain the world's leader technologically. How can we be the world's leader if we are not the world's leader?

When you look at programs like this, at putting a man on the Moon, for instance, there was an enormous spinoff from this. There was a spinoff in education, a spinoff in the economic community. In Maryland alone there are 275 companies that directly owe their existence to spinoff from this program.

Madam Chairman, the plea is made that we do not have enough money. Let me point out that even poor people go out to dinner once in a while or buy a pizza and bring it in. I think that the amount of money spent on this program is a relatively small amount of money compared to a $1,600,000,000,000 yearly budget

Another very important thing is that Americans need to feel good about themselves. Those of you who can remember the decade we spent putting a man on the Moon remember how good we felt about ourselves. We need that feeling again.

When Willie Sutton was asked why did he rob banks, his response was because that is where the money is. If you ask me why we should put this effort into the space station, I will tell you that is where the future is.

Madam Chairman, I rise in strong support of the space station.

Mr. ROEMER. Madam Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY], a distinguished fiscal leader in the Democratic Party.

Mr. PENNY. Madam Chairman, our offices have been flooded with phone calls, letters and even faxes—all bearing the same message: Cut spending first. It sounds simple, but we have been through the deficit landmines before and we know how difficult it is.

Outside of the entitlement programs, there are only a few big ticket items that offer significant potential for both short-term and long-term savings. One of these is the space station which we are considering today, and the other is the superconducting super collider, which we will have an opportunity to tackle later this week.

The question is not what to cut, but what do we have the will to cut?

If we vote for the Roemer-Zimmer amendment to cancel funding for space station *Freedom* does it mean an end to our dreams for the future? No. To the contrary, killing this project may well protect our children by helping reduce the deficit which, like a Jurassic Park clone, moves across the land devouring their future.

If we vote for the Roemer-Zimmer amendment, have we closed the door on the technological advances that have characterized the space program? No, according to many scientists, including Doctor Park of the American Physical Society, the technology used to put humans into space is the proven, shelf-stable version of the 1970's. Doctor Park put it aptly when he said: "There is more technological sophistication in an $80 point-and-shoot camera than in space station *Freedom*." Clearly, we can accomplish better space science through other NASA programs, including the Earth Observing System.

If we vote for the Roemer-Zimmer amendment will we alienate our international partners? First of all, they are not wildly enthusiastic about our program. It doesn't make sense for the United States to spend tens of billions just because our partners may spend a few.

If we vote for the Roemer-Zimmer amendment haven't we destroyed jobs in many areas, especially in the already beleaguered aerospace industry? That's a tough question, because it does affect jobs in 39 States around the country, including some in my own district. But it does not make sense to spend tens of billions of dollars to support a few thousand jobs producing a dubious product, which gets more dubious by the day as it is reformed and revised by this administration. This is jut simply not good business. And it is never good business to continue pouring good money after bad. We have been down that road before. We should stop going down this road on this project.

NASA Administrator Daniel Goldin has said that this country is at a crossroads with its space program, and I agree. We are at a crossroads. I would say that it is time for us to boldly go where no Congress has gone before. Let us make a dramatic step for deficit reduction. Let us kill the space station.

Mr. BROWN of California. Mr. Chairman, might the Chair inform Members how much time remains on each side?

The Chairman pro tempore (Mr. WISE). The gentleman from California [Mr. BROWN] has 14 minutes remaining, the gentleman from Pennsylvania [Mr. WALKER] has 26½ minutes remaining, the gentleman from Indiana [Mr. ROEMER] has 24 minutes remaining, and the gentleman from new Jersey [Mr. ZIMMER] has 16 minutes remaining.

Mr. BROWN of California. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. BROOKS], the distinguished chairman of the Committee on the Judiciary.

□ 1400

Mr. BROOKS. Mr. Chairman, I rise in support of NASA and the space station. This Nation needs NASA and the space station—it needs a forward-looking, bold, and risk-taking organization that sees to the future needs of our society, to the bold exploration of the unknown, and to the questions we will face in the next century.

Thirty years ago, President John F. Kennedy argued for a strong national space program. He said we go into space, not because it is easy, but because it is hard. Meeting the challenge of the space frontier gave us national prestige, but that was neither the only reason for NASA 30 years ago, nor is it the only prize we take away from our conquest of space today.

Now we have a chance to define a new era in the wake of the cold war, an era with new opportunities for peaceful cooperation in space among the nations of the world. The space program can be a catalyst for peaceful cooperation. We need a world-class space agency to help us open those new vistas of opportunity.

An integral part of NASA is the space station. We are building the space station to enable human beings to safely continue mankind's epic journey into space. The space station will be valuable to us in areas of competitiveness, education, exploration, and international cooperation. This is a partnership of the United States, Canada, Japan, and the European nations which will allow the United States to maintain our leadership in space and continue to be a premier player into the 21st century. NASA, with the space station, will again capture the attention and imagination of American students and motivate them to study the areas of math, science, and engineering, which are necessary to help us maintain a work force capable of competing in the global marketplace. Today, the space station represents thousands of jobs for Americans which help strengthen this Nation economically. If you kill space station, you also kill the American space industry. Let us keep America's leadership in space and refuse to hamstring our future by foolishly cutting funds for our space station.

I believe a society that does not dare to dream, a society that isn't willing to take risks, a society that has forgotten how to be bold, is a society in great peril, a society in decline. History has shown that the great nations have been those that had a spark of risk-taking, of adventure, of being willing to operate at the frontiers of knowledge and exploration. We still yearn for that in this country; we still expect our Nation to do great things and tackle the great unknowns. NASA does that for our society.

Through the small investment, in relation to our budget, we make in NASA and the space station, we Americans are able to see new horizons and explore new frontiers. We know already, with the certainty of three decades of evidence, that these expeditions into the unknown have paid off with new knowledge, new techniques, and new products. You cannot walk into a hospital today without being touched by the wonders that came to us from

space exploration. Our daily lives are shaped by the digital revolution going on all around us, and NASA not only helped usher in that revolution, but has kept it going with new ideas and new products year after year.

We lay the foundation for our future in this small corner of the vast Federal budget. We owe it to ourselves, to our Nation, and especially to our children to keep this dream alive.

Mr. ZIMMER. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I want to express my support of the Roemer-Zimmer amendment to eliminate the space station.

In an era of $300 billion-plus budget deficits, the space station remains one of the most scientifically indefensible and fiscally unjustifiable projects backed by the Federal Government.

The project was only expected to cost taxpayers $8 billion when first proposed in 1984. More than that has already been spent by NASA, with little to show for these expenditures.

The GAO recently projected the original space station *Freedom* design at a total cost of a staggering $158 billion. Who can say exactly how much a lesser version of the station will end up costing taxpayers?

The whole redesign effort only serves to illustrate that we can never significantly cut the space station's cost without sacrificing its few identifiable functions. Rather than turning our back to reality, we need to face up to the responsibility to make intelligent choices geared toward easing the strain on the Federal budget.

In short, continuing the space station program is bad science, foolish fiscal policy, and a poor way to set our national priorities. I urge adoption of the amendment.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HOUGHTON].

Mr. HOUGHTON. Mr. Chairman, when I find myself down the line in debate, it is hard to be original, so let me try to recast some of the ideas and put them in perspective.

I have absolutely no proprietary interest in this whatsoever. Certainly, there are scientific projects that have got to be controlled. No question about that. But also there are things like the space station, which cannot be judged on a short-term basis. If we did it that way, we would not do it at all.

Also, we are not sure what we can garner from space science, but we do know what we have seen so far, that there is vast potential there in terms of energy, the environment, understanding, instruments, people, analysis, materials. We are in a revolution of many forms but one of them is materials sciences, composites, metallics, inorganics.

Also, economics are driven by two things. One is the economy of scale. The second is science. And since 95 percent of the world's population and the economy is moving away from this, we must concentrate on science.

Therefore, we have got to look for leadership in science. If we do not, it is no fun to be second. And space is one of those frontiers, as was TVA in the old days and the Manhattan project.

Although most science is privately sponsored, every so often there is a project, a big item, that has to be sponsored by the Government. It makes the big leagues. It makes the other things possible. It makes fallouts in terms of jobs and science and new opportunities and improvement in our balance of trade possible.

I ask my colleagues this: In this age of cost cutting, if I told my colleagues about a project that could put us in the No. 1 spot in the most exciting new area of science, which inexorably produced new jobs and new opportunities and almost guarantees fallout in a variety of different areas, which I have described, and at the same time saved 30 percent of the people's costs, I think they would think it was a pretty good idea.

I urge my colleagues to defeat Roemer, and I urge them to support the space station.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to another distinguished freshman, the gentleman from Ohio [Mr. STRICKLAND], a member of both the Committee on Education and Labor and the Committee on Science, Space, and Technology.

Mr. STRICKLAND. Mr. Chairman, this debate is about choices. Some choices are difficult. Others are easy. This is not a difficult choice for me.

My list of priorities contains many programs that are far more critical to the well-being of this country than is the space station. I would love to say that we had a space station. Who would not? I would also love to have every child who is eligible for Head Start be enrolled. I would love to say to my constituents, the Federal Government has so much money we are going to give you a tax break this year. But that is not reality.

What is reality? Reality is facing up to the ever-escalating budget deficit. Reality is cutting Medicare and veterans benefits in order to meet deficit reduction goals. Reality is 125,000 of my constituents without health insurance, 35 percent of whom are children. Reality is an American community where infrastructures are crumbling.

Cutting the space station at this time is a responsible decision. It is the right decision. I urge my colleagues to support this amendment.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to the amendment to terminate the space station program.

Before I begin my remarks, I wish to point out that a statement by Speaker FOLEY in strong support of the space station will be included in the CONGRESSIONAL RECORD.

The distinguished Speaker of the House, like so many of us in this Chamber, knows that a first-rate American space program is not a luxury, it is a competitive necessity.

Mr. Chairman, for several years now Congress has debated the merits of the Space Station Program. As a result, the program has undergone several examinations and redesigns.

Following his election, President Clinton called for yet another redesign and eventually recommended a plan similar to that supported in H.R. 2200; that is, a space station plan that retains the major attributes of the current space station design, but which achieves significant cost reductions—especially in the management and operation of the program.

Mr. Chairman, each time the Members of this body have come to the floor to argue the worth of the space station we have voted overwhelmingly to continue our involvement—and our investment—in the program.

Still, there are those Members who oppose the space station and argue that we must cut the looming deficit. I imagine that many of those same Members voted to support the President's stimulus package when it reached the floor. I would point out to them that, if the Congress cancels the Space Station Program, we will directly and indirectly cut 70,000 jobs.

But what really is at stake here, Mr. Chairman, is much more than the space station. What is at stake is our international competitiveness and ability to succeed economically.

I have often pointed out that it was no accident that the most dramatic growth in our high-technology industries paralleled the years of NASA's greatest activity and accomplishment.

A first-rate Space Program is today a competitive necessity, made more so by the fact that aerospace employment in the United States is now approaching 7 percent of all American manufacturing jobs. In addition, the return on investment for NASA has been estimated at $7 to $9 for every $1 spent.

And as importantly, as defense spending continues to decline in the years ahead, many high-technology industries will find themselves in jeopardy unless the United States commits itself—as I believe it should—to use those resources for our civilian space program.

Unfortunately, our space program will continue to remain at risk from cynics, and from those who are unwilling to commit to long-term national policies and stick with them.

I agree wholeheartedly that the United States can ill-afford to throw money at programs that neither justify their

means, nor meet their stated ends. That is why it is so essential to set clear priorities and stick with those that are attainable, affordable, and in the best interest of the Nation.

There are many spending priorities that are essential to a more productive U.S. economy. These include education, national health care, job training, energy policy, and transportation.

The space station is also such a priority.

Mr. Chairman, I believe that human exploration of our solar system and the universe is both desirable and inevitable. I also believe that the United States must be at the forefront of this effort. But that can only occur when we achieve permanent manned capability aboard the space station.

Mr. Chairman, the space station is a necessary building block to whatever we decide our specific future goals in space will be.

I strongly urge my colleagues to defeat this amendment to kill the space station program.

□ 1410

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, today I do not want to spend my time debating the merits of the science of the space station. There will no doubt be some benefit from the spinoffs of that program. I recognize the importance of research and development. I came from a company that spent 15 years researching, developing, and growing into one of the most successful companies in this country.

However, there comes a time when our programs must be reevaluated. Congress must control spending and show restraint. I hope that the vote on this issue does begin an era of costcutting. Today, we know that that has not been the case for Congress.

This year we face another $250 billion deficit. We have a $4 trillion debt. When a company continues to run deficits of 20 or 25 percent, they are required to cut costs, increase sales, or do whatever it takes to show a profit.

Typically, research and development is one of the last areas that a company faces cuts in, when they are facing tough times. That is why I do not like to cut R&D; but I believe that that is the situation we find ourselves in. We are unwilling to show restraint in other areas, so we ought to start taking a look at research and development.

The space station has shown itself to be one big black hole that continues to suck in the dollars of the American taxpayer. That is not appropriate. Congress has to learn to show discipline, to show restraint, and to show self-control. The problem is not an issue of science, it is Congress.

Mr. WALKER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, we have had a long debate, and all the benefits of the space station and the space program have been enumerated. If the Members have lived any time at all since the 1960's, they know of all the wonderful things that we enjoy now because of the space program.

I want to answer some of our critics. Our critics of the space program in this country say that NASA is making mistakes and there are overruns, and we have to stop this. Yes, there have been some mistakes made, and there have been some overruns made. Some of the mistakes are legitimate and deplorable but most of the mistakes and overruns were because of poor management models.

Mr. Chairman, we correct that in this new redesign. I have been pushing very hard to make one prime contractor in charge of building the space station; to make one center, instead of six, in charge of building the space station; to have one program director in charge of building the space station. We have that in the redesign.

In fact, because of that management change, we get a lot or most of the savings that are realized in the redesign. Also, this is the first time that we have built a space station. We are going to run into mistakes, because it is the first time that we have built a space station. It just makes logical sense that we are going to make some mistakes.

It has been said, I think, on this floor that there is a lack of science. Dan Golden, Dr. Gibbons, and many others have said that most of the science that the Members voted for when they voted for space station *Freedom* will be done on space station *Freedom*-derived. So we are going to get a little bit less science, but if we are going to have these kinds of savings, we have to give up some science, but some very basic science, some very real science in all kinds of areas, will be done with this redesign.

To my colleagues on this side of the aisle and to the authors of the amendment that say, "We have to reduce the deficit," I have the amendment right here. I do not see anywhere in this amendment that says this savings is going to go to deficit reduction. We know how this place works. The freshmen that are against this, listen up. If the money is cut out of space station, it is going to go somewhere else.

I serve on the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, and we can very easily, and it will be, take money from space station *Freedom* and put over into HUD, or as the gentleman from Ohio [Mr. STRICKLAND] has said, he has already made a list of things he wants to spend this money on: Medicare, veterans' benefits, health insurance, infrastructure.

We know where this money is going to go. This is going to go out of good, basic science into warm, fuzzy programs that they are all for. That is why there will be no deficit reduction from this savings. We know how this House works.

The choice is, do we have a manned space program, do we have exploration of space, and do we excite our young people to get into these sciences? That is the choice.

The CHAIRMAN pro tempore. The Chair would announce that the gentleman from Indiana [Mr. ROEMER] has 23 minutes remaining, the gentleman from California [Mr. BROWN] has 9 minutes remaining, the gentleman from New Jersey [Mr. ZIMMER] has 13 minutes remaining, and the gentleman from Pennsylvania [Mr. WALKER] has 21½ minutes remaining.

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just respond to the gentleman from Texas [Mr. DELAY] by saying if he would like to work with me with report language or colloquy on very strong language to have this go directly to the deficit, I would be happy to work with him on that, if he would change his vote.

In the meantime, I yield 1 minute to the distinguished gentleman from the great State of Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I would ask the Members, have they ever noticed that some people are against any Federal spending that will not make a contractor richer? To the people all over the country, have they ever noticed that we have pretty short debates on things like college deferments during the Vietnam war, 60 seconds for the entire House, but debates where somebody can make some money rage on and on and on.

To quote the philosopher, Abe Martin, "There is always plenty of money for everything but the necessities."

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I appreciate the gentleman yielding time to me.

Mr. Chairman, I am as frustrated as we all are with having 1 minute to lay out all of the arguments that we would like to make on behalf of this project and against the amendment. Let me confine myself to only one comment.

This new Member of Congress, along with the 110 others, has inherited many, many difficult problems for us to solve. In solving those problems, we must always keep our eyes on the future.

Mr. Chairman, I was 4 years old, I would say to the gentleman from Texas [Mr. BROOKS], when President Kennedy died. Little did I expect or have any notion that 30 years later I would be standing here as a Member of the House of Representatives with a responsibility to help keep that flame

alive, and not just out at Arlington National Cemetery, in the life of our Nation.

□ 1420

In protecting the future and reducing the deficit, I am going to do it in such a way keeps this country looking forward to the future. I urge opposition to the amendment

Mr. ZIMMER. Mr. Chairman, I yield 2 minutes to the gentleman from Maine [Mr. ANDREWS].

Mr. ANDREWS of Maine. Mr. Chairman, I thank the gentleman for yielding the time, and I congratulate Mr. ZIMMER and Mr. ROEMER for introducing this amendment.

Mr. Chairman, it is easy to cut spending in the abstract. It is easy to say that we have to confront our Federal deficit crisis in the abstract. But the Federal deficit crisis is not an abstraction; it is a reality. And to confront this reality means that we are going to have to make some very tough choices.

It is tough to say no. It is tough to set priorities, particularly when congressional districts across this country are going to have a piece of a particular project. But the reality is that there are things that we would like to do that we simply cannot afford to do. And what we need to do during those times is to say no.

Households across America understand this. Successful businesses across America understand this. It is time that we in Congress understand this.

Some proposals that have come to the floor, Mr. Chairman, have been labeled pie in the sky. This proposal is pork in the sky, and I think that it is time that we bring this pork down to Earth by supporting the amendment before us.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of space station *Freedom*.

I am pleased that President Clinton chose an option that closely resembles the current space station *Freedom* design and rise against the amendment to kill the program. Today I want to talk about the manufacturing processes involved in designing and manufacturing the SSF, as well as the project's importance in maintaining our dominance in the aerospace industry.

The SSF imposes new, incredibly challenging requirements on manufacturers and engineers. The space station is scheduled to spend between 10 and 30 years in orbit. During that time, astronauts cannot call the local repairman if the air-conditioning or plumbing fails and there will not be a lot of storage room for spare parts. So the engineers who design everything, from space toilets to environmental control systems, must build complex, self-regulating systems that simply will not break down.

So space engineers must design systems that will function perfectly for 30 years. Manufacturers must manufacture parts that will function perfectly for 30 years. This 30-year function standard is without precedent in our industrial experience, and will set new standards of excellence throughout manufacturing in the decade to come.

For freshman Members of Congress who are voting on this issue for the first time, I urge you to tour some of the manufacturing facilities that are making components for the space station. I have, and let me tell you I have been amazed, as a Member who represents a manufacturing-oriented district, by the level of technological sophistication these companies possess and the implications of manufacturing other products to a 30-year function standard.

Consider the complexity in designing the environmental control systems that must recycle every ounce of air and moisture—from body sweat to all other bodily fluids—into water pure enough to drink and air to breathe. What we are learning in meeting this challenge will help us clean up underground pollution at Superfund sites and enable us to support research in hostile areas, such as in the depth of our oceans and the heat of our deserts. The SSF is a clear example of the critical and unique role Federal tax dollars play in scientific research.

Furthermore, and just as important, by building the SSF we will maintain our dominance in the aerospace industry. In 1990 we exported $39.1 billion in aerospace products and had a $27 billion positive balance of trade. But while we used to dominate the market with a 90-percent market share, we now have only 68 percent with the Europeans, Japanese, Russians, and Taiwanese poised to make significant gains. With military spending on aerospace R&D declining and defense conversion a challenge high on our agenda, maintaining SSF funding and the high skilled engineering and manufacturing jobs that funding supports is more critical now than ever.

Mr. Chairman, I say to my colleagues, that if we fail to build the space station, not only will we undercut our strength in aerospace and the science that underlies the products of the future, but we will open the door to a joint venture between the French and the Russians to build their space station. If we pass up building space station *Freedom* and the Russians accept French overtures for a joint venture the French and other European nations will close what is currently a 15-year technological gap with us and control the aerospace research that will create the next generation of aerospace products. As Charles Ordahl of McDonnell Douglas said, if we fail to build the SSF "America will have lost the next generation of aerospace talent and its leadership role in a key high-tech arena." We have an obligation not only to ourselves but to all other nations which are aligned with us and to our young people who count on us for their career opportunities of the future, to direct and benefit from future discoveries that space station *Freedom* promises. I urge you to join me in defeating this amendment.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. MINGE], another distinguished freshman.

Mr. MINGE. Mr. Chairman, this debate over the space station pits a bizarre bipartisan coalition on one side against a bizarre bipartisan coalition on another. We find that we have space science enthusiasts and Representatives of districts with substantial employment that would be affected by the termination of this program. On the other side we have people who are preoccupied with the problems of the deficit and our Nation's priorities.

I would simply ask two questions. First, would you support an income tax increase to finance this program? Second, if important programs are being cut or substantially scaled back in other areas, would you agree that the space station also should be subjected to that type of reduction or elimination?

I submit the answers to these questions are obvious. If we are not willing to pay for the space station with a tax increase, it must be a part of a reduction along with a substantial number of programs across our entire Federal budget and operation in order to balance the budget. That is the problem that we face.

Mr. BROWN of California. Mr. Chairman, again, with regret, I yield only 1 minute to the distinguished gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS of Texas. Mr. Chairman, today we face a decision of great importance: whether to continue as leaders in space, or follow more determined nations. The issue is a clear one: Killing the space station means stopping the space program dead in its tracks.

The space station is the platform of man's future in space. Though its mission has narrowed, its potential for reward has not. The weightless environment of space will provide an exceptional laboratory for science. In our future, man will make medical and scientific discoveries in space that we can not yet imagine. Today, men and women are preparing to meet these opportunities: cancer research, advanced treatments for disease, biomechanical devices, and perfectly formed semiconductors.

These promising advancements do not stand alone. In the weightless environment of space, biological materials

separate more completely and protein crystals grow larger and more perfectly, allowing us to develop new and purer forms of pharmaceuticals that can be used to treat disease like emphysema, high blood pressure, AIDS and cancer. Space physiology research can lead to treatment for osteoporosis, motion sicknesses, and diabetes. Research on the biotechnological and biomedical applications of cell, tissue, protein and molecular processes can lead to new insights into how our bodies work, grow and repair themselves.

Our trading partners understand the space station's potential; the Japanese, Canadians, Europeans, are all prepared to follow our leadership. If we renounce our commitment, they will surely look elsewhere. They will also move ahead of us in this fierce competition for the future.

We stand in the shadow of the end of the cold war, looking ahead to a new century with great challenge and responsibility. Our generation owes much to the leaders of the past, who made decisions that set America on a course of space exploration and achievement. And I refuse to believe, that history will say of us and our time: "They were the greatest, most powerful and successful nation on Earth, but when called upon, they faltered, they stood still and let the opportunities of their future pass them by."

Let us build the space station.

Mr. WALKER. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. LINDER].

Mr. LINDER. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, I have a scientific background and others have spoken more eloquently to the science of this project. And I have a financial background, and the fiscal sides have been addressed.

But we must begin to remember that we are a nation of dreamers and frontiers. America was a frontier 500 years ago when government money sent Columbus here. And indeed, the Louisiana Purchase was too expensive for our Government to make, and yet it has enriched us all. American money sent Lewis and Clark west and opened the entire West to gold, and farming, and even wine production. And indeed, not that long ago Seward's folly was a folly that yielded the largest cache of oil since Texas.

Mr. Chairman, we must remain a nation of dreamers at the frontier. The only frontier left in the world is space, and it would indeed be a folly for us to turn our back on it.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to yet another distinguished freshman, the gentleman from North Dakota, [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I rise today in strong support of the Roemer-Zimmer amendment to eliminate funding for the space station *Freedom*.

I was 16 years old when we landed Neil Armstrong on the Moon as the first person to set foot on the Moon, an outstanding achievement for our space program. I believe then as I believe now that the United States must be a leader in space exploration.

This does not mean, however, that we can afford a totally open-ended financial commitment, and unfortunately, the space station *Freedom* represents such a commitment.

Today, the budget deficit threatens the very underpinnings of our Nation's economic security. The time to cut spending is now. We cannot afford to allow huge and hugely unsuccessful programs like the space station *Freedom* a death with honor, throwing billions of dollars at it as it leads to an inevitable termination some years down the road.

□ 1430

NASA has been scrambling to reconfigure the space station to meet lower cost projections.

Last week President Clinton announced he would favor a modified version at a 5-year cost of $10.5 billion. Unfortunately, the unreality of this cost projection was quickly exposed as administration officials were unable to elaborate on either the revised space station design or how it would meet new cost limits. A more honest budget project is that completion of the project will take much more than this amount even to accomplish a substantially stripped-down mission.

I would like to emphasize that for me a "yes" vote on the Roemer-Zimmer amendment is not a vote against U.S. space exploration. It is not a vote against NASA. It is a vote against the space station *Freedom*, a project that is rapidly losing its scientific mission and values even as it continues to add billions to our staggering deficit.

Mr. BROWN. Mr. Chairman, I yield, again, an inadequate 1 minute to the gentleman from Texas [Mr. CHAPMAN], a distinguished member of the Committee on Appropriations.

Mr. CHAPMAN. Mr. Chairman, let me just point out a couple of very simple facts in the brief time that I have.

First, not 1 dollar of NASA's budget, and certainly not a single dollar of the money spent on space station, is spent in space. It is spent in the good old U.S. of A., providing real jobs for real people doing really important work on the real issues of the future of this country: science and technology, medical research, engineering, jobs that will create the future economic strength of our country.

It has been said here today that NASA returns $7 to $9 to the economy for every dollar spent. There is no better investment in the future of America than investing in the technologies and the science that will keep America strong.

Let us defeat the Roemer amendment. Let us vote for the future of this country, its young people, its science, its technology, its economy. Let us vote for the space-station program.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. CALVERT].

Mr. CALVERT. Mr. Chairman, when President Kennedy promised to put a man on the Moon within a decade, Americans really did not understand much about the space program—but they supported it.

They supported it because they believed that man should not be bound by what he understood, but, rather, should be challenged by what it was possible to understand.

They supported it because they believed that the universe might hold secrets which could help people on Earth live better, longer, and more productive lives.

And, they supported it because they believed that it was part of the American dream to dream of things that had never been done before, and then do them.

Mr. Chairman, America needs the space station. We need it for biomedical research. We need it for biotechnology research. We need it for materials research. We need it for noise and vibration research. We need it for integrated circuit research. We need it for literally hundreds of scientific experiments.

But, most of all, Mr. Chairman, America needs the space station for the same reason we needed to send a man to the Moon.

We need the space station to continue the quest, to renew the dream.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Nebraska [Mr. HOAGLAND], who has a very sharp whip.

Mr. HOAGLAND. Mr. Chairman, I thank my colleague, the gentleman from Indiana [Mr. ROEMER], for that kind introduction.

I want to join this amendment offered by the gentleman from Indiana [Mr. ROEMER] and the gentleman from New Jersey [Mr. ZIMMER], two longtime friends, and praise them for bringing this to the floor.

I continue to oppose the space station, as difficult as it is, recognizing that we have many of our most capable scientists who have invested enormously in this project. But the reality is that we simply cannot afford it.

Estimates are that we could spend as much as $100 billion over the 20-year lifetime of this project.

Americans today are running a $300 billion annual deficit. We are suggesting to the American people deep cuts in Medicare, in food stamps, the earned-income tax credit, in our vital defense programs, in a whole range of programs that need to be cut back if we are to reduce the deficit. In light of this, I just

do not think it makes sense to fund a multibillion dollar space station.

If we are to turn this economy around and create jobs, we must reduce the deficit. That is what this spring's whole exercise is about. The administration presented a very difficult bill that many of us supported 3 weeks ago. We are asking Americans to sacrifice to reduce the deficit.

We are not going to turn around the economy, we are not going to create jobs for working families in America without reducing the deficit. In light of that, I cannot for the life of me see how we can support a project that could cost up to $100 billion before all is said and done.

It is inevitable, colleagues, it is inevitable that this program is going to get postponed at some point, and as the chairman, the gentleman from California [Mr. BROWN], recognizes, and all we are asking is that we postpone this 10 or 15 years until we can afford it. Let us just postpone it until we can afford it.

If we lose this amendment today, it is inevitable this project will be postponed at some point. If you look at the budget resolution, at the budget limits for the next 5 years, there is no way we are going to be able to sustain this program even if we approve it today.

I think it makes sense to discontinue it now while it is still in the drawing stage before there has been a significant investment in hardware, put it behind us, make this definite decision today, as difficult as it is for all of us.

Mr. BROWN of California. Mr. Chairman, I yield 1½ minutes to my good friend, the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, a Congress that votes for huge foreign aid bills but kills the space station is un-American. A Congress that keeps military bases open overseas but closes the bases in Philadelphia is out of touch.

But to then kill our space future is un-American.

A Congress that will extend unemployment benefits and provide billions for retraining, yet kill our space future is out of sync with reality.

Beam me up, Mr. Speaker; 75,000 jobs in 40 States, high-technology jobs, scientists, and engineers, just the jobs that Congress keeps promising to all of these laid-off workers in America.

Now, I did not hear anybody suggest financing the foreign aid bill with a tax increase like I heard today, and I say on the House floor that a Member that will vote for foreign aid but kill the space industry in America is not only out of touch but, in my opinion, un-American.

□ 1440

Mr. Chairman, I oppose this amendment. The gentleman means well, but this is not well-meaning for the future of America.

Mr. ZIMMER. Mr. Chairman, I reserve the balance of my time.

Mr. WALKER. Mr. Chairman, I reserve the balance of my time.

Mr. ROEMER. Mr. Chairman, I yield 1 minute to the distinguished Member from Rhode Island, Mr. REED.

Mr. REED. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Roemer amendment to eliminate funding for the space station.

Today, the question before us is not, do we support space exploration and scientific research? The question is, how do we invest our scarce resources prudently and wisely? This amendment is about whether we are willing to listen to our constituents' calls for additional spending cuts to reduce the deficit. It is about making tough choices and deciding what this Nation's budget priorities are.

The space station is a wonderful idea, but unfortunately, the space station is an incredibly expensive goal with engineering and design problems, serious cost overruns, as well as no specific mission.

Now is not the time to continue funding for a program that has lost its way, it is a time to address down-to-earth issues like the deficit and the economy.

Mr. Chairman, I urge my colleagues to remember their constituents when they cast their vote on this amendment.

Mr. BROWN of California. Mr. Chairman, I yield 1 minute to the very eloquent gentleman from West Virginia [Mr. MOLLOHAN], a member of the Committee on Appropriations.

Mr. MOLLOHAN. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, yet another vote on the space station program.

There is only one reason that you could even consider voting against this space station; that is if you are convinced that the United States has no future role to play in manned space.

Many people have supported the concept of a station but have in the past expressed reservations about this NASA program.

Well, if you were concerned about the cost of the program, you need to understand that the President assembled a redesign team and an independent blue ribbon advisory panel to undertake an extensive design review of the space station to cut its costs. We now have before us a space station program which will cost the taxpayers $4 billion less in development costs over the next 5 years and $18 billion less in operations costs over the life of the program.

If you were waiting to learn whether the President supports a space station program, you now have your answer. President Clinton continues the longstanding bipartisan support for this program by endorsing a redesigned space station program and requesting that Congress fund the initiative.

If you are skeptical about Government's management of such large programs, you should feel comfortable knowing that the administration has charged NASA to reduce civil service employment and support contractor personnel by 30 percent, and the agency is moving quickly in this regard.

If you think that eliminating this program will only affect our Nation's role in space—you must not forget about the high-level intergovernmental agreements of treaty status that the United States entered into with the 11 countries in the European Space Agency, Japan, Canada, and Italy to develop space station— and that these partners are committed to spending $8 billion. Further the administration is negotiating with the Russians on ways that they can participate in order to make the program truly global.

And finally, if you are worried about space station competing too severely for scarce dollars with other domestic programs, as a member of the appropriations subcommittee that funds NASA, I can ensure you that our chairman has successfully funded the space station program in a NASA budget that grows at only 1.6 percent, while at the same time funding: Veterans Affairs at a 4-percent increase, HUD at a 3-percent increase, and the National Science Foundation at a 10.5-percent increase.

So as you can see NASA is not eating any one else's lunch.

The space station is a critical NASA program and one of the true tests of American leadership in a post-cold-war era. I urge defeat of the Roemer amendment.

Mr. WALKER. Mr. Chairman, I yield myself 6 minutes.

When I grew up as a child of the fifties, our space stations were treehouses and our spaceships were cardboard refrigerator boxes. Men and women had not yet flown into space, but we knew that they would. And when our dreams became reality in the early sixties, the Nation experienced an unprecedented pride in its technological prowess and its unique place in history.

Thirty years later, we still measure that which we want to achieve with our demonstrated ability to go to the Moon. But today's debate here on this floor shows that some among us are willing to be satisfied with those past glories and now ridicule and retreat from tomorrow. The space station represents the necessary next step in man's conquest of space. You cannot seriously say you are for continued manned spaceflight and be against the station. You cannot seriously say that you believe in an aggressive space program and be against the station.

Our ability to do the great things which fulfill the dream of space exploration depend on building a space sta-

tion. If that station is not built now, it will be built by someone, sometime in the future. If we choose to say today that the space station cannot and will not be built by us, it will be our decision to rest on past glories and not to move ahead.

Are there questions about the space station which need to be raised before committing scarce national resources to its completion? Of course there are—important questions. Station opponents will raise the question of cost and they have, and they should, and questions of mission of the space station. Those questions deserve good answers. The cost issue must be decided on the basis of whether the station is a wise investment in our technological future. I believe it to be.

I believe that it is an investment which will pay us back many times over in leading edge technological developments. And the mission of research and development in a wholly unique place is a mission enough for any project. The ability to do real work, in an environment so hostile that it allows no mistakes, is a mission which cannot be duplicated in any other way.

But the opponents' questions are not the only ones deserving of an answer. Because this decision is historic in its implications, we should look at some of the issues which future generations will use to evaluate whether we did the right thing or the wrong thing.

If we are capable of doing something of great significance and decide not to take the risk or commit the resources, history is likely to judge that decision harshly. We are certainly capable of building a space station. The failure to do so will not be a failure of competence but a failure of will.

If building a space station contributes to our technological capability and we choose not to provide ourselves with that economic edge, future generations probably will question why. The technology demanded in a space station is absolutely leading edge. Just building a space station demands that we do things that we must learn to do. Creating that leading edge of technology and technology innovation also creates a wake behind it, much in the same way that a power boat plowing through the water creates a wake. In the case of space station, however, the wake is a series of technology development in computers, robotics, materials, pharmaceuticals, closed-loop environmental systems, and the like, all of which contribute to our global competitiveness.

If building a space station gives us the capacity to do things and discover things that are beyond our dreams and our imagination, then it is worth doing for that reason alone. Those who oppose station do so in part because they do not believe we will learn enough aboard it to justify it. I believe we will learn more aboard station that we do not even know how to describe today than we will in the prescribed mission. In other words, what we do not know we are going to learn on station is more important to the future than what we now know. And that is the adventure of discovery and exploration. It is an adventure which has always been part of our Nation's legacy and very much a part of its greatness.

Shall we be the generation which abandons that legacy? I hope not.

Since the day when John F. Kennedy committed this Nation to its future in space, we have looked upward and outward, confident of that future. We went into space as President Kennedy said, "Not because it is easy, but because it is hard."

Today if we reject that future by abandoning the space station, we will no longer look skyward. We will begin to look down—down toward our feet planted firmly on the ground. We will accept a future defined by what we know rather than what we do not know—something easy, rather than something hard. And having made that decision, we will be the lesser for it.

The renowned British statesman, Benjamin Disraeli, described the history of nations as moving from bondage to faith, from faith to courage, from courage to freedom, from freedom to abundance, from abundance to complacency, from complacency to dependency, and from dependency back to bondage.

□ 1450

To me the space station speaks to freeing ourselves from the bondage of Earth-bound constraints, but the building of it requires unbounded faith in the future, courage of a special kind, and belief in the manifest destiny of freedom. The reward will be new abundance for ourselves and our posterity in large part because we will find new things that we do not know about today and cannot begin to describe. How can I say that with confidence? Because history tells us so. It tells us that nations willing to take a risk on the future, prosper as a result. And those who drift toward complacency and dependency? They drift away from defining destiny and allow others to take their place in leadership.

The space station is about scientific leadership. It is about technological innovation. It is about being at the forefront of exploration in an age of revolution. But most of all it is about history. The space station is about choosing to extend the reach of humankind beyond the Earth to a new place of permanent habitation. We are capable of taking this historic and necessary step. Not to do so will be a mistake of historic proportion.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I want to compliment the gentleman on a very statesman-like speech, a very eloquent speech. I know the gentleman meant it from the heart.

Mr. WALKER. Mr. Chairman, I thank the gentleman.

Mr. ROEMER. Mr. Chairman, I, too, would like to compliment the gentleman from Pennsylvania [Mr. WALKER] on a very good speech, even though I disagree with some of it, a very high-level and good content for a speech on an important topic.

Mr. Chairman, I yield 2 minutes to the very talented gentleman from Louisiana [Mr. TAUZIN], a gentleman with a great sense of humor.

Mr. TAUZIN. Mr. Chairman, I just learned that the Subcommittee on Transportation of the Committee on Appropriations has cut $11 million from the Coast Guard for drug interdiction, has cut the funds for necessary replacement of 50-year-old buoy tenders to keep our waterways safe, has cut the funds for the VTS systems, the systems that are going to go into our ports and harbors to keep vessels from colliding with one another.

And why? Because they want the money for public works projects.

I think it is time that we face the music. The space station can be defended in a hundred beautiful speeches, because it is a good project, just as a good highway project in your district is a good project.

The space station is going to have incredibly good effects if we ever build it, but I can tell you here and now that it is time for us to face the music. If we cannot cut the big ticket items in our budget, items we would like to have but cannot afford, and at the same time cut interdiction funds on drugs and cut our ability to keep oil from spilling on the waters in this country and cut the ability of the Coast Guard to protect the lives and the fortunes of folks who ply the waters of this country, then I suggest to you, what else are we going to do? Where are we going to go? Will we all be forced to increase taxes on the backs of Americans again and again to try to deal with a budget out of control because we cannot discipline ourselves here today?

Here is where we start. If we cannot cut these big ticket items that are very flashy, very friendly, if we cannot cut these, how on earth will we get this thing under control? How on earth will we avoid the massive tax increases that we are going to have to put on the backs of Americans to balance our books? How do we avoid this fiscal insanity?

Here is where we start. Here is where we must finish the job of cutting spending first and doing it in the same manner for the sake of this country and its economy.

Mr. BROWN of California. Mr. Chairman, I yield 1½ minutes to my very

good and patient friend, the gentleman from Ohio [Mr. APPLEGATE].

Mr. APPLEGATE. Mr. Chairman, I think the question today is whether or not the United States is going to continue to move on in the space age or if we are going to retreat into the stone age. If we fail, future generations are going to lose. Our school children who want to look to space for educational purposes are going to lose, and what a shame that would be.

We are nothing more than a grain of sand in the sea of space. We need to seek new horizons.

Can you imagine if the naysayers had defeated Christopher Columbus where we would be today?

Congress must not allow itself to be fooled by the cost-cutters who do not know the difference between cost and value. You save a billion in cost, you lose $100 billion in value.

I could show you a booklet. I could tell you about a lot of the benefits that come out of the space program, and the Neanderthals will come forward, and they did with Columbus, and discount all the benefits; but the facts, my friends, are there.

We can let Germany do it. We can let Japan do it; but I say that the United States must not get out of the way. The United States must not follow. The United States must lead.

Mr. ZIMMER. Mr. Chairman, I yield myself 4 minutes to respond to the eloquent and passionate remarks of the gentleman from Pennsylvania [Mr. WALKER].

The gentleman from Pennsylvania [Mr. WALKER] made a statement that talked about romance and history and leadership. It is those sorts of things that make me want to support the space station, but my head tells me that we are not buying those things for the money that we are spending, and we cannot afford what will be delivered because it is not worth the money that we are spending.

The gentleman from Pennsylvania [Mr. WALKER] was candid enough to say there remain serious questions about the space station and they have to be answered. Let me focus on what those serious questions are.

Last week there was a briefing in the White House by senior administration officials. After the President made his decision as to what he thought the space station should be, those administration officials could not tell us what features of NASA's option A and option B would be included in the new space station.

There was a question: "Are you going to go up to the standard NASA orbit or are you going to go up higher after the Russian orbit?" That is a $400 million question.

The answer: "That decision has not been made."

There is another question. "Can you tell me the impact on the Canadian contribution?"

Answer: "Those negotiations aren't complete."

Another question: "What can you tell us about contracts?"

Answer: "I can't tell you enough yet to be informative."

Question: "Can I follow up on the Russians? Will there be an effort to go beyond incorporating the Soyuz as part of Space Station to involve Russians in this project?"

There is a long, long answer, the last sentence of which is: "And that's goobly-gak, I know, but it was sort of intended to be."

Finally: "Who's going to make the final decision about the inclination?" That is the orbital question. "Will the White House make that?"

Answer: "Beats the hell out of me."

Mr. Chairman, these are the questions that the gentleman from Pennsylvania [Mr. WALKER] was referring to. We are being asked to buy not just pork in space, but a pig in a poke.

Mr. WALKER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Chairman, I rise in strong support of the future of this Nation's effort in space and space station *Freedom*. Let us not fail to realize that these two are inextricably linked. The space station defines our very vision of space—a vision that must include humankind. If we are to continue our commitment to manned exploration, then the space station must be our next stepping stone.

Sadly, today's debate largely revolves around the shortsighted issue of cost. Sadly, we are close to defining our character on the basis of price. That is not what Americans have done in the past. Will the station be an expensive proposition? Of course, but should such concerns mean we turn away from exploration—from the proposition that we must continue to grow and reach into the world around us? I think not. There is no stronger proponent of deficit reduction than myself, but I will not sacrifice the long-term good to our short-term cost concerns.

For those who can scarcely see beyond their green eyeshades, I would add that cost today is less of a concern than just a few months ago. The President has made very clear a personal commitment to bringing costs into line and to fielding a station that NASA can manage effectively and efficiently. The design revision that the President has picked will save this country some $18 billion over the life of the program.

Finally, the space station should be regarded properly as an investment in our future—both on Earth and in space. The skilled engineers and craftsmen we employ through this program will continue to move our knowledge base ever outward. The seed we sow today will be an abundant crop for tomorrow. This program is critical to both the California and national economies as a springboard for high-technology growth. Our Nation's greatness has been based on the visionary, forward thinking that space station exemplifies. When we lose that vision as a nation, we will, I fear, lose the very element that has made us great. I urge my colleagues to rally behind the station. It represents the path to the future.

I would take the President's commitment on the Republican side and say this is certainly very valid and I believe the President when he says that, and I would urge my colleagues to support the space station, not stop the American adventure, and to fulfill the dreams of not only young people in society, but all of us who want this Nation to be the leader in this area in the years ahead.

□ 1500

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. MFUME], the articulate chairman of the Black Caucus.

Mr. MFUME. Mr. Chairman, let me say to the gentleman from Pennsylvania [Mr. WALKER], and the gentleman from California [Mr. BROWN], and the gentleman from Indiana [Mr. ROEMER] how heartened I am at the level and the quality of debate on this very crucial issue that is so significant in determining our Nation's future.

I was taught as a child to work hard, play by the rules, love our country and to cherish our faith. It is because I love my country that I stand here today in support of this amendment to stop, once and for all, this expenditure, and, at the risk of being the idealist that I am, let me also offer for my colleagues' consideration, as I say it to my colleagues and remind myself, that the people of this Nation and the quality of life in America is far more important to me than being able to establish a floating laboratory in space. Canceling this project at this time will give us an additional $11 billion in budget authority that we could use. It gives us an additional $10 billion in budget outlays that we certainly could use. It says that the $9 billion that we would have already spent by the end of this year ought to stop, and it says also that maybe we ought to look at putting our effort, and our time, and our money into space science and space exploration and not just this laboratory.

Now I know that there are some who still want to boldly go where no man has gone before. The question is: At what expense and at whose expense? And I would suggest to my colleagues that it is the expense of the taxpayers of this Nation. If we want to establish some space stations and we want to really go about the job of trying to establish efforts to do things that are new, and meaningful, and will propel us into the future, let us establish some stations to reduce homelessness, to end

hunger, to fight crime, to educate people throughout this Nation, to make our streets safe for the citizens who have to walk, to give us new hope, and new energy and new meaning to really deal with our budget deficit.

But we should not at this critical time, Mr. Chairman, take money that we do not have and toss it almost aimlessly away, and I urge Members to support the amendment offered by the gentleman from Indiana [Mr. ROEMER].

Mr. ZIMMER. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in strong support of the Roemer-Zimmer amendment to terminate funding for the space station. The House of Representatives must start listening to the American public, and come down to Earth now. Congress must eliminate wasteful spending, like the space station, now.

The space station program is so fundamentally flawed that President Clinton's current design option only satisfies one of its eight original design objectives. NASA currently estimates the latest space station design will cost American taxpayers $10.5 billion over the next 5 years and roughly $30 billion to complete.

Moreover, each time NASA redesigns the space station its utility diminishes, its cost escalates, and it directs desperately needed funding away from other scientifically valid programs. The space station has always been of dubious scientific worth, and the scientific benefit to be derived from the current space station design is even more illusive.

The news for taxpayers gets worse, however! The space station's total development costs are expected to exceed $40 billion, and its estimated lifetime cost is likely to reach $120 billion. At such a price, the space station is clearly directing funding away from other science programs. But, most importantly, the space station is steering money away from deficit reduction.

All the lofty arguments aside, the space station is a luxury pork project the United States cannot afford when the Federal Government has accumulated a national debt in excess of $4 trillion.

Mr. Chairman, it seems ironic that proponents of the space station argue it is a gift for future generations. When, in reality, the space station's greatest gift to future generations is its contribution to our Nation's enormous Federal debt.

In Washington, DC, $1.9 billion may not seem like a lot of money, but to average American citizens it is a huge fortune. It is money the Federal Government does not have. It is good money being thrown after the approximately $9 billion already wasted by Congress on the space station. It is money that is desperately needed here on Earth!

Mr. Chairman, this project should have been jettisoned years ago. No more good money after bad. I urge my colleagues in the House of Representatives to examine our Nation's priorities and to vote for fiscal responsibility in Government by supporting the Roemer-Zimmer amendment to terminate the space station.

Mr. WALKER. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Chairman, I thank the gentleman from Pennsylvania [Mr. WALKER], my friend, for yielding this time to me.

I remember about a year ago we had a very similar vote, and I was very struck by the rhetoric that day because it seemed to me that it came to the heart of what this decision is really all about, and person after person got up, and they talked about what it had meant to them as young people when they first heard President Kennedy talk about going to the Moon, and what it meant to them when they first began to think about America's leadership visibly around the world in space and what it meant to them to think of a better engineering and better scientific future.

Mr. Chairman, I used to teach history, and I could not help but remember that early in the 15th century, about 1410, the Ming dynasty sent a huge fleet out, and they went all the way to Madagascar, a much, much bigger fleet than any European country then, and they found many, many things to look at, and they went back home to China, and the Chinese Government said, "No, no, there is too much risk in going beyond the middle kingdom. There is too much danger. It is too big a waste of money." And so China quit looking at the future, China quit expanding, and the Ming dynasty closed down Chinese society and stopped at the borders.

Four hundred years later, Chinese civilization, which for 2,000 years has been the most complex and sophisticated on the planet, disintegrated under the weight of the assault of the Europeans.

Now in the early phases, 1410, 1450, 1500, if my colleagues looked at those tiny Portuguese ships and those tiny Spanish ships, and if my colleagues looked at the giant junks of the Chinese fleet, they would have said clearly which side was going to win. But one side had the courage to continue to explore. One side was prepared to go into the future. One side, no matter how small the ship, no matter how fragile, no matter how unknown, was prepared to dare.

Mr. Chairman, that is what this vote is about. This vote is about turning our back on the future and leaving the future to Japan, to Europe, to Russia and China because the question is not man in space. The question is Americans in space. Man will be in space. Whether it is a Russian/Chinese/Japanese alliance or a Russian/European alliance, man will be in space. The question is whether Americans will be in space.

Mr. Chairman, this may be the most important single vote we cast this year seen 50 years from now. Imagine that Isabella had said to Columbus, "You know, we just can't afford it this year. I don't think you ought to discover America." Imagine that the Portuguese had decided they really could not afford to go south along the African coast so that they would not have discovered the East Indies. Imagine, if my colleagues will, that the Wright brothers had said, "You know, we can't get that train ticket all the way to Kitty Hawk. What the heck. We don't need an airplane."

Mr. Chairman, that is what this decision is about. This is not about money. This is about whether or not we Americans have enough faith in our children and grandchildren, enough commitment to the future, enough willingness, to do something right because the truth is the amount of money we are going to spend today is not decisive to the national debt, but it is decisive to our future in the universe. It is not decisive in terms of getting down the deficit, but it is absolutely literally a binary decision like turning a light switch on and turning it off.

I say to my colleagues, if you vote in favor of the space station, you are voting to turn on the light switch of the future, but, if you vote to kill it, then don't kid yourselves. Fifteen years from now, when your children watch a Russian, or a Chinese, or a Japanese, or a European in space, and there is no American there, on this day you sealed our fate for a generation on whether or not we're in space.

I urge everyone to vote to keep the space station. This is a vital vote for America's future.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN], a distinguished freshman.

Mr. MEEHAN. Mr. Chairman, I rise today in strong support of this amendment to cancel the space station program. I ask my colleagues to think long and hard before casting their vote today. Can we really afford a $12.7 billion project with limited scientific merit? Can we really say that we are serious about deficit reduction and that we will control spending?

I will not dispute that there may be merit in this $1.9 billion project or that is will create some jobs, but can we afford this technology at this moment? I know that there will be some job creation. There are companies in my district and throughout the State of Massachusetts that could benefit under this program.

However, I believe we could better invest this money in real job creation

and in real deficit reduction. We need to face the hard reality that the most important thing we can do to improve our economic situation and to create jobs would be a long-term reduction in the debt.

For the past 6 months I have heard a lot of talk about reducing the deficit. We have passed amendment after amendment to cut appropriations bills by a few million. Now when we have the chance to pass a real deficit reduction amendment, we are told that this is good spending. As far as I am concerned any spending that relies on borrow and tax, cannot be good.

For all those Members who have come to the floor to speak about real deficit reduction, I ask how will you vote today? We can no longer take a not in my backyard approach to deficit reduction.

Only a few months ago President Clinton asked the American people to make sacrifices and increase their contribution to deficit reduction. How can we stand here today and say that we are not willing to do the same? Can we justify borrowing to fund this project? Will the jobs created and the scientific merit be enough to justify passing this debt on to our grandchildren?

□ 1510

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON], the President of the Democratic freshman class.

Mrs. CLAYTON. Mr. Chairman, it is important for us to remember during these fiscally troubling times, that in order to reduce the deficit, we all must sacrifice. Although scientific research, especially that done in space, has been vital to the progress of our Nation, now is not the time to make great expenditures for its sake.

How can we ask our families, our senior citizens, our students and our ailing to bear the costs of sacrifice—we must share the burden along with them. This is the time to be fiscally conservative. This is the time to invest in our families, our children, and our communities.

Also, if we continue to fund the space station as has been requested, other, more important NASA projects will pay the price. Robbing Peter to pay Paul does not provide the means for significant investment in good, as well as efficient, scientific research; which in turn ultimately affects all of us and our quality of life.

The CHAIRMAN pro tempore (Mr. WISE). The Chair would announce that the gentleman from Indiana [Mr. ROEMER] has 7 minutes remaining, the gentleman from California [Mr. BROWN] has 2 minutes remaining, the gentleman from New Jersey [Mr. ZIMMER] has 5½ minutes remaining, and the gentleman from Pennsylvania [Mr. WALKER] has 4½ minutes remaining.

Mr. ROEMER. Mr. Chairman, in order to hear the eloquent words of the gentleman from California [Mr. BROWN]—and I may regret doing this—if the gentleman from Florida [Mr. BACCHUS] and the gentleman from California [Mr. BROWN] need an additional 2 minutes of my time, I would be happy to yield those 2 minutes.

Mr. BROWN of California. Mr. Chairman, the gentleman is extremely generous, and we will give him gold stars in his crown for doing that.

Mr. ROEMER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I rise in support of the amendment to kill the space station. I have been a longtime opponent of space station *Freedom*, and that is no secret. I once authored the amendment to kill the space station. But this year, I have kept an open mind about it.

When the administration proposed a redesign of the station, I said—OK, let's see what you can come up with. I invited Dan Goldin to meet with me and other longtime opponents of station, my colleagues, Mr. ZIMMER and Mr. ROEMER, the authors of this amendment. I wanted to hear straight from NASA what it was that would make the redesigned space station different from the problem-plagued disaster it has been. I also wanted to give an administrator charged with cleaning up a troubled and floundering agency a chance to make that happen.

But I am disappointed. The redesigned space station is just more of the same: a scaled-down version of the old model that still costs too much and does too little.

I have repeatedly weighed the value of the station against the need for deficit reduction and the need for fiscal responsibility at NASA and there is no question that the new design is still just a waste of money and a program hopelessly in search of a mission.

The original eight missions are cut down to maybe one and a half. The projected cost has gone from $8 billion to build to—oh, who really knows what this thing will cost if we ever finish it. It has already cost us $9 billion and nothing is even up there yet.

As for precisely why we are building the station, I would only quote from an interview with John Gibbons, the President's Science Adviser. When asked earlier this year what he thought a space station should do, Mr. Gibbons replied,

> That has been one of our problems. We have not defined our objectives as well as we could, or should. If you are a solution looking for a problem, that is much more difficult than a problem looking for a solution.

Inadvertently or not, Mr. Gibbons put his finger right on the problem. Space station is a solution looking for a problem—and a very expensive solution at that. We want to spend billions and billions of dollars on something we don't even know what we want to do for us.

Now, I know this is a tough vote for some of my colleagues. For some this might be an issue of NASA's direction, the viability of our aerospace industry, or maybe even jobs in their district. And I don't belittle these concerns.

But in the last week or so we have taken votes on amendments to cut programs in the name of cutting the deficit. When we vote to cut funding for former Speakers of the House and for former Presidents, those amendments took hours to debate and saved us less than $12 million. Those were easy votes. We cut $2 million from BATF and $4 million from the Customs Service—more easy votes. Time and time again, these measures were characterized as votes for fiscal responsibility and deficit reduction.

But the reason those votes were easy is because there is no huge constituency back home in the district for BATF, the Customs Service, former Speakers or Presidents. There is no one telling you that cutting a little here and a little there may cost people in your district jobs—and cost you votes in the next election.

Congress would have to pass 500 amendments the size of the U.S. Customs Service amendment to equal the $2 billion savings in this amendment. Do you really want to cut the deficit or are you just pretending? For those of you who are looking for real deficit reduction, a cut that matters this year and next year and for years to come, this is your chance. Killing the worthless space station will save us almost $2 billion this year and tens of billions of dollars over the next 20 years.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. ZIMMER. Mr. Chairman, I yield myself 2 minutes to respond to the minority whip, the gentleman from Georgia [Mr. GINGRICH].

Mr. Chairman, the gentleman from Georgia [Mr. GINGRICH] made a point of putting this debate in historical perspective, and I think that is entirely appropriate. But rather than using the analogies the gentleman picked, I think, because this space station is in fact a technological dead end and will draw away resources that are needed for true manned space exploration in the future, the appropriate analogy should be to our recent technological flops in big science such as the wisely abandoned supersonic transport, the Syn Fuels Corp., the Clinch River breeder reactor, or, if you want to get truly classical, the great pyramids of Egypt.

The problem with this space station is that it will not bring us closer to the ideal of going back to the Moon and on to Mars. It is starving the only program we had which planned to do so, the Space Exploration Initiative.

This is a program that will keep us from reaching the dreams of the gentleman from Georgia [Mr. GINGRICH], which are my dreams as well, and those of the American people. We have become obsessed with this piece of hardware that is sucking up money. We think it is going to make our dream come true. It will thwart those dreams.

Mr. WALKER. Mr. Chairman, could we get some idea as to how many more speakers each side has left? That would help me in understanding what we ought to do in terms of yielding time.

Mr. BROWN of California. Mr. Chairman, I am going to ask the gentleman from Florida [Mr. BACCHUS] to close on our side. If I have 1 extra minute, I will speak briefly.

Mr. WALKER. Mr. Chairman, my intention was to yield the gentleman from California [Mr. BROWN] a minute so that he would have a bit of time to speak on the amendment, in addition to the gentleman from Florida [Mr. BACCHUS], and I will be happy to do so at this point.

Mr. Chairman, I would ask the gentleman from Indiana [Mr. ROEMER] if he has additional speakers.

Mr. ROEMER. Mr. Chairman, I do not. I would just reserve my remaining time for my closing.

Mr. ZIMMER. Mr. Chairman, I have no more speakers, and I will close as well.

Mr. WALKER. Mr. Chairman, I yield 1 minute of my time to the gentleman from California [Mr. BROWN], and it is also my intention to yield 1 minute to the gentleman from Florida [Mr. BACCHUS] for his summation as well.

□ 1520

The CHAIRMAN pro tempore (Mr. WISE). Could the Chair inquire, does the gentleman from California [Mr. BROWN] wish to take his time to close now?

Mr. BROWN of California. Mr. Chairman, the Chair is going to let the gentleman from Florida [Mr. BACCHUS] close, and the Chair understands that he has been yielded an additional minute by the gentleman from Indiana [Mr. ROEMER] and a minute by the gentleman from Pennsylvania [Mr. WALKER], which would give him 4 minutes, and I would have 2 minutes if the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from Indiana [Mr. ROEMER] each yield me a minute.

Mr. WALKER. Mr. Chairman, this is the kind of higher math that goes into the space station.

The CHAIRMAN pro tempore. The Chair will announce the time available to all Members before the time swaps begin.

The gentleman from California [Mr. BROWN] has 5 minutes remaining. The gentleman from Pennsylvania [Mr. WALKER] has 3½ minutes remaining. The gentleman from Indiana [Mr. ROEMER] has 3 minutes remaining, and the gentleman from New Jersey [Mr. ZIMMER] has 4 minutes remaining.

The Chair would announce that is after the gentleman from Pennsylvania has given his minute, I believe, to the gentleman from California.

Mr. BROWN of California. That is right, Mr. Chairman.

Mr. WALKER. I yield 1 more minute to the gentleman from California [Mr. BROWN], so he has all of the time to yield to the gentleman from Florida [Mr. BACCHUS], because my intention was to give a minute to the chairman and also one to Mr. BACCHUS.

The CHAIRMAN. So the Chair understands it, the gentleman from California [Mr. BROWN] would have 6 minutes, and the gentleman from Pennsylvania [Mr. WALKER] would have 2½ minutes remaining.

Mr. BROWN of California. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, may I use that time to again express my appreciation to all of the participants in this debate. I think the debate has been a good one in which each of the speakers has made a succinct and important contribution to our understanding of the space station. Obviously, I did not agree with all of the positions taken, but I think they were well presented.

I would particularly like to commend the gentleman from New Jersey [Mr. ZIMMER] and the gentleman from Indiana [Mr. ROEMER] for the way in which they have handled themselves in this debate. I attribute that to the fact that they have served on the committee I have the honor to chair and have learned how to conduct themselves very well on that committee, and they have presented themselves very well here today.

Mr. Chairman, may I just make one or two small points here? It has been said that there is very little scientific value to the space station, and I think that that has been rebutted over and over again. I was particularly struck in a meeting that I had recently with the representative of the National Academy of Sciences and the National Academy of Engineers, who pointed out to me that the most important aspect of the space station was that it would provide humans with a first experience in constructing complex structures in space, and that no further human exploration could take place until we had that experience in space with humans constructing and then living in those complex structures.

The laboratories will make some additional contributions to science, but I think the laboratories themselves, which are independent units attached to the space station, will not carry the significance that the mere feat of having humans for the first time erect and construct a massive structure in space, learn how to operate it, learn how to repair it, learn how to live in it. That in itself represents an important step for mankind which more than pays for the cost of the space station itself.

Mr. Chairman, I firmly believe that that is our destiny, for human beings to go into space. We cannot do it without this experience of creating, operating, and understanding the space environment through a space station.

The CHAIRMAN. The time of the gentleman from California has expired.

Does the gentleman from Pennsylvania [Mr. WALKER] wish to yield time?

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore. The Chair would ask Members and those in the gallery if they would please be silent. This is the conclusion of a very, very important debate, and the Chair would ask that everyone devote their full attention to it.

Mr. WALKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I, too, believe there have been a number of important and invaluable issues raised on the floor today, and the debate has helped us, I think, understand the various aspects of this issue.

I think, though, that it is important to realize that when people say that there is nothing for the station to do, that this is simply a flying machine without a mission, it seems to me they have not yet looked at the reality.

If we go to the Johnson Space Center, they will show us a bioreactor that is working today on Earth. The bioreactor has the ability to grow new human tissue. They are literally growing microminiature lungs. They spin them out, this new human tissue, and the problem is in the gravity forces that tissue drops to the bottom of the vessel and is destroyed.

In space, on the space station, when they use that bioreactor, they will be able to grow new human lungs. They will be able to grow new optic nerves, new spinal cords. They will be able to grow skin tissue.

What does that mean? Ultimately it means once we get the transportation down to space, we may have the ability to do transplants that are absolutely compatible with the human body, and would not be rejected. We would be able to grow that tissue for those people in the future, and not have to worry about donors. Would that not be a wonderful thing to have come out of that?

That is a ways off. What we do know is that the human tissue could be used for research and development. It means that instead of doing animal experimentations, we will do experimentations on real human tissues and have the capability of understanding things we do not now have the ability to understand in laboratories. That is not only using a laboratory in space, that is enhancing laboratories on Earth as a result of what we do in space. That is the capability that space station is going to give us almost immediately, upon its permanent habitation.

That is the great thing about this. We are going to permanently inhabit an environment that mankind has never inhabited before. We are going to learn all of these things. We know a little bit about what we are going to learn. We do not know all about what we are going to learn. What we do know is, we are going to learn great things.

My friend, the gentleman from New Jersey [Mr. ZIMMER] says that is the romance of this. It is romance, yes, but it is reality, too. Nothing that he can tell us about the future, that he envisions, gives us those capabilities. No robotic spacecraft can do it, the space shuttle cannot do it, nothing in their plans for the future gives us any of those capacities. Only space station gives us those capacities, and only space station gives us the capacity to move from here further into the universe, because we have to learn the life sciences, we have to learn how men and women perform in weightlessness over long durations of time before we can hope to explore the universe beyond.

I happen to believe that is one of the destinies of humankind. We will determine that destiny for Americans here today.

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to address my comments to the 110 new freshmen of this body that I think will hold in their hands and their voting cards the outcome of that very, very important vote. We have had bipartisanship. The gentleman from New Jersey [Mr. ZIMMER] and I as sophomores have worked very closely on this issue. We have had a high level of debate. We have not just talked about pie in the sky or black holes on Earth, we have debated this issue as we have in committee.

We have had an open rule, and we have shown the freshmen when we want this institution to work, it can work. We can debate issues. We can disagree, and we can elevate debate for the citizens of this great country.

I grew up in the 1960's and used to put boots and gloves on and pretend like I was an astronaut, running around the back yard jumping out of trees. We heard Mercury astronauts talk about "Let us light this candle up." We heard John F. Kennedy talk about putting a man on the Moon. We heard Neil Armstrong's words echoing beautifully around this country.

□ 1530

But now that is not the same NASA, the glory and the dream, and we freshmen and we sophomores came here not just to say yes, keep doing the same thing. We came here to fight for change, to fight for the taxpayers' money, to reform NASA when NASA is not doing the right thing.

I am a strong supporter of manned space and a strong supporter of NASA. But what we face, freshmen and sophomores in this body, is not just institutional reform of Congress, but reform of the agencies that we have the constitutional ability to oversee and perform our oversight function.

Robert Louis Stevenson said each of us will eventually sit down to a banquet of consequences. Our older generation is going to have the banquet, and our children are going to face the consequences.

Let us work on small programs like MESUR, the Mars Environment Survey, to help reform procurement and contracts in NASA. Let us not fail to dream and to dream big, but let us also dream of reforming our institutions and Congress, and starting with NASA to make this place work better in a bipartisan fashion and not forget our dreams.

Richard Fineman, in genius, said it is not just boldness and risk. It is common sense that makes our genius in this country.

The CHAIRMAN pro tempore (Mr. WISE). The gentleman from New Jersey [Mr. ZIMMER] has 4 minutes remaining and the gentleman from California [Mr. BROWN] has 4 minutes remaining.

The gentleman from California [Mr. BROWN] has the right to close debate.

Mr. ZIMMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I rise in support of the Zimmer-Roemer amendment to eliminate the space station *Freedom*.

I have met with NASA officials about this program and I see the scientific and research merits of a space station. The supporters of the station have put forward many good arguments for investing in this program and I certainly respect their support for the program.

My opposition to the space station is not grounded in the merits of the program, it is based on the tremendous costs of the station and I will be voting against the station in the interest of deficit reduction. The space station is a luxury we cannot afford.

Mr. Chairman, the American people are crying out for Congress and the President to make the tough decisions to put our fiscal house back in order. The American people know that Congress and the President have run up the public debt to $4.1 trillion, quadruple the size it was a decade ago. The American people know that Congress and the President have run up a debt which amounts to $16,000 for every American man, woman, and child. The American people are tired of business as usual and politicians who are afraid to make tough choices. We need to get serious about cutting spending and reducing the deficit, and we can make a good start by eliminating the space station.

The space station is a very expensive project. The General Accounting Office has reported that the total program would cost over $121 billion. The recent proposal to scale the program back would bring this total down to $103. Either way you look at it, this is a tremendously expensive program. In light of the deficit, we cannot afford it.

I also want to state that if the space station is cut, this Congress should guarantee that the savings will go toward deficit reduction. Savings should not go toward new spending on social programs or anything else.

Mr. Chairman, Members of Congress keep talking about making the tough choices necessary to reduce the deficit. Now is the time to make good on that commitment. I urge my colleagues to support the Zimmer-Roemer amendment.

Mr. ZIMMER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have heard about our international partners and what a terrible thing it would be to leave them in a lurch by giving up on the space station. This is a serious issue, and our credibility abroad is very important. But I would like to read from a recent edition of Space News about two of our most important international partners.

It says:

> The apparently crumbling interest in the Space Station in Germany and Italy, which together had been scheduled to pay for 69 percent of Europe's Columbus Space Station Laboratory, has been accelerated by the Space Station turmoil in the United States but also is independent of it, officials said.
>
> "Germany clearly thinks Columbus is no longer valuable," said one European Space Agency official. "The tight budgets in Germany keep getting tighter. In Italy, the new (space) minister has apparently installed a new policy—he only wants to spend the money he has, and Italy has no money."

The Germans, the Italians, and I believe the Japanese and the other foreign partners recognize that they have got serious fiscal problems, and that this space station is not worth the money, and they cannot afford to spend money they do not have on it.

The unpleasant truth is that the dreams we have heard about and the destiny we have heard about will not be acquired for the $2.1 billion a year that President Clinton wants to spend for the next 5 years. That will not buy us a completed space station which can accomplish anything. The tens of billions of dollars extra will get us a scientifically inadequate space station which will have sucked dry other space programs, including the ones that will take us back to the Moon and on to Mars. They are being abandoned. It is like being on a ship where you have run out of fuel and you consume your own sails and mast in order to keep the engine running. You cannot continue to do that, and that is exactly what we are doing.

The fact is we cannot afford it, and that is the view also of the National Taxpayers Union, who will be rating this vote. Citizens Against Government Waste is rating this vote in their scorecard. Citizens for a Sound Economy,

Businesses for Social Responsibility, the American Physical Society, the leading physics organization in this country, the Planetary Society headed by Dr. Carl Sagan, other civic, social, and environmental groups say this is not the way we should spend our scarce resources, and that they can be spent more effectively and more productively in space as well as on Earth.

Please vote for the Roemer-Zimmer amendment.

Mr. BROWN of California. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK. Mr. Chairman, I rise in support of the space station.

Mr. Chairman, today I rise in support not of a costly program, but of a worthy one.

As a former biology teacher I know the importance of a sound science research program. The committee's proposal that includes funding for the space station is just such a program.

Human exploration of space is one that offers many benefits to humanity. It will provide the tools of basic research we need to move our country forward. NASA's past efforts have given us many practical technologies that are helping us today. Just a few examples include:

Smoke detectors developed from air monitoring systems;

Portable dialysis that bring needed help faster and cheaper evolved from inflight waterfilter systems;

Medical diagnostics that monitor the brain and assist in brain surgery that have saved many lives come from sensor systems.

While we have been enjoying these and many benefits of NASA's research, another benefit has been taking shape. It is the inspirational impact the space program and NASA have on the education of our Nation's young.

In the past, NASA's human exploration programs have been a powerful inspiration for many young people. Our space program encourages young people to turn away from the many negative things in life and look to the future, giving them the opportunity to pursue an education and a career in the sciences or engineering.

It is this inspiration that has created direct correlation between our investment in the space program and the number of doctorates awarded to American students in Physics, Engineering, and Math.

Just as past inventions and discovers moved great American's like Thomas Edison, George Washington Carver, Charles R. Drew, Alexander Graham Bell, and Jonas Salk in their work. Today's research efforts by NASA will propel a new generation of inventors to find the answers to the many problems that plague us today, problems like AIDS, pollution-free energy generation or improved communications.

A particular group this inspiration is most important for are people of color—African-Americans, Hispanics, and women. Many members of our Astronaut Corps which in recent years has grown in its diversity were so inspired by NASA. Imagine the many students whose lives these astronauts are touching today through their example. The possibility of the cures they will find are endless.

To this end I am especially pleased that NASA has renewed its commitment to ensure all Americans are included in the many new discoveries to be made in the exploration of the last frontier by making available opportunities for people of color through university based research.

NASA is also accelerating the implementation of its multicultural education, equal opportunity, functional and educational review. These steps will enable NASA to take advantage of the talents of our Nation's minorities.

Many of the young people in my district come from poor families. Yes, we must do more to meet their needs in areas from education to health care to housing.

But these young people have dreams as well. And one of the grandest dreams is to be a scientist who cures a deadly illness such as AIDS or to be the first astronaut to set foot on Mars. Let us not destroy those dreams by killing the space station.

If we kill the space station program, we will close a door on research that will lead to a better future in which the talents of all Americans will be used to solve today's problems and explore new worlds.

Please vote for the investment in the future the space station represents.

Mr. BROWN of California. Mr. Chairman, for purposes of concluding the debate on our side, I yield the remainder of our time to the distinguished sophomore Member, the gentleman from Florida [Mr. BACCHUS].

Mr. BACCHUS of Florida. Mr. Chairman, I insert for the RECORD a letter from the European Space Agency to Mr. ZIMMER refuting virtually everything he just said.

The letter referred to follows:

EUROPEAN SPACE AGENCY,
June 15, 1993.

Hon. RICHARD ZIMMER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN ZIMMER: I noted with some concern your comments during yesterday's House floor debate on H.R. 2200, NASA's FY94 Authorization Bill, in which you quoted from a *Space News* article entitled "Europe's Station Plans Crumbling Under Pressure".

In the article an unnamed "ESA official", is quoted concerning the budgetary situation in Germany and Italy. Such a statement should be treated for what it is; an unofficial and inappropriate comment by an unidentified member of the Agency executive, relating to member state government policy.

Europe's up-to-date position on the Space Station Programme and the redesign is summarised in the two official statements made at last Friday's Space Station Partners meeting, convened under the terms of the Intergovernmental agreement governing the cooperation. These statements were delivered by the European spokesman and represent a consolidated viewpoint of all ESA member states participating in the programme. I have attached a copy of both statements for your information.

I think you will agree, on reading the statements, that Europe remains committed to the International Space Station programme and wants to "continue to participate in its development, assembly, operation and utilization through our own significant contributions". Our participation is, and will continue to be, governed by the Intergovernmental Agreement, signed by all participating ESA member states, and the related ESA/NASA Memorandum of Understanding.

Should you require any further clarification on this matter, please do not hesitate to have your staff contact me.

Sincerely,

IAN PRYKE.

SPACE STATION PARTNERS CONSULTATIONS ON THE IGA, WASHINGTON, DC, JUNE 11, 1993

THE EUROPEAN PARTNER'S OPENING STATEMENT

Thank you for arranging this meeting, which is taking place at a key point in the very tight schedule of decision making currently underway.

In the meeting of the IGA partners in May, some important European statements were made. Later in today's meeting, I intend to make a further detailed statement, on behalf of the European partner, relating to the overall redesign process. Therefore, I shall limit these opening remarks to some general comments.

The international space station cooperation is a unique, ambitious and far-reaching undertaking. We, the European partner, the participating member states of ESA, want to maintain this cooperation, we want the partnership to succeed, we want the space station and we want to continue to participate in its development, assembly operation and utilization through our own significant contributions.

At the ESA Council at Ministerial level held in Granada in November last year, our ministers identified the financial envelope necessary to pursue the implementation of the European partner's contribution to the space station programme pursuant to the IGA. The actual situation regarding the U.S. redesign, the third in the last couple of years, has slowed our decision process. We are actually in a transitory phase, and I must add, that we still have to solve some critical issues, not withstanding the questions resulting from the uncertainties relating to the future design of the space station.

The European partner understands that the redesign has been undertaken at the President's direction, in order to bring down near-term development costs and long-term operations costs of the programme. The European partner wishes to express its understanding for this situation and wishes to point out that the European budgetary environment relating to its own contribution also requires adaptations, with the view to reducing development and operations costs. This is necessary, as you certainly will understand, to make the outcome of the redesign process acceptable in Europe.

We are confident that reliable decisions that will now be taken in your country, Mr. Chairman, will ensure the maintenance of the space station, and its stable development and operation in international partnership.

Let me address one further issue, namely that it is essential that the International Partners are notified of the decision of the U.S. President prior to any public announcement. We welcome the opportunity to discuss this matter at today's meeting and to agree on the logistics of how this will be achieved.

Such notification will, however, form an insufficient basis on which we can enter into a dialogue with our respective governments on how the programme is going to continue in the future. We would expect, at a minimum, that in the very near future the U.S. will send a delegation to Europe to review the details of the decision with us. Such a

visit would also allow the U.S. to explain how the matter will be dealt with in their budgetary process, in the coming months, and to initiate preliminary discussions on the technical implementation of required adjustments to the programme.

In closing let me say that there is currently widespread support for enhancing international cooperation in science and technology. We have no doubt that this will be borne in mind as decisions on the future of the International Space Station programme are taken.

STATEMENT OF THE EUROPEAN PARTNER

1. The European Partner wishes to express its strong support for the continuation of international cooperation in the framework of the Space Station Project, in accordance with the principles and programmatic approach described in the Space Station Intergovernmental Agreement (IGA) and the related ESA/NASA Memorandum of Understanding (MOU). The European Partner remains interested in pursuing its participation in the project through the mechanisms set up for this purpose.

The European Partner considers that the current Space Station redesign exercise provides an opportunity to achieve a substantial reduction of development and operations costs.

2. Noting with satisfaction that one of the requirements for the current redesign exercise was to maintain the international partnership, the European Partner looks forward to discussing today the means of ensuring that the views of the international Partners continue to be communicated to and taken into account by all US authorities concerned throughout the decision-making process.

3. Subsequently, discussions should be held between the Partners, in accordance with the mechanisms already in place, so that consequent adjustments to the existing cooperation scheme are made in an orderly manner, respecting the genuine partnership established through the IGA. Finalisation of the whole adjustment process should be done carefully and expeditiously in order to restore full confidence in the project, both at Partner Government and at Industry level, so that activities can then proceed without undue disruption.

4. Each of the Partners must be able to satisfy itself as to the technical and programmatic viability of any options proposed as a result of the redesign process referred to above, particularly as regards cost and schedule of the development, operation and utilisation of its hardware contribution. The Partners should be given all the information necessary to make any consequent decision related to their continued participation in the project. Any significant departure from the current baseline is likely to lead the European Partner to review its contribution. The European Partner is of the view that options that do not provide the basis for the continuation of a balanced cooperation, such as option C, should be excluded.

5. The European Partner believes that any benefits identified as a result of the redesign process of Space Station Freedom going on in the United States must be actively pursued and any consequent savings, both in development and operating costs must be shared by all Partners in an equitable manner.

6. Current and foreseeable European capabilities in the areas of space transportation and in-orbit operations, such as Ariane 5 and the proposed European-developed Automated Transfer Vehicle (ATV) and Assured Crew Return Vehicle (ACRV) using the Ariane launcher and the Data Relay System (DRS), should be realistically evaluated and taken into account with a view to constituting a European contribution to the common system operations costs.

7. In the European Partner's view, and as already envisaged in the ESA/NASA Space Station MOU, negotiations should start expeditiously between ESA and NASA, and similarly between NASA and the implementing agencies of the two other Partners, on the determination of the common operations costs, including the shuttle transportation costs, of the International Space Station.

In this connection, ESA has to obtain, through the negotiations referred to above, a commitment from NASA that the European Partner's contribution to the Space Station annual common system operations costs will stay beneath a firm fixed financial ceiling. A commitment will also have to be obtained from NASA so that a significant portion of the European Partner's contribution can be made through the provision of in kind goods and services, such as those mentioned above, in order to reduce to a minimum the level of exchange of funds between the Partners.

8. The European Partner notes that, as a result of the redesign process and the consequent decisions to be taken by the Partners, there is a possibility that a proposal be made to involve Russia in the provision of assets necessary for the development, operation and utilisation of the international Space Station. The European Partner supports the idea of cooperation with Russia, which should be envisaged as a means of facilitating the fulfillment of all the current Space Station Partners' own objectives, including the possibility of overall cost savings. Russia's actual involvement in the Space Station project is a matter for further consultations between the Partners.

9. It should be understood that the European Partner will have to consider its final decisions in the light of the decisions taken by the U.S. in the ongoing redesign process, taking into account the Partners' budgetary environment.

Mr. Chairman, first I would like to thank the gentleman from Indiana and the gentleman from Pennsylvania for their extraordinary courtesies in allowing me the time.

Mr. Chairman, when I was a boy in Florida, my eyes first turned to the skies. I stood in my backyard in my bare feet with my family gazing toward the horizon. Shading the sun from our eyes, we watched the rocket ships climb into space. They carried men named Shepard, and GLENN, and Cooper. They carried the American spirit toward a beckoning, endless frontier.

I believe in the necessity of an endless frontier. I believe that killing the space station will kill the space program and keep us from reaching toward that frontier.

Without the space station, there will be no ongoing mission for the space shuttle. Without the space shuttle, there will be no manned space program. And despite what some may say, without a manned space program, soon we will have no space program at all.

Some say wait, wait, wait until later, wait until we can better afford it. We cannot wait. If we wait, if we abandon the space station, then our international partners will abandon us and go into business with the Russians. They will finance and build a Russian space station without us, and we will be left to watch the further exploration of space from afar.

Without the space station, our aerospace industry will wither away. We will lose our leadership in still one more area of manufacturing and industry, and we will lose the chance to live and work in space permanently, and to discover wonders beyond our very imagining.

Perhaps worst of all, without the space station, for the first time in our history, the American people will be left without a frontier. The lure of the ever-present frontier shaped the American spirit that has reshaped the world. If we turn away from the space station today, we will for the first time in our history be turning away from the challenge of the frontier and the best instincts of the American spirit. We will lose something unique in America. We will lose part of what it has always meant to be an American.

Monday morning in Florida I stood in my backyard, in my bare feet, with my family. My wife, Rebecca, and my 12-year-old son, Joey, stood by my side. I held my 2-year-old daughter, Jamey, in my arms, and together we watched the rocket ship called *Endeavour* climb into space.

The shuttle's trace trailed along the horizon. The Earth trembled beneath our feet. Once more the American spirit soared toward the boundless, endless frontier of space.

I am just one among many in this House, yet I speak for many today. I speak for those who fly above us now in the *Endeavour*. I speak for those who sent them there, and those who preceded them there. I speak for every American, young and old, who has ever watched a rocket ship rise into space and dreamed of rising with it.

I speak for Joey, who wants to make rockets, and for Jamey, who still is talking about that rocket ship she saw in our backyard.

I speak for the very future of America as I challenge you: Be true to the American spirit. Reach toward the frontier. Build the space station.

Mr. FOLEY. Madam Chairman, I wish to express my strong support for H.R. 2200, the NASA authorization bill before us today. I am particularly pleased the committee has seen fit to include funding for a redesigned space station.

At the outset, I want to commend full committee Chairman BROWN and ranking member WALKER, as well as Space Subcommittee Chairman HALL and ranking Republican SENSENBRENNER, who have crafted a bipartisan bill that addresses the needs of America's space program in an era of increasing fiscal restraint. Credit must also be given to President Clinton who has recommended a scaled-down version of space station *Freedom* that significantly reduces the costs of the program while main-

taining its critical research missions and America's international commitments.

President Clinton's support for the space station has been enthusiastically received around the world. The international space station partnership consists of the United States, Canada, Japan, and the 13 nation members of the European Space Agency and is the key to the long-term space plans of all the partners. This endeavor represents the largest international scientific and technical cooperative effort ever undertaken. Our international partners will spend $8 billion on their hardware development and make significant technical contributions to the space station, including the European Space Agency Columbus module, the Italian mini-pressurized logistics modules, the Canadian mobile servicing system, and the Japanese experiment module. They have already spent about $3 billion on this project and will share proportionately in the common operating costs over the life of the space station.

Since the 1988 intergovernmental agreements between the United States and each of its partners in the space station are considered by the partners to have treaty status, an American decision to abandon the project would have serious international ramifications. Despite this obligation, however, it is important to remember the significant benefits of international cooperation to the United States. The partners have currently contracted for $137 million of U.S. hardware and support. In addition to use of the U.S. laboratory, 46 percent of experiment facility space of the foreign modules is reserved for U.S. use. Moreover, U.S. research results will remain proprietary throughout the development and operation of the station, even if developed in a foreign module.

Madam Chairman, the space station will be a valuable research facility in space, but it is of far greater significance than that. It is a fundamental cooperative engagement by many nations toward a common goal of advancing and applying science and technology for peaceful purposes.

Mr. MICHEL. Madam Chairman, I rise in opposition to this amendment to scuttle the space station, and in favor of continued investment in our future.

Earlier this year, President Clinton made a distinction between investment and spending. If ever there was a project that fits the investment label, it is space station *Freedom*.

According to the dictionary definition, investment means, "Property acquired for future income or benefit." The future benefits of space station are obvious. From greater competitiveness to education, from jobs to medical technology, the spinoffs from the space station will benefit every American citizen.

I am a strong supporter of the efforts of many to cut Government spending. But this doesn't mean we should cut willy-nilly with little regard for the future of our country. We shouldn't cut our defense capabilities beyond a certain point. We never cut other vitally important programs. And we shouldn't shelve the space station.

In fact, the space station has gone through several changes to make certain it is a cost-efficient program, keeping with the tough budgetary times that face us all.

The space station is a large investment in our future, but it's potential benefits are worth the cost.

I oppose this amendment, and I urge my colleagues to vote against it.

Mr. TORRES. Madam Chairman, today we will vote on the future of our Nation's space program.

This vote is a referendum on our Nation's commitment to excellence, our vision for the future and our ability to compete in the global marketplace.

Yes, this is a difficult decision in light of the budgetary realities Congress must face. I weighed the pros and cons of the NASA's space station. I've looked at its budgetary and economic impact.

As a member of the Appropriations Committee, I have worked to get assurances from NASA that new management reforms will bring tighter budgetary controls on the space station.

There is no question in my mind that for this society to progress we must have a lofty goal to reach. Space station *Freedom* embodies American frontierism.

This Congress must realize the importance of providing the platform for scientific, educational, and cultural leadership.

Our action on the space station will affect over 230,000 Americans working on NASA's programs.

In the State of California alone, space station *Freedom* employs 4,261 people.

These individuals are among America's finest in the world's scientific community. They are the engine that powers our Nation's technological progress.

Let us not forget the countless number of young students that are motivated and encouraged to pursue science, engineering, and mathematics as careers.

Madam Chairman, I ask my colleagues to support space station *Freedom* and keep American frontierism alive.

Mr. DORNAN of California. Madam Chairman, I rise today to urge my colleagues not to shirk their collective responsibility to the technological legacy of our country. As we consider H.R. 2200, the fiscal year 1994 NASA authorization bill, the linchpin of our space program, the international space station, is under heavy fire by its critics. This is the monumental decision we face today: either we will choose to lead the world in developing the very instrument by which advanced technology will be measured, or we will allow this unique opportunity to pass indefinitely, perhaps only for someone else to pick up where we fell short.

The Roemer amendment ignores the political realities of this program. Just when it appears that the administration and Congress are coming to an understanding on how to reconcile the cost needs of the space station with the benefits it will yield, its critics are mounting a collective campaign of rhetoric to bring it down. The space station's detractors are trying to kill it by appealing to our impulses for fiscal responsibility—the raw nerve of the body politic. But the space station cannot be reduced to baseline budget figures and deadlines. Space station *Freedom* is more than an effort to produce another space vehicle. It is a long-term research and technology project, and it must be handled as such. Yes, it is a large and costly program. Yes, it is exceedingly difficult for a definitive price tag to be placed on such a massive undertaking. But none of the advances researchers hope to realize through production in space—which it appears will impact largest on electronics and medicine—will be possible without it.

This truly is a crossroad in our Nation's space program. The world looks to us for leadership in space exploration. But a new spirit of dedication and a new agenda is required if we are to realize any of the benefits of maintaining our leading role in space. A credible space program simply is not viable without engaging, well-defined goals, and in my view, the space station is a vital element in the demonstration of American commitment.

The space station is on the cutting edge of technology. And the people who work in these high-cost, high-risk areas deserve to know of our commitment to what is really the future of our Nation's competitiveness. And let us not forget that these are the undertakings that inspire our Nation. The future of our economy depends on projects like space station *Freedom*. But even more, we cannot flinch from our opportunity to participate in one of the most compelling achievements of mankind. Indeed, our space program inspires the globe.

Madam Chairman, H.R. 2200 adequately funds all of the essential programs NASA must pursue, and contrary to what could have been the case, does not rip out the backbone of the space agency. This is why it enjoyed such wide bipartisan support in the committee. The Roemer amendment, however, does rip out the backbone of NASA. I urge my colleagues to support space station *Freedom* by voting against this amendment, and in favor of the full NASA authorization bill, and give future generations of Americans a reason to keep reaching for the stars.

Mrs. UNSOELD. Madam Chairman, I am a fan of space exploration. I believe in the need to push forward the frontiers of human understanding. That is why it is difficult for me to vote to cancel the space station. But the need to govern responsibly demands that we do just that.

We face a crippling deficit. We are not adequately investing in education, infrastructure, and other research and technology. Facing these realities, how can we justify spending untold billions on a project that is of limited scientific value?

Voting for the Roemer amendment will not end space exploration. Neither will it compromise good science; we can do more to advance scientific research by spending some of these dollars on Earth. This vote is about facing up to the task of cutting spending, taming the deficit, and tending to our Nation's long-term economic health.

I urge my colleagues to support the Roemer amendment.

Mr. DICKS. Madam Chairman, the aerospace industry is one of the few where the United States still enjoys world leadership and a favorable balance of trade. Currently, our Nation's aerospace industry has a $31 billion surplus on $44 billion in trade—we lead the world, but for how long?

Building the space station allows us a firm grip on that leadership position. Why? By

working on leading-edge programs like space station, aerospace companies develop new technologies and advanced manufacturing processes which strengthen American industry. Through active technology transfer programs, NASA and other Federal agencies drive these new tools and technologies out into the U.S. economy, helping businesses of all sizes and in all industries become more competitive.

Space program advances in basic materials, information technology, manufacturing processes, medical and optical technology, tools, propulsion, aerodynamics, and many other fields have kept U.S. industry ahead of the global competition for decades. But as numerous other nations pursue their own space programs, the gap is narrowing.

Space exploration in the last years of the 20th century and the first half of the 21st century is where leaders must make smart, long-term investments. Without America investing in the space station, other competing nations are eager to displace America as the world aerospace leader.

Continuation and completion of the space station will prompt the health of this vital industry by continuing a flow of challenges to sharpen our industrial tools and skills and this will lead to the expansion of our domestic economy in precisely the kinds of jobs that we desire.

Canceling the space station program now would be a devastating blow to the aerospace industry, and something we cannot afford to let happen. Let's keep the United States at the forefront of the aerospace field, let's keep the space station alive.

Mr. GEPHARDT. Madam Chairman, I rise in support of the space station and the NASA authorization for fiscal year 1994. As serious and distressing as our fiscal problems are, we would be ill-advised to kill the station and retreat from technological leadership in space.

Less than a week ago, the President reaffirmed his intent to proceed with the development of the space station. The station—an objective of our space program since 1984—remains the critical next step in our ongoing exportation of space. It will serve science and evolving research needs over many years.

The space station will provide the opportunity to study the effects on people of long-duration space flight, a prerequisite for future space exploration. Eventually, the space station will provide the opportunity for a permanent human presence in space. Killing the space station would mean the end of our manned space program.

I want to make three essential points. First, we have reduced costs. Over 5 years, the new design of the space station will save taxpayers $4 billion. These savings increase to more than $18 billion over two decades. The administration and both the authorizing and appropriating committees all agree on these funding levels.

Second, this is an important investment in our economy. As our world moves from military threats to economic competition, investments in aeronautics and space programs are necessary to maintain our country's high-technology leadership and provide jobs.

We need to make investments now in advanced technologies to get our economy back on track. This bill helps transfer technological advances from space research to the commercial sector. It also helps industry-led consortia to identify and commercialize space technologies that increase U.S. competitiveness.

NASA's research remains critical to the development of new and better products. Space research has led to technological advances as mundane as improved sneakers and as life-sustaining as improved care for diabetics. For business, space research has yielded the laser fax machine. For industry, a robotic hand that can mimic human movements; lightweight composite building materials and microlasers for precision drilling. For health care, improved breast cancer detection and programmable pacemakers. And it has played a key role in the aerospace industry.

Third, this is an inspiration for young people. For 30 years, the space program has provided an incentive for our students to study mathematics and the sciences. The space station will capture the imagination of all Americans. By showing young people exciting and challenging opportunities, we will encourage them to continue their education and pursue high-skill careers.

In summary, the space station will lead to advances in science and technology and to new research and development programs. The space station provides jobs for American workers, technological advances for industry, and an improved quality of life. It is an inspiration to our youth as they look to their future and the careers open to them in the 21st century. I urge you to support the station.

Mr. PAYNE of Virginia. Madam Chairman, I rise in support of the amendment offered by Congressman ROEMER to terminate funding of the space station program.

This program is a perfect example of where Federal spending can be responsibly reduced.

Federal programs that do not meet the cost-benefit test should be eliminated.

I believe this program fails the test and I will explain why.

The original intentions of the space station are no longer in the working plans of NASA.

The projected cost of the space station, over $40 billion, is five times greater than the original estimate. And no construction has taken place.

The space station is siphoning away funds from other worthy and scientifically justified programs of NASA. As well as other more worthy programs and projects of our Government.

If we are to reach our goal of reducing and eventually eliminating the deficit, tough spending cuts will have to be made and scarce resources will have to be allocated wisely.

I believe eliminating this program is a step in the right direction, and I urge my colleagues to support this amendment.

Mrs. COLLINS of Illinois. Madam Chairman, I rise today in support of the amendment offered by Representatives ROEMER, ZIMMER, PENNY, and other colleagues. This amendment would eliminate $12.7 billion in funding for the space station over the next 7 years.

I support this amendment because of the hard, cold realities facing us and the common sense needed to address it. Imagine if your next-door neighbors had children who were hungry and needed new shoes. Imagine if these same neighbors then went out and bought a brand new state-of-the-art satellite TV dish or a sleek, modular telephone while their children were still going to bed hungry and still needed bigger shoes. What would you think? Would you consider your neighbors to be irresponsible? Irrational? Cold-hearted? Out to lunch?

In our country, every fifth child lives in poverty and faces hunger. More than 50 percent of eligible children cannot participate in Head Start because there are not enough funds and the Women, Infants, and Children [WIC] Supplemental Food Program serves only half of eligible women and children. The Job Corps Program serves only one in seven of the most needy eligible youth in this country. In parts of my district, the poverty, joblessness, and homelessness is so great that children cannot even imagine what it is like to live otherwise. In the face of these harsh facts, I cannot support funding a multi-billion-dollar outer-space project with questionable relevance to our competitive edge and to advancements in science.

By eliminating funding for the space station, we can redirect our scarce Federal funds toward more cost-effective and scientifically rewarding space programs and other important, underfunded Federal programs. I urge my colleagues to join me and support this critical amendment.

Mr. ZELIFF. Madam Chairman, I rise in strong support of continuing our commitment to space station *Freedom*.

Madam Chairman, I am one of the most fiscally conservative Members of this body. Cutting wasteful spending has been a priority for me since I came to Congress 2 years ago. In fact, there are very few Members in this body that can boast of a better voting record in saving taxpayer dollars than BILL ZELIFF.

I know the importance of cutting spending, but I also recognize the importance of maintaining our technological edge. This is why I support the space station.

Freedom represents the next logical step in our space program. The United States has always been a leader in space, and we continue to benefit from the science and technology that has evolved from the space program. Significant advances in aerospace, medicine, computer technology, environmental and resource management, industrial productivity, and transportation are all directly attributable to our space program.

Exploration, reaching for the next frontier, is an inherent component of our national character. The United States is the greatest Nation on Earth because we have been willing to accept the challenges that come with being a leader. The space program is just such a challenge. If we fail in this effort, if we sit idly by while other nations move ahead in space, our future will be consigned to a position of a second-rate power. That is not the future that I want for my children and my grandchildren.

I admit that I have serious reservations over the way this program has been run so far, and concerns over the operations of NASA in general. However, canceling the space station and throwing away the $8.5 billion that we have already invested is not the answer. Instead, we need to fix the management structure that has plagued this program and hold

costs down to a reasonable level. The President has chosen a workable redesign option for the station, and I have confidence in Dan Goldin's ability to make this program work and to implement the reforms needed at NASA.

Madam Chairman, if we fail to lead then we are doomed to follow. The United States needs space station *Freedom*. I urge my colleagues to support this program and oppose the Roemer-Zimmer amendment.

Mr. PACKARD. Madam Chairman, as we consider H.R. 2200 today, I wish to commend the chairman of the Science, Space, and Technology Committee, Congressman GEORGE BROWN, and its ranking member, Congressman BOB WALKER.

They have shown outstanding leadership on this authorizing legislation in general and the space station *Freedom* in particular, in this year of tight fiscal constraints.

Despite the fact that there are those who argue that the merits of the space station *Freedom* and man's continued progress in space do not justify the costs, Congressmen BROWN and WALKER have kept their eyes on the prize and crafted legislation worthy of my colleagues support.

I commend Chairman BROWN and Congressman WALKER for crafting a bill that is *Freedom*-based—legislation that takes the space station, and thus America's space program, forward. They recognized that the space station *Freedom* is a centerpiece of NASA; one that focuses many divergent programs and projects on a single, unifying goal. Without a commitment to a viable, manned presence in space, all the money we spend on other programs at NASA goes toward no logical end.

The space station *Freedom* provides a nexus for experimentation and results. The mission of NASA is to extend man's knowledge of his universe and from that experience extract knowledge that can benefit the human condition here on Earth. A fully functional, manned space station *Freedom* is the only logical vehicle for NASA to achieve this goal.

Space exploration and scientific experimentation in space may seem like abstract goals. Especially in a year when we are faced with so many domestic priorities that are competing for funding.

However, I would argue and my colleagues on the Science, Space, and Technology Committee would agree, that funding these programs now and ensuring that America has a manned presence in space is directly related to future Americans' standard of living.

For example, the life sciences medical research conducted in space yield knowledge that improves our computer technology and increases our ability to manufacture drugs to cure illnesses on Earth.

The American space program has generated many other advances in American technology like weather satellites, lasers, CATscans, and pacemakers.

I would also like to underscore my appreciation that Chairman BROWN and Congressman WALKER pressed hard to cut the space station *Freedom* budget while remaining committed to the completion of a real, functional facility by the turn of the century. Numerous redesign attempts would yield a space station that is not viable, not to mention wasting the investment of $9 billion.

The bill before us authorizes $1.9 billion for the space station annually over the next 6 years, falling to $1.3 billion thereafter. This represents a cut from current funding of $222 million.

This bill will help us to ensure a human presence in space and that continued progress is made in scientific experimentation in space. The bottom line is that it is a fiscally responsible approach to funding a project that will provide generations of benefits to Americans.

Mr. HUGHES. Madam Chairman, today as the House considers authorization for funding of NASA, we must question the value of continuing to fund the space station at the proposed level.

Since its inception, the space station has undergone numerous redesigns in an effort to control its spiralling costs. How many more times will this occur before Congress accepts the reality that the space station we would like to have cannot be built at the costs we can afford, and what the budget allows is not enough to build a worthwhile station? Meanwhile, other programs suffer while the space station gets the lion's share of NASA funding year after year.

The space station has already exceeded its originally projected costs of $8 billion, and now we are poised to authorize another $12 billion. And we are still building the space station, we have not even begun to pay for its operational costs. We cannot ignore these expenses, simply because they have yet to materialize.

The price is only part of the station's problem, however. The station's mission remains questionable, and appears to be further whittled away with every redesign. Highly regarded members of the scientific community have expressed serious reservations about the true merits of the program.

Some have said that we must support the space station because exploration is our Nation's destiny. I do not disagree. I just have to question if the space station is the right vehicle to continue in this lofty endeavor.

I will vote for the Roemer-Zimmer amendment and urge my colleagues to do the same. It is the fiscally responsible thing to do.

Mr. KLECZKA. Madam Chairman, today the House of Representatives will be deciding whether or not to spend $12.7 billion more on NASA's space station program.

The current projected cost to build space station *Freedom* has risen to over $40 billion. Operating expenses over the life of the station will cost another $100 billion.

When Congress first voted on this project, we were told the station could be constructed at a cost of $8 billion. Yet to date, we still have nothing to show for it other than a long list of delays and a roomful of plans.

Last week, the administration announced its decision to once again redesign the space station. The option A choice will cost four times more than the original estimated price, and will have fewer missions and capabilities.

Madam Chairman, I shared the excitement of millions of Americans when we first put a man on the Moon. I shared the pride of the launch of the first space shuttle, and the sorrow of the *Challenger* disaster. I realize our Nation's need to explore new frontiers—to develop new science and technology initiatives that serve American economic and intellectual growth.

But Madam Chairman, I also have to go into the Ways and Means Committee chamber and—like every one else in this body—try to justify every dollar our Government raises and every dollar our Nation spends.

Last month, I voted in favor of the budget reconciliation package. In passing this legislation, the House asked all Americans to make sacrifices. We asked Americans to continue to pay a 2.5 cent per gallon excise tax on gasoline. We delayed cost-of-living adjustments for Federal and military retirees. We raised postal rates for nonprofit organizations. All of these provisions combined fall well short of paying for the space station.

More importantly, when we voted for the reconciliation package and the tax increases that went along with it, we collectively vowed to our constituents that we would also cut spending. Well my friends, this is our chance.

We can undertake an expensive and risky human space flight program with no coherent purpose, a billion dollar debacle which lacks focus and purpose, or we can put this troubled program out of its misery.

Last November, voters demanded that Congress bring skyrocketing Federal spending back to Earth—by eliminating wasteful and unnecessary programs like the space station, we can start along that path.

I urge my colleagues to join me in supporting the Roemer-Zimmer amendment.

Mr. VENTO. Madam Chairman, I rise in support of the Roemer amendment to the bill, H.R. 2200, the NASA authorization for fiscal year 1994.

This amendment would require NASA to cancel the space station program by deleting the bill's annual authorizations for the space station, which total $12.7 billion over the next 7 years.

Madam Chairman, it is time for Congress to recognize that the space station program is no longer a program with a coherent mission; it has literally become a program in search of a mission. The space station has become like a black hole into which Congress pours money that never sees the light of day again.

What is the reason for continuing this multibillion-dollar program at a time of severe budgetary constraints when some in Congress are proposing cutting aid to education, housing, homeless assistance, veterans, and even Social Security and Medicare recipients?

Some have said that we need the space station for reasons of national security. The Soviet Union is now history and the space station today represents an incredibly expensive surveillance platform compared to satellites which already adequately serve this function.

Some have said that we need the space station to learn more about the long-term effects of weightlessness and space travel on human beings. While the need for such information and data is apparent if we desire to make long journeys to distant planets, the space station certainly isn't the only or the most cost-effective way to obtain such data. In any event, interplanetary travel by humans is probably decades away from realization. The fact is that we already know much about the biological and physical effects of long-term space travel. The former Soviet space pro-

gram, for example, which sent many cosmonauts into space for extended periods, yielded significant information which is now in the custody of the newly independent Republics. Why not fund the evaluation of newly available existing information? There is no reason why the United States and the Commonwealth of Independent States cannot work cooperatively to share this information and to continue studies on this matter jointly.

Some have said that we need the space station to learn more about biomedical research and that experiments that could be conducted aboard the space station could yield extraordinary new information regarding biomedicine and cellular processes. Yet the reality is that tremendous breakthroughs are occurring on an almost weekly basis, not in space, but right here down on Earth in hundreds of medical research laboratories around the world. While we certainly cannot say that there are no secrets in space left to uncover, we must acknowledge reality and the very real fiscal constraints which our Nation faces today. The scarce funding for scientific inquiry of this nature is the limiting factor, primarily because of the billions of dollars being spent on what is more akin to space scrap.

The cost control efforts on the space station project have been a notable failure because even as the space station program has been significantly curtailed in recent years, the costs of the program have continued to soar out of control. It is estimated that there have been more than $500 million in cost overruns with dollars already spent on the space station program. The space station hasn't even left the drafting board and it's already in outer space with its costs and transparent misrepresentations by the promoters.

I commend President Clinton and those officials at NASA who have recognized the need to reform the space station program. They have attempted to salvage some value from a program which has been mismanaged without effective cost controls and managerial oversight. These problems were largely ignored by the Reagan and Bush administrations. But unfortunately these efforts by the Clinton administration are too little and too late.

We have sustained significant cuts in numerous programs during the past 10 years because of faulty economic policies. The national policy path must be corrected, and that can only occur if we recognize and limit our appetite for spending on such symbolism as the space station.

Can we really justify cuts in Medicare and curtailing health care reform by telling our constituents that we need to fund very questionable medical research in space? Can we really tell those urgently in need of housing that we can't adequately fund housing and homeless assistance programs because we need to fund the $25.6 billion plus just to build the space station? Should the Nation's taxpayers be expected to foot the bill for a 30-year project estimated by the National Taxpayer's Union and the General Accounting Office [GAO] last year to cost a startling $118 billion for initial investment and operations? I do not think we can do that and say we are advancing the best interest of the American people for necessary, justifiable scientific achievement.

I urge my colleagues to join me in voting for the Roemer amendment to terminate the space station program.

Ms. PELOSI. Madam Chairman, I rise today in support of the Roemer-Zimmer amendment to terminate the space station program. I support the concept of space exploration, and in better fiscal times, would support the space station, which is an interesting experiment.

The main issue facing each of us here in Congress today and every day, however, is the question of priorities. There is, literally, no money to spare. Every program which we fund means other needs go unmet. In times like these, we simply cannot afford the luxury of a budget-busting experiment like the space station.

Earlier in the debate, our colleague, Mr. WALKER, spoke of the days past when children played in cardboard boxes dreaming that they were in spaceships. I, too, remember those days. Today, however, my thoughts are with the children of this Nation for whom cardboard boxes are not toys, but housing; for children who dream not of spaceships, but of a hot meal.

Over 500,000 children in America are homeless. Forty percent of our homeless population is made up of families with children, and one-quarter of the homeless population is comprised of children under the age of 18. How can we continue to pour money into the space station when we cannot even ensure access to safe, decent, and affordable housing for this Nation's children?

Many of my colleagues today will argue that the space station is necessary for our Nation's future. I would argue that we can have no future if we do not meet the needs of our children today. A future built on technological experiments is on extremely shaky foundations if its human resource base is weak. And, unfortunately, funding the space station means weakening other important initiatives, including deficit reduction.

The latest round of cost increases have brought the pricetag for construction of space station *Freedom* to over $40 billion. This staggering amount does not even include the cost of operations, which was originally predicted to be $78 billion over the life of the program. How can we justify spending this kind of money on a program which many eminent scientists believe may be completely irrelevant to real science and economic competitiveness?

We simply cannot afford to indulge in technologically questionable and fiscally unwise experiments. I urge my colleagues to support the Roemer-Zimmer amendment to terminate the space station. It is a sound move in a difficult fiscal situation.

Mr. HASTINGS. Madam Chairman, for over 40 years we have devoted money, time, and brainpower to the exploration of space. Why? Because we made a conscious decision that technological advancement is the only way to ensure the growth of our country. Why did our predecessors, millions of years ago, strive to learn how to cultivate natural resources, craft weapons to hunt and farm, and devise means of transportation? The struggle for advancement was not an idea to be debated—it was a given.

Don't be fooled by people who argue that we have advanced far enough—to cease moving forward is to actually fall behind. If we do not continue with the program, we will be forsaking the fruit of over 40 years worth of work and sacrifice. We will be forfeiting our space superiority. We cannot afford to do this. We cannot afford to turn our back on the space station program.

The exploration of space has led to advances in polymers, lightweight planes, and water treatment systems all of which have been applied in private industries. It has led to progress in the medical field with research systems and training aids. One of the main missions of this Congress is to ensure a future for our children which is full of possibilities. Well, ladies and gentlemen, today we can help make those possibilities a reality.

By continuing with the space station program we can perpetuate technological developments which might create medical advances, protect the environment, create new job opportunities, and even create new industries. The possibilities are limitless. The prospects for our country and our children are limited only by our level of commitment.

Mr. COLEMAN. Mr. Chairman, I rise today in support of H.R. 2200, the NASA Authorization Act for fiscal year 1994. I specifically wish to address the issue of the space station program.

Today, Mr. Chairman, the American people have heard my colleagues debate the merits and flaws of the space station program. I urge my colleagues and the American people not to be swayed by such sound bites, but to consider the space station program in terms of what it means to the future of our children and our Nation.

Our children do not remember a time when America was not first in space. They take for granted the benefits America has derived from its over 30 years of space exploration. Our children can not comprehend the sense of patriotism we experienced as we watched Neil Armstrong take the first steps on the Moon. We were not divided then. Young and old, rich and poor alike shared a sense of accomplishment. During the turbulent time of the sixties, for one brief moment the country was unified. We shared a dream that one day our children could also take that step. That day, Neil Armstrong expanded our vision of the universe and we were never to be the same. The space station is to our children's generation what Apollo 11 was for us.

In the 1960's it was enough to fund a program in expectation of intangible rewards it may or may not bring. Congress did not face the budget constraints which confront us today. Each year as Congress deliberates reauthorizing programs under the National Aeronautics and Space Administration, opponents of space exploration compare the cost of space exploration to the increased services this money could provide for domestic programs. The space station is one of our premier domestic programs and creates more jobs and economic development per dollar than almost any other federally funded program.

It is undisputed that if we are to maintain our edge in the field of space exploration, the creation of a space station is the next logical step. The space station will expand our ability to perform experiments in space and will allow

Americans their first opportunity to study firsthand the effects on the human body of lengthy visits in space. In the tradition of space exploration in general, the space station will provide real and practical technology to solve dilemmas we face today.

To understand where the space station will take us, we must first consider how space exploration affects our lives today. Nowhere is the benefit of space exploration more evident than in the area of medical research. Earlier this week biomedical researchers from the Texas Medical Center testified before the House Space Subcommittee where they outlined advancements achieved in organ transplantation, heart pump technology, and advanced prostheses which are directly derived from space exploration. In addition to the recognized advancements in laser heart surgery, diagnostic imaging, and CAT scans, our experience in space has enabled us to improve our current technology from athletic shoes to voice-controlled wheelchairs. The space station will allow us to perform even more elaborate experiments than can now be performed. Imagine how the knowledge we stand to gain from these experiments will improve the quality of our lives and the lives of our children.

It is easy to expound on the future benefits of the program. It is hard to ignore the real and immediate benefit of the program: jobs. Not just jobs for astronauts and engineers, but for clerical, manual, and other support laborers. NASA estimates that the space station program provides 75,000 jobs, including direct and indirect jobs, civil service and contractors. Not just jobs for Texas, but for 37 States and the District of Columbia. In addition to being a global effort the space station is truly a national project.

In September 1988, America signed the Intergovernmental Agreement with Canada, Japan, and 10 of the 13 members of the European Space Agency to build the space station. Each year as we debate again our commitment to the program, our partners stand idly by wondering if this will be the year the United States fails to stand by its agreement. Our partners have pledged to spend $8 billion for their portion. This year we have an opportunity to reaffirm our commitment to the program. By endorsing President Clinton's redesigned space station we will say that we have put our past squabbles behind us and are committed to working together with our allies to put a functional space station into orbit.

By ordering its redesign the President has taken firm control of NASA and the space station. The redesigned version selected by President Clinton will save $1.6 billion while preserving the integrity and mission of the space station. I urge my colleagues to stand behind the President and to reaffirm our commitment to space exploration by voting against any measure to reduce or eliminate the space station program.

□ 1540

The CHAIRMAN pro tempore (Mr. WISE). All time has expired.

The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROEMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 215, noes 216, not voting 8, as follows:

[Roll No. 263]

AYES—215

Ackerman
Allard
Andrews (ME)
Baesler
Ballenger
Barca
Barlow
Barrett (WI)
Becerra
Bellenson
Bereuter
Bilbray
Blackwell
Blute
Brewster
Brown (OH)
Bunning
Camp
Cantwell
Cardin
Clayton
Clement
Clyburn
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Danner
de Lugo (VI)
Deal
DeFazio
Dellums
Dickey
Dingell
Dooley
Doolittle
Duncan
Durbin
English (AZ)
English (OK)
Evans
Ewing
Fawell
Fields (LA)
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (NJ)
Furse
Gekas
Goodlatte
Goodling
Gordon
Grandy
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hastert
Hefner
Herger
Hoagland
Hoekstra
Holden
Hughes
Hutchinson
Inglis
Inslee
Istook
Jacobs
Johnson (GA)
Johnson (SD)
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kildee
King
Kingston
Kleczka
Klein
Klink
Knollenberg
Kolbe
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Martinez
Mazzoli
McCloskey
McHugh
McKinney
McMillan
McNulty
Meehan
Menendez
Mfume
Miller (CA)
Minge
Mink
Moakley
Molinari
Moran
Murphy
Nadler
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (MN)
Petri
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Ramstad
Rangel
Ravenel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rostenkowski
Roukema
Rowland
Rush
Sabo
Sanders
Sangmeister
Santorum
Schaefer
Schenk
Schroeder
Schumer
Serrano
Sharp
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (OR)
Snowe
Solomon
Spratt
Stark
Strickland
Studds
Stupak
Sundquist
Swett
Tauzin
Thomas (WY)
Thompson
Underwood (GU)
Unsoeld
Upton
Velazquez
Vento
Visclosky
Walsh
Washington
Watt
Waxman
Wheat
Williams
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—216

Abercrombie
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Berman
Bevill
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brooks
Browder
Brown (CA)
Brown (FL)
Bryant
Burton
Buyer
Byrne
Callahan
Calvert
Canady
Carr
Castle
Chapman
Clay
Clinger
Coleman
Combest
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
DeLauro
DeLay
Deutsch
Diaz-Balart
Dicks
Dixon
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Emerson
Engel
Eshoo
Everett
Farr
Fazio
Fields (TX)
Filner
Fingerhut
Fowler
Franks (CT)
Frost
Gallegly
Gallo
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goss
Grams
Green
Greenwood
Hall (TX)
Hancock
Hansen
Harman
Hastings
Hayes
Hefley
Hilliard
Hobson
Hochbrueckner
Hoke
Horn
Houghton
Hoyer
Huffington
Hunter
Hutto
Hyde
Inhofe
Jefferson
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kennelly
Kim
Klug
Kopetski
Kyl
Laughlin
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Livingston
Lloyd
Manton
Matsui
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McInnis
Meek
Meyers
Mica
Michel
Miller (FL)
Mineta
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Natcher
Neal (MA)
Ortiz
Oxley
Packard
Parker
Peterson (FL)
Pickett
Pickle
Pryce (OH)
Quillen
Quinn
Rahall
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Royce
Sarpalius
Sawyer
Saxton
Schiff
Scott
Sensenbrenner
Shaw
Slattery
Smith (IA)
Smith (NJ)
Smith (TX)
Spence
Stearns
Stenholm
Stokes
Stump
Swift
Talent
Tanner
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thornton
Thurman
Torkildsen
Torres
Torricelli
Traficant
Tucker
Valentine
Volkmer
Vucanovich
Walker
Waters
Weldon
Whitten
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—8

Derrick
Faleomavaega (AS)
Henry
Hinchey
McKeon
Skeen
Synar
Towns

□ 1605

The Clerk announced the following pairs:

On this vote:

Mr. Derrick for, with Mr. McKeon against.
Mr. Towns for, with Mr. Skeen against.

Mr. VOLKMER and Mr. INHOFE changed their vote from "aye" to "no."

Mr. MARTINEZ, Mrs. SCHROEDER, Mr. RANGEL, and Mr. GUTIERREZ change their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BROWN of California. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. MAZ-

ZOLI) having assumed the Chair, Mr. WISE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2200) to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control, and data communications, construction of facilities, research and program management, and inspector general, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 2200, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. McKEON. Mr. Speaker, due to a family commitment in California, I was not present during rollcall votes No. 261, No. 262, and No. 263. I would like the RECORD to reflect the following:

Rollcall No. 261, H.R. 2446, military construction appropriations, final passage. Had I been present, I would have voted "no".

Rollcall No. 262, the Calvert/Hall amendment to H.R. 2200, limiting funding increases for the National Aeronautics and Space Administration to fiscal year 1993 levels plus 3.2 percent to account for inflation. Had I been present, I would have voted "aye".

Rollcall No. 263, the Roemer amendment to H.R. 2200 eliminating the authorization of funds for the space station. Had I been present, I would have voted "no".

PERSONAL EXPLANATION

Mr. SKEEN. Mr. Speaker, I was on leave of absence when roll call votes occurred in the House of Representatives.

Had I been present, I would have cast my votes as noted for the following rollcall votes which occurred during my absence. Votes on which I was paired and announced in the CONGRESSIONAL RECORD are noted by an asterisk:

Rollcall No. 261, final passage, H.R. 2446, Milcon Appropriations Act, "aye."

Rollcall No. 262, Hall amendment to H.R. 2200, NASA Authorization Act, 3.1 percent overall cuts in bill, "aye."

Rollcall No. 263, Roemer amendment to H.R. 2200, NASA Authorization Act, space station funding, "nay*."

PERSONAL EXPLANATION

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I had the privilege of attending my son's graduation. As a result I missed two votes on H.R. 2446 and H.R. 2200. Had I been present I would have voted "nay" on H.R. 2446, the military construction appropriations bill, and "aye" on the Hall amendment to H.R. 2200, the NASA authorization bill.

PERSONAL EXPLANATION

Mr. SYNAR. Mr. Speaker, due to a personal family matter in my district, I was unable to be present for rollcall votes numbered 261 to 263. Had I been here I would have cast the following votes:

Roll No. 261, "aye."
Roll No. 262, "aye."
Roll No. 263, "aye."

My votes to oppose the space station and the superconducting supercollider—Roll No. 263 and Roll No. 269, respectively—merit further comment. Taxpayers in my district and across the country are demanding that we get Federal spending under control and more wisely decide how to spend their tax dollars. There is no easier way to respond to this demand than to kill the funding for the space station and the superconducting supercollider. Our country cannot afford to continue to spend the billions of dollars demanded by these projects when they drain resources from other desperately needed programs and show little promise of a profitable payoff for the many billions invested.

While there is a need for space exploration, funding for the space station should not continue if its at the expense of other proven NASA programs, Federal science projects, public housing subsidies, and other critical Government programs. In addition, design modifications aimed at cutting the cost of the space station have reduced the proposed station's capabilities, and several scientific review boards now are questioning the scientific justification for spending such large sums on such limited uses. In light of budget constraints and the significant narrowing of the space station's mission, I cannot support program that is estimated to cost $140 billion to build and operate.

According to the GAO, the SSC is already 51 percent over budget for routine, conventional constructions activities alone. Government audits of SSC expendtures have shown that tax dollars have been wasted on perks for contractor employees, including $12,000 Christmas parties at posh hotels, $25,000 in catered lunches, and $21,000 a year to buy and water office plants. It's no wonder that a project that was originally estimated to cost $4.4 billion is now expected to cost $13 billion. What do we get for all of these billions? Many experts agree that the practical spinoffs from this research will be neglibile. In a recent survey, corporate heads of research and development ranked the SSC dead last in importance among major science projects. The plain fact is that Federal money would be better spent on more promising projects in the blomedical, transportation, energy, and other research field.

Quite simply, we need to kill both these programs and the sooner we do it, the sooner our constituents will thank us for prudently managing their money.

PERSONAL EXPLANATION

Ms. ENGLISH of Arizona. Mr. Speaker, I was unable to vote today on H.R. 2446 and H.R. 2200 due to an illness. Had I been present I would have voted "aye" on H.R. 2446, the military construction appropriation bill and "aye" on the Hall amendment to H.R. 2200, the NASA authorization bill.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2150, COAST GUARD AUTHORIZATION ACT, 1994

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–151) on the resolution (H. Res. 206) providing for consideration of the bill (H.R. 2150) to authorize appropriations for fiscal year 1994 for the U.S. Coast Guard and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON H.R. 2492, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1994

Mr. DIXON, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–152) on the bill (H.R. 2492) making appropriations for the District of Columbia for the fiscal year ending September 30, 1994, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

Mr. MYERS of Indiana reserved all points of order on the bill.

□ 1610

REPORT ON H.R. 2493, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1994

Mr. DURBIN, from the Committee on Appropriations, submitted a privileged report (Rept. No. 103–153) on the bill (H.R. 2493) making appropriations for agriculture, rural development, Food and Drug Administration, and related agencies for fiscal year 1994, which was referred to the Union Calendar and ordered to be printed.

Mr. MYERS of Indiana reserved all points of order on the bill.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 2445, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT 1994

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 203 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 203

Resolved, That during consideration in the Committee of the Whole House on the State of the Union of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30,

1994, and for other purposes, all points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning on page 35, line 17, through line 25. No amendment affecting the subject of the Superconducting Super Collider (other than as part of general reduction of amounts provided in the bill) shall be in order except one offered by Representative Slattery of Kansas or a designee. That amendment shall be debatable for one hour equally divided and controlled by its proponent and an opponent and shall not be subject to amendment or to a demand for division of the question in the House or in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Texas [Mr. FROST] is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida [Mr. GOSS], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 203 waives points of order against the consideration of certain provisions of H.R. 2445, a bill making appropriations for energy and water development for fiscal year 1994.

The rule specifically waives clause 2 of rule XXI, which prohibits the consideration of unauthorized or legislative provisions in general appropriations bills and clause 6 of rule XXI which prohibits reappropriations in a general appropriations bill. These waivers are provided against all provisions of H.R. 2445 except provisions relating to the U.S. Enrichment Corporation fund directing it to collect funds from foreign customers. The Committees on Energy and Commerce and Natural Resources, which have jurisdiction over the Corporation, objected to the inclusion of this provision in H.R. 2445 and the Committee on Rules, based on the objection of these two committees, declined to protect this provision of the reported bill.

Mr. Speaker, the most controversial matter in H.R. 2445 relates to the continued funding of the superconducting super collider. Consequently, the Committee on Rules has framed the debate on this issue by providing that no amendments affecting the subject matter or the SSC will be in order except one offered by Representative SLATTERY of Kansas or his designee. The rule provides that the Slattery amendment shall be debatable for 1 hour which shall be equally divided and controlled by the amendment's proponent and an opponent. The rule further provides that the Slattery amendment shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole.

The inclusion of this provision in the rule will squarely frame the debate on the continued development of the SSC and will provide the House with the opportunity to vote yes or no. This provision does not, however, protect the SSC from any amendment which may be offered to provide across-the-board cuts of the programs funded in H.R. 2445. The Committee on Rules believes this is a fair way to address this most important issue.

Finally, Mr. Speaker, the provisions of House Resolution 203 will permit any Member to offer amendments to the bill which do not otherwise violate any rule of the House. In other words, House Resolution 203 is an open rule and I recommend its adoption in order that the House may continue its consideration of the appropriations bills for fiscal year 1994.

Mr. Speaker, with this appropriations bill we again have an opportunity to debate the merits of this Nation's biggest and most ambitious science project—the superconducting super collider.

The SSC is the focal point of our Nation's efforts in the field of physics. Failing to move forward with the SSC at this time would be tantamount to giving up on manned flight prior to Kitty Hawk. My support for the SSC extends from my belief that, just as basic physics research earlier in this century allowed our Nation to become the most technologically advanced country on Earth, research like that to be conducted at the SSC laboratory will provide us with technological building blocks to keep our country strong and allow us to compete globally into the next century.

The SSC is truly a national project. Over 100 universities across the Nation are involved in SSC research and projects. SSC work is being performed in 48 States and the District of Columbia. And the benefits will be shared and enjoyed by the entire Nation.

Leading scientists believe that the knowledge to be gained from the project ultimately will lead to tremendous advances in manufacturing and energy generation.

President Clinton has requested $640 million to fund the SSC during the coming fiscal year. The Appropriations Committee approved $620 million. During consideration of this bill, our colleagues SHERRY BOEHLERT of New York and JIM SLATTERY of Kansas will offer an amendment to terminate the SSC. Their amendment would eliminate virtually all funding, leaving just enough to close down the project.

We have already invested $1.5 billion in the SSC and the State of Texas has already invested about $300 million.

Critics of the SSC will attempt to make several arguments against the project—that it's too expensive, that there have been cost overruns during the life of the project, and that we have not yet received assurances of substantial foreign investment.

Any project of this nature is expensive. Current estimates are that it will cost between $10 and $11 billion by completion in 2003. We as a country must be willing to make some investment in the future if we are to continue to be competitive in the world market place. Not making this type of forward-looking investment could well wind up costing the United States much more in the long run should we fall behind our major trading partners in developing the technology to make new products.

As to the issue of cost overruns, Congress is presently engaged in vigorous oversight of the project and I have complete confidence that Chairman DINGELL'S subcommittee will ensure that the American taxpayers get full value for the money we are investing in this project. If changes need to be implemented in the way the project is managed, then let's get on with those changes. But let's not use cost factors as an excuse for refusing to invest in the future.

On the question of foreign participation, I had the opportunity to travel to Japan with Speaker FOLEY earlier this year. The Japanese expressed legitimate concern over the degree of commitment to the project by our new administration and by the new Congress. President Clinton has now answered the question of his administration's commitment to the SSC. Once we have demonstrated the Congress's continued commitment to the project, there is certainly a good opportunity that Japan and other nations will participate in a significant way.

Mr. Speaker, we frequently talk about the SSC in the future tense. This is understandable, given the importance of the project to our Nation's future scientific and technological advancement. It's important to note, however, that a considerable amount of work is going on right now. In fact, some of our colleagues have visited the SSC site and have seen for themselves the significant amount of progress being made in the project's construction.

For example, four tunneling machines are boring the 54-mile circumference tunnel that will house the super collider's main colliding beam accelerators. As of June 1, 1993, over 7 miles or 13 percent of the tunnel has been completed.

Additionally, research is already being conducted at over 100 universities and colleges across the country. Opportunities to participate have also been extended to historically black and Hispanic colleges and universities, opening the door to minority students to an area in which they've traditionally been underrepresented.

While a lot of activity is going on now, it is the future that compels me to support the SSC. The world has become an increasingly competitive place. Those nations expecting to prosper and grow economically in the fu-

ture will be those nations willing to take risks, willing to invest today in those areas that will yield results tomorrow.

The SSC is an investment that America can make today to help prepare us for the competitive economic battles of tomorrow. The project will promote advances in science and technology, and will help the United States compete in the international marketplace. It is therefore precisely the kind of future-oriented, job creating program we as a Nation should be supporting.

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We, as a Nation, are fortunate to have some of the finest research and experimental facilities in the world, as well as many of the world's leading researchers. Much of our remarkable progress in science and technology is due to the ongoing commitments to our national laboratories, from Los Alamos in New Mexico to Brookhaven in New York, Fermilab in Illinois, and the Stanford linear accelerator in California, to name a few. The SSC is the next in a long line of successful, world-class facilities for the pursuit of new scientific and technological knowledge. It is imperative that we continue this tradition for the future of our country.

□ 1620

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have before us a bill that has lots of beneficial projects and a great many Members have a project or two of special interest. Before us is the energy and water development spending bill, that includes water, dredging, beach and power projects, large and small. It has got big ticket science and research items, like the superconducting super collider, which help boost the total of this bill to almost $22 billion. Traditionally, this House considers appropriations bills under an open amendment process, guaranteeing every Member an equal and unfettered opportunity to present amendments for cutting spending. This House was established by the Founding Fathers as the House of Revenue, where all taxing and spending measures begin. As Harry Truman might say, the buck that stops on the President's desk is the buck that starts here in the House. The people we represent expect us to cut spending first as we move through the budget process. No one can deny that strong message is out there across America. So far this year we have considered 4 of the 13 spending bills, and 2 of them were debated without the benefit of a completely open amendment process. In fact, this year we have had only six open rules altogether, which is a fairly dismal 25 percent. Today, as we take up the fifth spending bill it seems we will again, unfortunately, have a less than fully open amendment process. The rule before us allows for the traditional open process for all portions of this bill except the extremely controversial provision of $620 million for the superconducting super collider, known as SSC. For that one project, the Rules Committee has limited the process, allowing only one cutting amendment. I support that amendment, which basically terminates the SSC project. But I must emphasize that a completely open process would be more fair to proponents and opponents of the SSC. A completely open process would also better serve the taxpayers of this country, who deserve the broadest and most thorough consideration of all expenditures of Federal funds. A completely open process would leave the superconducting super collider vulnerable to the same type of targeting amendments every other project in this bill will face, rather than singling it out for special treatment.

Mr. Speaker, two amendments were brought to the Rules Committee to ensure that savings from this bill go toward deficit reduction, a goal I know many of us support. But the Rules Committee declined to make either amendment in order, missing a chance once again to focus debate on reducing our Federal budget deficit with spending cuts. Finally, I note the frequency of waiver requests to allow legislative language and unauthorized appropriations in these spending bills. What's happening here is that we are approaching our spending process exactly backward, setting aside money to spend before we have agreed on where we want to spend it. That is just what our House rules were set up to avoid. But our budget process has broken down—the rules no longer apply. It is time to revamp our procedures and develop a set of rules we can live with. That is one of the missions of the Joint Committee on the Reorganization of Congress, and we look forward to its conclusions. Until that time, I expect to continue hearing waiver requests to move the budget process forward. That is kind of like using duct tape to seal a crack in the wing of a jetliner. It might work for one flight, but it is destined to crash. But Mr. Speaker, that is an ongoing subject. As for the rule before us, it is not as open as it could or should be, but it is not as bad as it might have been. I suppose around here that is good news.

Mr. Speaker, I include the following information for the RECORD.

OPEN VERSUS RESTRICTIVE RULES, 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules [3]	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	24	6	25	18	75

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rules, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong. through June 22, 1993.

OPEN VERSUS RESTRICTIVE RULES, 103D CONG.

Rule number, date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58 Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993)
H. Res. 59 Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993)
H. Res. 103 Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993)
H. Res. 106 Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993)
H. Res. 119 Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (D–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993)
H. Res. 132 Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental appropriations	37 (D–8; R–29)	1 (not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993)
H. Res. 133 Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1–D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993)
H. Res. 138 Mar. 23, 1993	MC	H.R. 670: Family planning amendments:	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993)
H. Res. 147 Mar. 31, 1993	C	H.R. 1430: Increase public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993)
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993)
H. Res. 164 May 4, 1993	O	H.R. 820: National Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993)
H. Res. 171 May 18, 1993	O	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993)
H. Res. 172 May 18, 1993	O	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: U.S. forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote. (May 20, 1993).
H. Res. 183 May 25, 1993	O	H.R. 2244: Second supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186 May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19, R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194. (May 27, 1993)
H. Res. 192 June 6, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193 June 10, 1993	O	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195 June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176. (June 15, 1993).
H. Res. 197 June 15, 1993	MO	H.R. 2333: State Department, H.R. 2404: Foreign aid.	53 (D–20; R–33)	27 (D–12, R–15)	A: 294–129. (June 16, 1993).

OPEN VERSUS RESTRICTIVE RULES, 103D CONG.—Continued

Rule number, date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 199 June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200 June 16, 1993	MC	H.R. 2295: Foreign Operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201 June 17, 1993	O	H.R. 2403: Treasury Postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203 June 22, 1993	MO	H.R. 2445: Energy and water appropriations	NA	NA	

Note.—Code: C-Closed; MC-Modified closed; MO-modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

□ 1630

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana [Mr. MYERS], the distinguished ranking member on the Committee on Appropriations.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the rule. As has been discussed, we have had a number of closed rules already this year before the House. I, for the first time in a good many years, have found that I have voted against the rules. I have always felt like this body should have the opportunity to discuss and act upon legislation, even though I might have been opposed to it.

In this particular instance, of course, I do favor this legislation, so I do support the rule. As has already been discussed, there are three provisions in the rule which one might consider to be semiclosed. We used to call these modified open rules.

First, we have had to necessarily waive the provisions against unauthorized legislation. I doubt if there really is anything that could be called authorizations in it, but we have had to appropriate for some agencies, some of whom have gone for many years without any authorizations, such as the Appalachian Region Commission, and the Nuclear Regulatory Commission has not been authorized for many years, the Power and Marketing Administrations, and the defense agencies. A number of those have not been authorized, and because this committee does appropriate for the Department of Energy for certain defense activities.

Also, another provision of the rule provides for certain transfers of unobligated balances that we have proposed in previous years. That money will not be required today for the agencies that we had proposed, so there is use today for some of these programs. This rule does provide that we can transfer some of those funds that have already been proposed in previous years. It helps meet our obligation this year.

The one that we might consider to be controversial is the 1-hour provision for the discussion of the superconducting super collider. It does provide for just one amendment that would strike the $620 million project. I know there are some who would like to offer modifications from that. However, I think it was wise for this Committee on Rules to have either an up or down vote after just 1 hour of debate.

I realize many new Members of the 110 new Members might like to debate this a longer period of time, but I think all of us fully understand what the issue is here. We have had ample opportunity through our mail to understand this, so I ask, since this is a good rule, it is the best rule we could come up with, and the Committee on Appropriations does not appreciate the fact that we do have to make certain waivers as far as authorizations. It is not our fault.

However, if this body, this Congress, is to finish its work in due course, in due time, and be out of here before Christmas, we have to get started in appropriating money. That is the reason we did have to have certain waivers in this bill that were absolutely necessary.

The committee did not accept any new programs. We did not accept any requests for authorizations for programs that were not authorized or projects that were not authorized. We rejected those, and they are not contained in this bill, so this is essential if we are going to have our work done. I hope it will be supported.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I rise in support of this rule and in support of the bill, which I think has been a very good production by the distinguished gentleman from Alabama [Mr. BEVILL] and the other members of the committee.

Mr. Speaker, I rise in support of the rule, and I would like to commend the distinguished chairman of the Subcommittee on Energy and Water Appropriations, Mr. BEVILL, and the ranking minority member, Mr. MYERS, for their work in crafting this bill and bringing it to the floor.

Title V of the bill contains language to enhance minority participation in the superconducting super collider. A recent audit of the SSC laboratory's Small Business Program by the Department of Energy's inspector general concluded that the SSC laboratory had failed to award a sufficient number of subcontracts to businesses owned and controlled by socially and economically disadvantaged individuals.

These deficiencies in achieving minority participation in the super collider were first pointed out to me by the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON] and it is my intention to include similar corrective provisions in H.R. 1432, the Department of Energy Laboratory Technology Act of 1993, which the Science Committee expects to report to the House later this year.

Mr. Speaker, I very much appreciate the cooperation extended to our committee by the gentlemen from Alabama. I want to thank him and the chairman of the Committee on Appropriations, Mr. NATCHER, for consulting with the Science Committee on the provisions of title V. We have worked with the Appropriations Committee, the leadership of the House, with Ms. EDDIE BERNICE JOHNSON, and with the Department of Energy to fashion this language.

Normally, I am hesitant to accept legislative language in appropriations bills, and I know the gentleman from Kentucky is loathe to include it; but in this case, there is some urgency to see that these deficiencies are corrected as soon as possible, and so I am happy to accept this language and support the rule to bring the bill before the House.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Speaker, I rise in strong support of the rule and the superconducting super collider.

We have all heard about the importance of the SSC to our Nation's scientific research program and the technological advancements we can expect from SSC research. These are vitally important to our long-term economic interests.

Just as important, many companies in the defense industry are making the difficult transition from manufacturing military equipment to a much broader base of high technology products. Many of the engineers, technicians, and manufacturing workers in these companies are now involved in engineering and building the advanced components required for the SSC accelerator.

The SSC technology which is being transferred to U.S. industry will provide the applied science for many of these former defense equipment suppliers to build new civilian product lines based on superconductivity. Potential commercial applications of this critical technology include: Superconducting magnetic energy storage for utilities, Maglev vehicles for future transportation needs, highly efficient electric generators, ultrafast computers, and numerous other budding technologies.

I believe the SSC is an important step toward the future in developing our high-technology research capabilities, assisting economic conversion, repositioning our defense industries, and most important, keeping Americans working. In my district, Babcock & Wilcox, a major defense contractor that supplies all Navy nuclear fuel, has shifted highly trained employees from

their defense-related industries to SSC production in order to lessen the impact of diminishing defense dollars. This is going on—not only in my district—but all over the country. And it is a trend we must encourage to maintain our competitive edge.

Mr. Speaker, I urge my colleagues to support the rule and support the superconducting super collider.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, I am not going to try to defeat this rule. That would be both futile and unnecessary. I do want to draw attention to the way it structures the debate over the superconducting super collider.

The rule allows only 1 hour of debate on the SSC, a single hour to discuss the most expensive basic science project in our Nation's history, and a project that has generated great public controversy.

Why is the time so limited? Because the supporters of the project want to stifle debate. SSC proponents note that the facts work against them, as we will prove later. They want to make it as hard as possible for Members of this body and the public at large to hear the facts.

Last year, we voluntarily agreed to hold the debate to 2 hours. This year, proponents did not even pay us the courtesy of trying to arrange a time limit. They just went to the Committee on Rules and preempted a full-scale debate. I suppose some proponents would argue that only a short debate is needed because we have all heard these arguments before. But almost one-third of the Members of this body are new, and more significantly, new information is being made available every day, like the DOE inspector general's report on SSC excess spending that was just released this week.

I wish we could rely on everyone remembering what was said in past debates. We would remember a project that started out with an estimated cost of $4.4 billion, a project which is now estimated to cost in excess of $11 billion. We would remember the SSC proponents promising us last year that the project would not be built if foreign contributions did not hit at least $650 million, a figure that remains a pipe dream. We would remember a whole string of unfulfilled pledges.

I, too, accompanied the Speaker to Japan earlier in the year to meet with officials of the Japanese Government at the highest level, including the Prime Minister. Do the Members know what I found? There is not a constituency in Japan for the SSC.

I wish we had more time to hammer home the failures of the SSC, but the evidence is so overwhelming I expect our 30 minutes will be enough. I just wish the Committee on Rules had allotted time commensurate with the cost and significance of this project.

□ 1640

Mr. FROST. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, my friend from New York is his usual eloquent self. But I would point out to my good friend from New York, with whom I share a considerable interest in the sport of baseball, that we now have an hour during this rule which we can debate the SSC, we have an hour during general debate on the bill, and we have an hour specifically for the amendment. We have 3 hours.

I indicated to the gentleman from Kansas [Mr. SLATTERY], an opponent of the SSC, that I would be happy to yield him time during the rule for him to state his views. Certainly we will have adequate time to discuss this very important matter.

Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I am from Ohio. That is right, and I am not from Texas. I am hearing a lot of talk about Texas here today. I am for the superconducting super collider.

I want to remind the Members of this House that when the project was started States were able to bid for this project to locate it in their particular regions. Most of the States in the Union bid to house and be the home State for this great project. Ohio was one of them. No one worked harder than I did for the State of Ohio. The bottom line is there was only one State that would prevail. Texas prevailed and today I support Texas and this great project. Let me say this: Last time I heard, Texas was in the good old U.S. of A.

There are 45,000 separate contracts in 48 States of our Union that will in fact be part and parcel to this great project. We keep talking about all of these high-technology jobs for our workers, ladies and gentlemen. Where are the high-technology jobs going to come from if America will not be the leader in new technology initiatives?

I keep hearing about the complaints that none of these foreign countries have made commitments. Why would anyone make a commitment to any entity that is attempted to be killed every 6 months? Ladies and gentlemen, we have to assure the world that America will be the leader in the superconducting super collider, high-energy physics programs of the future, or we will not get those funds. BOB WALKER and GEORGE BROWN will come up with the foreign commitment if we give them the authority and tell them we are going ahead with the super collider program.

I support this project.

Let me say one last thing. The Department of Labor manual has listed new jobs. Listen to some of them, I say to my friend from New York [Mr. BOEHLERT]: Pantyhose crotch-closer, brassiere cup molder cutter, zipper trimmer, gizzard skin remover, sanitary napkin machine operator, ladies and gentlemen, impregnator helper. What in God's name is an impregnator helper? Maybe we will want to leave Congress and apply.

I say this to everybody in the Congress. If we are going to develop jobs in the next century for America, it will not be simply with infrastructure programs. America will reach out.

I commend the House for the tough vote on the space station, and I encourage and urge the House to vote for an American project, the superconducting super collider.

Mr. DREIER. Mr. Speaker, I am happy to yield 1 minute to my good friend, the gentleman from New York [Mr. BOEHLERT], if he would like to engage in a colloquy with a member with whom I agree on both the super conducting super collider and the space station.

Mr. BOEHLERT. I would just like to say to my distinguished colleague from Ohio that in his usual eloquence he pointed our something that we should all pay attention to: the need for jobs for America. As a matter of fact, jobs is my favorite four-letter word.

But I would point out that we have to look at the cost as well as the cause. This is one of the most expensive public works jobs programs in the history of man, a guesstimated $120,000 per job.

Also, I would like to point out to my colleague in the well that I am not a Texas-basher. As a matter of fact I enjoy Texas, and I supported the space station because I think the space station is good for America.

But we have got to start establishing some priorities here. Our national debt exceeds $4 trillion. We are spending $900 million every 24 hours just on interest on that national debt.

The American people are calling for change. They want us to establish some priorities. They want us to go with those things that offer the greatest promise for the future of America, and I suggest it offers great promise if we kill this project and redirect our resources to more promising activities.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Speaker, a little while ago, I voted to end funding for the space station. Having designed amateur rockets as a teenager, and having been an early and enthusiastic supporter of space exploration, I was very reluctant to do so. But with a $300 billion deficit and a $4 trillion national debt, difficult choices must be made, and, although the space station would be a good, useful tool for scientific experimentation, it simply does not rise to a high enough priority level to compete with social service and other essential programs for the inadequate funds available.

But essential projects must continue. I firmly believe the superconducting super collider is an essential project for this Nation. I am aware, of course, of the spinoff benefits of the super collider—the medical research benefits, the benefits of progress in superconductivity, the transportation, communications, energy, and computer technology applications.

But these are really secondary. They derive from the applied research necessary to develop the super collider itself. The real benefit of the super collider—the real necessity for completing it—consists of the knowledge to be gained by basic research into the forces that shape the universe. This is the most fundamental basic research. We are learning how matter and energy are formed and put together—how the very universe is constituted.

One cannot predict the technological, economic, medical, and other benefits that will be gained from this fundamental basic research. What we do know is that history shows that this kind of basic research always pays for itself many times over. For example, it was basic research into the nature of electrons—with no particular benefit at all in mind—research carried out with x-ray machines and with early particle accelerators—ancestors of the super collider—that led to the entire electronics industry and everything associated with it. It was basic research into sub-atomic particles and the forces acting on them—carried out with later generations of particle accelerations—the synchrotrons and the Bevatrons at Brookhaven and Fermilab and CERN in Europe—that led to modern, medical imaging technology.

It is in the nature of basic research that one cannot predict the specific outcomes or benefits. I am reminded of the story of Benjamin Franklin, who, when asked what possible benefit there might be from early experiments with flight, answered, "Madame of what use is a newborn baby?"

Unlike many of the uses of the space station, there is no possibility of doing this kind of basic research with any other machine, any other technique, in any other way, than with the super collider. One could make a case, if we had not already started work, that we could postpone the super collider for a few years. but with construction already begun, and billions already spent, to stop now is foolishness.

We should learn from the experience of history that this investment of a few billion dollars will pay off many times over in benefits to human welfare, to scientific knowledge, and to our economy. It is an investment in the welfare of our children, because we know it will redound to their economic, medical, and general welfare. We must not turn away from this.

□ 1650

Mr. DREIER. Mr. Speaker, I am very honored to welcome one of our great new Members of Congress, the gentleman from Arkansas [Mr. DICKEY], who has offered an amendment in the Committee on Rules. Tragically, the amendment is not made in order, and I think he might want to speak about that.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. DICKEY].

Mr. DICKEY. Mr. Speaker, I want to thank the gentleman from Claremont, OK, for yielding me this time.

The SSC has been a valid project with good science, but increasing costs in the schedule cannot be justified considering the current Federal fiscal crisis.

I was elected, and I ran, to cut spending, and we are not doing it with this project. This is not the project to continue the spending. But that is not what I am doing here.

I am here in support of the amendment offered by the gentleman from Kansas [Mr. SLATTERY] to delete the fiscal 1994 funds for the SSC which means to eliminate the funds. However, his amendment does not require that the cut SSC funds be used strictly for the deficit or for reducing the deficit.

When I saw that no one else was going to do this, I went and prepared an amendment to his amendment stating that the deficit would be the beneficiary of this decision to cut the SSC. The Committee on Rules, however, refused to allow that to come to a vote, and that is what I am here today for, to object to that.

My amendment would require the SSC funds that are cut to be retained in the Treasury and used to reduce the deficit, not be made available for other pork-barrel projects or tradeoffs or the normal appropriations process.

If the House accepts the proposal to end the SSC project, we must make sure the money is actually saved and not otherwise spent. The intent of my amendment is to provide for that assurance.

What I hope as a freshman is that that decision of the Committee on Rules was not because I was a Republican, not because I was a freshman, or not because I was on the wrong side of the issue. It is time that we earmark these funds for the deficit. That is what the American people want, and that is what I am committed to do, and I am going to continue to do it until somehow we get that attention across in this body.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentleman from New Jersey [Mr. ANDREWS].

Mr. ANDREWS of New Jersey. Mr. Speaker, I thank my friend, the gentleman from Texas, for yielding me this time.

Mr. Speaker, I rise in support of the rule and in opposition to the forthcoming Slattery amendment and in support of the SSC project.

There is no solution to this country's economic problems that does not require and involve a regeneration of economic growth in this country, and there is no formula for the regeneration of economic growth in this country that does not put science at the cutting edge, in the forefront.

In the early days of the country, the issue was transportation: How can we move our trade around the world and prosper? And we figured out a way, and we did it. In the early days of our country, the issue was agriculture: How could we become the most productive and efficient and prosperous agricultural society? And we figured out a way and we did it. Earlier this century, the issue was: How could we turn to mass production? How could we be the best and the most efficient at producing consumer and industrial goods for our country and for the world markets? And we figured out a way and we did it. Each time that we figured out a way, we were willing as a private-sector economy and as a government to step forward and invest the resources and the basic science and the basic research to figure out that way.

Mr. Speaker, the SSC project may never lead to one direct dollar of commercial spinoff. It may never lead to one job or one new company. But if the technologies that spin off of it are coherent and real and viable, if we do not have them, then someone else certainly will.

The cost of not trying, the cost of burying our heads in the sand, the cost of watching as our industrial and commercial competitors around the world move ahead as we sit on the sidelines is an opportunity cost that we cannot bear. In the next century, in the next millennium, the key to economic progress will be information, science, and the mastery of high technology.

Going forward with this project may not mean that we master those three areas, but failing to go forward with this project, I think, will certainly mean, certainly mean that we are passing up an opportunity to achieve that mastery.

I urge my colleagues in the House to oppose the Slattery amendment. Support the SSC project and support this rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON].

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, being a Texan, I have known about the super collider before its inception, and many States wanted to get the super collider, and some tell me that they are not supporting it now because it is not in their State. Well, this really is not a State project. It is a project for this, our America.

Mr. Speaker, I rise today in support of the superconducting super collider.

I, like many of my colleagues, have heard the claims of the detractors of this project who claim it is too expensive for too few returns. But I would like to highlight why this project is important to me and why I urge my colleagues to support the project.

Over the past decade, we have seen the United States fall behind in the race of economic competitiveness. We have seen industry after industry shipped overseas to Japan, to Germany, or Southeast Asia. There is, however, one area that we retain a significant edge and that is basic research.

We are not stealing from our children or our children's children or their children yet unborn. We are looking out for them, because we have been looked out for in the past. Just think of the things that we have today because somebody believed in research. We have lights, we have the technology of letting our voices go out, we have x ray, we have scans we have all kinds of testing.

Mr. Speaker, I stand here today alive and well because of testing that tests for cancer and was able to catch it in time to treat it. So I understand the meaning of research and the outcome of research. Many of you probably have had the results of good research and not recognized that this is what we are attempting to invest in now.

Now many of the arguments against this project are based on the uncertainty of what benefits this project would yield. I would argue that this project is about research, basic research. Mr. Chairman, I stand here today as a living, breathing example of what benefits basic research yields. I was stricken by cancer twice and I survived. Had it not been for the many nameless, faceless, research scientists who delved into the complex nature of matter, explored the properties of atomic-sized particles, I might not be here.

Let me share a few of the benefits of basic research. Through the study of particle physics in the fifties, research scientists were able to refine radiotherapy treatments to the point where the amount of radiation necessary in the treatment of breast cancer was reduced by 90 percent, saving the stress and wear and tear on the body, saving the money and yet getting the treatment done.

Particle physics research led to the principles which have enabled the development and improvement of imaging capabilities which allow us to identify tumors early on in their development.

Mr. Speaker, the scan machines, all of these developments came about because somebody 30, 40, 20 years ago did the research, and nobody complained because we knew it was great investment for the future.

In 1963, a study conducted by the health insurance plan of greater New York found that only 40 percent of breast cancers were discovered through mammography. A subsequent study conducted by the National Cancer Institute found that by 1982 91 percent of all tumors were discovered through mammography. Much of this progress was based on that investment in basic research 40 years ago.

We now are poised on the brink of new discoveries. High-energy physics research, basic research, has given way to the use of the cyclotron in proton emission therapy and has proved to be a promising new treatment in the fight against cancer.

Two weeks ago, I met a young woman, who had undergone proton emission therapy treatment at Loma Linda University Medical Center. She had been diagnosed with a type of ocular cancer, which if treated by traditional means would have left her with a 30-percent chance of keeping her eye and no chance of keeping her vision.

Conventional treatments would have also required her to check into the hospital undergo invasive surgery, incur the costs of a prolonged hospital stay and loss of time on the job. But through proton emission treatment, this woman was treated on outpatient basis at a tremendous savings to her and the health care system. She lost no time from her job and was able to keep her eye.

To me this illustrates the value of high-energy physics research to society. The research that will be conducted at the SSC will extend the study of those particles and that technology to one level beyond which it currently stands. There is no telling what will be revealed through the pursuit of this research.

Now the opponents of the SSC are passing out literature that says "the SSC is an inefficient way (at best) to conduct cancer research." No one is saying it is. But what the opponents of the project are actually saying is that they do not even want to pursue the basic knowledge that is necessary to create better and more efficient cancer research and treatment.

I realize that it is difficult to explain high-energy particle physics research to lay people. But the need to pursue basic research is not. The results are self-evident.

Over the past 50 years, we have built in this country the finest research complex on the face of this Earth. The ability to pioneer technological advances has been the backbone of American industry, both manufacturing and high technology and driven the innovations which have created the society in which we live.

I would like to remind my colleagues of our heritage as Americans. We are the Nation which developed the vaccine for polio, and put the first man on the Moon. We are also the Nation which made the investment in basic research which made these achievements possible. We have never before questioned the value of the quest for pure knowledge and we should not begin now.

I urge my colleagues to reflect carefully before they cast their vote on this project. We cannot pull the plug on the future of this Nation.

Mr. Speaker, I simply want to close by saying that we have a responsibility to look out for our children. We have a responsibility to our children.

We have talked about waste of money. This is an investment.

I would urge you and plead with you, do not pull the plug on our future. This is America. We must look out for our country, our children. We are here holding their trust.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, I would first like to commend the Committee on Rules and express my appreciation to them and particularly my friend, the gentleman from Texas [Mr. FROST], for making sure that we will have a clean opportunity to debate the merits of the superconducting super collider, and the rule before us this evening certainly makes that debate possible. I commend the Committee on Rules for doing that.

Let me observe that, in spite of the fact that my friend from Texas and I vigorously disagree on this particular issue, he has been more than fair in crafting this rule to enable the House to have the kind of debate this project certainly deserves.

Mr. Speaker, I hope that, as we move forward in the debate later this evening and tomorrow on the question of the superconducting super collider, that we will have the quality of debate that we heard earlier this afternoon on the question of the space station that was addressed by the amendment offered by our friend, the gentleman from Indiana [Mr. ROEMER].

□ 1700

As we debate the superconducting super collider, we must do so in the context of what we can afford. We must measure the costs of this project against the benefits of the project.

One of the points that I think we have to focus on is the fact that this whole project was originally conceived with the view that we would obtain $1.7 billion in foreign contributions. The fact of the matter is those foreign contributions have not materialized. This body, if my colleagues would recall, last year went so far as to adopt an amendment that said that if we did not have $750 million in the bank by April 1, 1993, then we would not move forward with this project.

So when I offer my amendment tomorrow, I hope that my colleagues will keep that in mind. I am merely asking this body to keep our word.

In addition to that, I would point out that we will have the opportunity under the rule to debate this issue and also focus on some of the severe management problems that have been brought to the attention of the country by the General Accounting Office and also by the inspector general's office of the Department of Energy.

Again, I express my gratitude to the gentleman from Texas [Mr. FROST] for his fairness in the handling of this whole issue. I look forward to the debate.

Mr. DREIER. Mr. Speaker, I yield 2 additional minutes to my friend, the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. I thank the gentleman for yielding this additional time to me.

I would like to address, Mr. Speaker and my colleagues, some of the remarks made by the proponents of the SSC. Like them, I am anxious to have the United States expand new horizons and new frontiers in science. But I would point out that this single expenditure for this single project is crowding out other, very important science. For example, my colleagues and the American people should understand that we will be funding fewer, rather than more, scientific projects at the National Cancer Institute this year.

This year, two out of three of the applications for science projects in the National Science Foundation are going unfunded, not because they are not meritorious but because we simply do not have the resources to fund those projects.

The National Institutes of Health had to turn away many scientists with promising projects simply because we do not have enough money to fund them.

If we want to make advances in agriculture, it makes sense to me to invest in agricultural research; if we want to make progress in combating the dreaded disease of cancer, it makes sense to me to invest in the National Cancer Institute.

All of these ideas make a great deal of sense to me, but more than anything, I am hearing the clarion call from around America: "Establish some realistic priorities."

I would point out to my colleagues, to those who say this is a jobs program and this is something that industry supports, yes, a narrow phase of the industry, if they have a piece of the action. But 3 years ago the Industrial Research Institute, which consists of the top people in the private sector in corporate America who are in charge of R&D programs in America, were asked to rate five big science megabuck projects in terms of their return to the American economy for the investment.

They rated them in the following manner. The most promising, the human genome project; second, the national aerospace plane, they said, offers great excitement; third, the space station; fourth, the strategic defense initiative; and dead last is the superconducting super collider.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to one of the most eloquent proponents of the superconducting super collider, my friend the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker and Members of this body, I rise in support of the rule for consideration of the energy and water appropriation bill. Specifically, I rise to support the continuation of the world's greatest high-energy physics research project, the SSC, or the superconducting super collider. I would ask my colleagues to cast a "no" vote against the expected amendment to kill the project.

The SSC is an idea whose time has come. Beginning in 1982 the scientific community began to discuss whether it is technically feasible and, if technically feasible, if it was in the scientific interest of this Nation to build what we now know as the SSC. They decided that it was. The U.S. Congress agreed with that decision in 1984 and, beginning in 1985, we have been funding moneys for the research projects beginning in 1989 to build the project. It is now 17 percent complete. Only 3 percent of the contingency fund has been used.

At the end of this fiscal year, including the State of Texas money, $2 billion will have been expended on the program. It will work. The magnets are working beautifully. The scientists guarantee that somewhere in the energy range that the super collider will operate at, that they will discover some of the answers they have been looking for for the last several thousand years.

I would urge my colleagues to listen carefully to the floor debate tomorrow on the super collider, and I would urge them to vote "no" on the amendment to kill the project.

Mr. DREIER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, we have decided, on the minority side of the aisle, that we are going to support this rule. But I should say we do not do so with a great deal of enthusiasm. We call this a modified open rule. That still classifies it in the restrictive category.

The reason we are supporting it is that we do believe that it does give people on both sides of this very controversial issue, the superconducting super collider—I think I said it appropriately there, I say to the gentleman from Indiana [Mr. MYERS]—the opportunity to debate this issue fully. And while I will proudly stand in this well as an opponent of the Slattery amendment, I am proud to stand here as a proponent of his right to offer that amendment. It is for that reason that we will be supporting this rule.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield the remaining 2 minutes to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. I thank the gentleman for yielding this time to me.

Mr. Speaker, tomorrow I will offer an amendment to cut $32 million from this bill, funding intended for the advanced liquid metal reactor [ALMR].

I would like to point out that the advanced liquid metal reactor is not economical. It is not cost-effective compared to the lightwater reactor. As the price of uranium has dropped, the ALMR is not useful as a generation technique, and last year the Department of Energy rated it 21st of 23 programs as an energy-generation strategy.

Nor does this program make sense as a waste-reduction tool. It is not environmentally sound. There is no great advantage to recycle high-level radioactive waste; the ALMR does not address water-soluble wastes; it generates new, lower-level wastes, and we still would need long-term storage facilities for the high-level wastes remaining.

The ALMR is also a proliferation threat. It creates plutonium, or could create plutonium, and anyone sophisticated enough to operate this type of reactor can figure out how to separate out the plutonium.

Let me say also what this amendment is not. It is not antinuclear. The nuclear industry wants research on more cost-effective advanced lightwater reactors. The largest utility in my State, Arizona Public Service Co., which just received the Edison Electric Institute's Utility of the Year Award as the best utility in the country, operates the largest and safest nuclear facility in the United States, generating about 40 percent of APS' power.

Thus, I am not antinuclear. What I want is for our energy research money to be spent in the best way possible. This amendment does not close the nuclear option. Instead, what Mr. ZIMMER, Mr. SHARP, and I want to do with this amendment is to prevent a fiscal meltdown.

This amendment has bipartisan support as well as support from a unique collection of groups, including the National Taxpayers Union, the League of Conservation Voters, and the Sierra Club—together at last.

I urge my colleagues: Reduce the deficit, protect the environment, bag the breeder. Vote "yes" on the Coppersmith-Sharp-Zimmer amendment tomorrow to cut the advanced liquid metal reactor.

□ 1710

Mr. DREIER. Mr. Speaker, I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW, THURSDAY, JUNE 24, 1993

Mr. FROST. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9:30 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1994

Mr. BEVILL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Indiana [Mr. MYERS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from New Jersey [Mr. HUGHES] as Chairman of the Committee of the Whole and requests the gentleman from Maryland [Mr. CARDIN] to assume the chair temporarily.

□ 1711

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, with Mr. CARDIN, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Alabama [Mr. BEVILL] will be recognized for 30 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I yield such time as he may use to the gentleman from Kentucky [Mr. NATCHER], the distinguished chairman of the Committee on Appropriations.

Mr. NATCHER. Mr. Chairman, I rise in support of the energy and water development appropriations bill for fiscal year 1994. This is the fifth appropriations bill for fiscal year 1994 to come before the house.

I want to commend the gentleman from Alabama [Mr. BEVILL], chairman of the energy and water development appropriations subcommittee, and the gentleman from Indiana [Mr. MYERS], the ranking minority member on the subcommittee for bringing out a fine bill.

This bill funds important water resources projects in the Corps of Engineers and Bureau of Reclamation and Important Energy Research and Nuclear Energy Defense Activities. We need to continue these activities so that these type projects and activities can provide important benefits to the country and to the people.

This is the last appropriations bill on the floor this week. Next week will be an active one on the floor as the House considers the seven bills reported by the Committee on Appropriations this week. We are continuing to move our bills for consideration prior to our Fourth of July work period according to the schedule.

I want to commend all members of the subcommittee for a job well done.

I urge adoption of this bill.

Mr. BEVILL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we bring to you today for your favorable consideration the bill, H.R. 2445, making appropriations for energy and water development for the fiscal year 1994. I am joined by this effort by my colleagues on the Energy and Water Development Subcommittee who have worked long and hard to bring this legislation to the floor. Let me express my special appreciation to our ranking minority member, the gentleman from Indiana [Mr. MYERS]. As in years past, he and I have worked together with the subcommittee without any trace of partisanship to fashion a bill that meets the present and future needs of our entire country. I also want to express my appreciation and thanks to the members of the subcommittee, the gentleman from California [Mr. FAZIO], the gentleman from Texas [Mr. CHAPMAN], the gentleman from Florida [Mr. PETERSON], the gentleman from Arizona [Mr. PASTOR]. the gentlewoman from Florida [Mrs. MEEK], the gentleman from New Jersey [Mr. GALLO], and the gentleman from Kentucky [Mr. ROGERS]. I want to also thank Chairman NATCHER, a member of the subcommittee, and Mr. MCDADE for their assistance. I would like to note that we have four new members on the subcommittee this year, and they have been very valuable members of the subcommittee. They all worked very had in a bipartisan manner to bring this bill to the House floor for your consideration.

Mr. Chairman, at the outset, I want to point out to Members of the House that this bill is within the section 602(b) allocation for both new budget authority and outlays. It is right at the 602(b) allocation for outlays, and $63,828,000 below the 602(b) allocation for budget authority. I caution members that any amendments offered to increase appropriations for any programs in this bill will put it over our allocation amount as we are right at our ceiling for outlays.

Mr. Chairman, the committee believes that this is the best bill that could be developed within the severe budget constraints that we faced. The bill before the committee today would provide $21,953,172,000 to the Army Corps of Engineers, the Bureau of Reclamation, the Department of Energy, and nine independent agencies and commissions. This amount is $285,476,000 lower than the President's budget and $126,375,000 lower than the fiscal year 1993 appropriation.

I would like to note that the total amount recommended in the bill is $22,187,618,000 in budget authority. However, the Congressional Budget Office has scored the bill at a total amount of $21,953,172,000 due to various adjustments needed to compensate for $234,446,000 of excess revenues and other adjustments credited to accounts in this bill. The $21,935,172,000 is less than the subcommittee's 602(b) allocation for budget authority.

TITLES I AND II—WATER RESOURCE DEVELOPMENT

Mr. Chairman, the committee is committed to a policy of development of the vital navigation, flood control, shore protection, water supply, irrigation, environmental restoration, and hydroelectric projects that are nec-

essary to the well-being and economic growth of the entire Nation. No part of this country is immune from the problems of water—too little or too much—and all States of the Union must join together cooperatively to foster a truly national water policy which responds to the unique needs of each State and region.

Title I includes $3,901,353,000 for the Corps of Engineers which provides for 551 water resource projects in the planning of construction phases.

Title II includes $859,397,000 for the Bureau of Reclamation which provides for 126 water resources projects in the planning or construction phases.

Title I and II also provide for research and development activities, other studies which are not project specific, and projects in the operation and maintenance category. Within the available funds, the subcommittee has attempted to accommodate the most critical needs, within budget constraints, identified through the extensive hearings conducted with administration witnesses, the public, State and local officials, and Members of Congress.

TITLE III—DEPARTMENT OF ENERGY

In title III, for the Department of Energy, the recommendation provides a total of $16,822,304,000. The amount recommended for energy research programs maintains a balanced energy research program and a healthy scientific research effort. The recommendations include many changes in the request which are summarized in the report. I will mention a few.

In the energy programs of the Department of Energy, several items are worth mentioning:

For solar and renewable energy programs, we are recommending $326,191,000, an increase of $257,334,000 over last year's funding level.

The Magnetic Fusion Program was funded at $347,595,000, the same as the budget request.

In basic energy sciences, funding of $22,000,000 has been provided for the advanced neutron source to fund the detailed technical work required prior to physical construction of the project.

For environmental restoration and cleanup activities at Department of Energy defense and nondefense facilities, the committee recommendation is $6,189,675,000, which is an increase of $648,434,000 over the fiscal year 1993 appropriation.

For nuclear energy R&D, the recommendation is $330,956,000, a decrease of $10,898,000 from the fiscal year 1993 level. The committee has agreed to terminate some of the facilities currently being maintained by the Department, but has continued limited funding of advanced reactor research alternatives.

For general science and research, the committee recommendation provides a total of $1,594,114,000, an increase of $176,330,000 over the fiscal year 1993 appropriation. The recommendation includes $620,000,000 for the superconducting super collider, a decrease of $20,000,000 from the budget request of $640,000,000. In addition, the committee recommendation provides $36,000,000, the same as the budget request, to construct an asymmetric B-meson production facility (B-factory).

The recommendation for defense programs of $10,924,941,000 is $1,193,684,000 below the current appropriation and $596,086,000 below the budget request. The recommended level includes increased funds for defense waste cleanup as I noted previously.

TITLE IV—INDEPENDENT AGENCIES

Title IV of the bill includes $370,118,000 for nine independent agencies. This is the same as the budget request.

We have provided $189,000,000 for the Appalachian Regional Commission; $138,973,000 for the Tennessee Valley Authority; $15,060,000 for the Defense Nuclear Facilities Safety Board; $2,160,000 for the Nuclear Waste Technical Review Board, $1,000,000 for the Office of the Nuclear Waste Negotiator, and $1,925,000 for three river basin commissions.

The committee recommendation provides $542,900,000 for the Nuclear Regulatory Commission, which is offset by revenues of $520,900,000, resulting in a net appropriation of $22,000,000.

GENERAL PROVISION

The bill contains one general provision regarding the superconducting super collider which establishes a goal of making funding available to business concerns owned and controlled by socially and economically disadvantaged individuals.

COMMITTEE REPORT

The report accompanying the bill provides a good explanation of the recommendations reflected in the bill. I would encourage the Members to look through it.

This is a good bill. I recommend its adoption.

□ 1720

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I rise to address provisions in H.R. 2445 relating to the Army Corps of Engineers' Civil Works/Water Resources Program.

First, let me commend the leadership of the Appropriations Committee for their efforts and their cooperation with the Public Works and Transportation Committee, the authorizing committee for the Corps' water resources programs. In particular, I want to thank Chairmen WILLIAM NATCHER and TOM BEVILL and ranking members JOE MCDADE and JOHN MYERS for their willingness to address funding needs of the Nation's largest water resources agency, the Corps of Engineers.

I also want to thank the Appropriations Committee for its help in implementing various sections of the Water Resources Development Act of 1992. For example, section 313 of the 1992 act authorized a comprehensive environmental infrastructure and resource development program for south-central Pennsylvania. As one of its primary drafters, I can assure Members that the intent of the Public Works and Transportation Committee was to expand the corps' mission and authorities to meet various environmental infrastructure and resource development needs of rural communities—without in any way competing with opportunities for private sector engineering and other groups. Just as importantly, we viewed section 313 as a critically needed pilot program for the corps to accelerate project study, design, and construction and get assistance to needy communities in a timely manner.

The section 313 pilot program also required equal emphasis on projects located within the Chesapeake Bay and Ohio River watersheds. This would help to provide regional balance in meeting the many diverse environmental, economic and developmental needs throughout the south-central Pennsylvania area and would allow two different corps districts and divisions to get involved in helping to solve these pressing problems.

Mr. Chairman, H.R. 2445 is consistent with our intent regarding section 313. While it provides only $10 million of the $17 million authorized, it will help get the corps moving in the right direction—beyond preliminary study and planning and swiftly into project construction and implementation. This is not merely study money; it is money to get various projects up and running. While $10 million is less than I had hoped for, $5 million for each of these watersheds will go a long way in meeting the region's needs.

The Appropriations Committee's report spells out two of the projects that are to receive equal priority attention—one for the Altoona city authority and one for the Forest Hills municipal authority.

Mr. Chairman, I would be remiss if I did not thank Congressman JOHN MURTHA for the invaluable role he has played in both authorizing and appropriating funds for the south-central Pennsylvania program. We worked together on the provision in the 1992 act and again in the drafting of funding provisions in this bill. I appreciate his leadership and help.

I also appreciate the committee's willingness to address other water resources issues in south-central Pennsylvania. For example, the bill provides $400,000 for a watershed reclamation and wetlands pilot project for the Broad Top Region. It also appropriates $450,000 for the corps to initiate a comprehensive study of the Juniata River corridor, including a reevaluation of the flood control needs of Tyrone, PA.

These and other provisions in H.R. 2445 are critical to meeting various water resources needs throughout my region. I appreciate the work of the committee not only as it pertains to south-central Pennsylvania but also to the entire Nation's water resources and environmental infrastructure.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Alabama [Mr. BEVILL] for his

comments and, once again, his Committee on Appropriations for energy and water development with whom I have had the pleasure to work with all these years. They have presented a bill that we bring to the floor today, and he has done a capable and able job, which he always does, of explaining the details of the bill, and that relieves me of the responsibility for doing that.

But I do want to join him in thanking especially the new members of the committee who contributed so much during this year. We have the gentleman from Florida [Mr. PETERSON] who is here on the floor today. We have the gentleman from Arizona [Mr. PASTOR], the gentlewoman from Florida [Mrs. MEEK], and the gentleman from Kentucky [Mr. ROGERS], all of whom contributed very much to it, and under the able leadership of our staff director and his fine group here of staff who worked so hard and have worked with the committee, Mr. Chairman, we have been able to bring the bill to the floor, not as quick as usual. Someone here yesterday said, "You're fifth on the order here, and years before you've always been No. 1," and we have prided ourselves. But we had a difficult time this year putting all the pieces together and to prioritize the many requests that we have had.

Mr. Chairman, we had more than 100 Members who testified before our committee, a number of Governors, and we had hundreds of requests from all over the country, as we always have, and all the programs, or most all of them, are very important to the localities, and I know when the chairman and I were on this committee a good many years ago that this was known as the all-American bill because the bill does touch every district in this country and touches some outside the country. But it is a very important bill because it does help provide the energy needs for our future.

Mr. Chairman, we hope we are anticipating the energy needs for the future. It provides for many of the transportation needs of our country. More than 25,000 miles of inland waterways come under the jurisdiction of the Appropriations Subcommittee for Energy and Water Development, and also the ports which are so vital to our exports of our products, and a few imports coming in are so important, and this comes under the jurisdiction of this committee.

Mr. Chairman, it has been a busy committee, but, as the chairman has said, this year we have $21,900,000,000 in the bill, of which almost half is for defense activities. This is something that shocks especially new Members because they do not realize that this committee does have, through the Department of Energy, a large responsibility in defense.

We have reduced the defense budget somewhat this year to accommodate some other needs, but I do not think we have dangerously reduced the defense activities to the point that we are jeopardizing the future of nuclear needs of our country for our naval reactors, as well as repossession of some of our nuclear weapons. We are, as the chairman said, $126,300,000 below last year's level in budget authority, and, as far as the budget requests, we are under the President's request by $285,400,000.

□ 1730

But we are right on the money as far as the outlays are concerned under the 602(b) allocations. And for those of you who wonder what 602(b) is, that is the allocation made to the various subcommittees by the Committee on the Budget of how much money we do have to spend on outlays. Outlays is what really concerns all of us, because that is how much the taxpayers will have to raise, either through taxes or through borrowing, to pay for the various programs. So we are right up to the 602(b) allocation in outlays.

We are $64 million under last year. But when you look at the outlays, we are right up against it.

So, as the chairman said, I hope no one will ask this committee to raise the amount of money we have authorized for appropriations in this, because we will not be able to accommodate. We would have to object. If someone does have a suggestion that we are going to raise money, it is going to have to be also offset. It has to come out of some other program in their State.

Mr. Chairman, the defense activities are something that has always taken in recent years a lion's share here, but this year we have reduced it, and I do not think we cut it, as I mentioned a moment ago, below the necessary levels.

In closing, the administration also complimented us on the fact that we did find some additional savings that the administration was not able to find in defense.

The administration did have some objections, rather mild compared to other years. They do not say they are going to reject the bill, as a few times in the past we have had President who sent us through his Office of Management and Budget, that OMB would recommend the President to veto it.

This is not the kind of message we have received this year. But the President says in his investment program that the committee has provided sufficient funding for most of the administration's investment requests. Of course, there have been some disagreements, as there always are. This committee through the years has learned to learn of certain programs and certain projects that are beneficial and others that we felt through out personal investigation, going out and investigating, our staff investigation, actually site investigation, found that some of the programs have not been what we feel as high a priority as others, as much as the administration sometimes requested.

The administration also says, in the Corps of Engineers, as well as the Bureau of Reclamation, we have put some projects in that the administration did not request. But then again, we have listened to the Members, to mayors, to Governors, to legislators, to concerned citizens, about these projects, about the need for flood control, about the need of renovating, bringing port facilities up to date for the inland waterways, for certain dams and the gates and the transportation system. When we have to go through the system of transportation, some of the systems get worn out and outgrown, so we have had to make some modifications here that the President did not request.

The President also objected to the uranium enrichment facilities, that we believe will have to continue. We did provide for continuation of the investment in the uranium enrichment facility for the time being, because we realize we are still going to be producing uranium for the future and we are going to be needing nuclear reactors, both for defense as well as for civilian reactors to generate electricity.

In sum, Mr. Chairman, this is the most austere budget that in the years that I have been on, with the chairman, that we have come to the floor with. But every item in this budget we can defend and have defended. They are good programs, they are good projects, and they are worthy of your consideration and your vote. Your committee and the staff have worked hard for the last several months in developing this bill. It is right on the money.

So I hope that all of us can support this bill, that provides so much for the needs of the future of our country and for future generations.

Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to my good friend, the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, without a doubt, one of the most challenging tasks in my congressional career has been this year's service as a member of the Appropriations Energy and Water Development Subcommittee. It has been a challenge because of the number of highly meritorious projects that were proposed to the subcommittee in a year when its allocation was less than the previous year.

Difficult decisions had to be made, but today I stand before you confident that the bill under consideration is a well-balanced and bipartisan mix that does not favor any one region of the United States over another. It recognizes the need of this Nation to invest in the future through research to in-

clude the super collider, but I must emphasize—this is not just an SSC project bill. It is a big mistake to focus on a single project in this complex bill.

As an example, this bill provides for our Nation's water resources through the best utilization of the U.S. Army Corps of Engineers, the Bureau of Land Management, and the Department of Energy.

It addresses changing world politics by expanding our nuclear defense weapons activities into greater emphasis on the cleanup of past mistakes and development of alternative energy sources for our future.

It, too, recognizes the valuable contribution of our universities to the national research effort. The bill has a strong central thread of environmental restoration and protection running through it.

I must say, that it has been a pleasure to work with Chairman BEVILL, and ranking member JOHN MYERS who have exhibited outstanding leadership and guidance, on this complex task. While not all the projects have been funded that we would have liked to see, I believe it stretches taxpayer dollars to the fullest extent possible.

The bill is below the President's budget recommendation yet represents the Nation's priorities.

For that reason, I urge my colleagues to support this bill as a most reasonable step toward fiscal responsibility and a most sensible step toward a more productive future for America.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. GALLO], whom I thank for carrying this bill last year. I necessarily had to leave the floor last year because of personal reasons, and I thank the gentleman very much for doing that last year, and I thank him as well for his hard work in putting this bill together this year.

Mr. GALLO. Mr. Chairman, I rise today in support of H.R. 2445 and its accompanying report making appropriations for energy and water development for fiscal year 1994 and I urge my colleagues to support the bill.

As a member of this subcommittee, I would like to thank Chairman BEVILL and ranking member JOHN MYERS for their leadership and direction. I would also like to thank the dedicated and capable staff of the subcommittee for their expertise and knowledge of these important issues.

This year the subcommittee had a difficult task balancing our Nation's energy and water needs. However, again this year the subcommittee was able to craft a bill that will continue to move this country toward energy efficiency and energy independence.

With this bill we have also made a significant long-term commitment to the development of new energy sources for our future needs. Often times we find it very difficult to look to the future for our energy needs. However, we must make the commitment now. We must provide the economic opportunities today. Without this investment we are dooming our future generations to a lower standard of living and less productive lives.

I believe this bill takes that necessary step. Within this bill we have funded programs that will make this country less dependent on foreign sources of energy. We have funded scientific research that will give us the edge and the capability to take this country into the 21st century. I am pleased that the committee increased the solar and renewable energy accounts from last year.

An important element of this year's bill is the money provided for magnetic fusion research. It is difficult to think of a more worthwhile Federal investment than research and development into future energy alternatives. Fusion holds the promise of an environmentally benign and safe source of energy and it is an investment that I am happy to support.

Fusion is an investment in our future—a future where the growing energy demands of the world are combining with the environmental consequences of relying on fossil fuels to make fusion a clean and necessary energy choice. It is important that we sustain our investment in fusion now so that U.S. industries can harness this technology for the rest of the world. My dream is that fusion machines of the next century are labeled "Made in the U.S.A." and that American companies will be in a position to capitalize on this important Federal investment.

I am particularly pleased that this bill contains funds for the Tokamak physics experiment [TPX] that will replace the country's largest fusion device at Princeton. We have not built a major fusion machine in this country since the 1970's and TPX is unique in world fusion efforts. TPX will contribute to ITER, and it will provide the central focus of the U.S. fusion program in the years ahead and will ensure that fusion talent and technology remains in the United States.

The committee also included funding for the super collider [SSC]. The super collider is an important scientific project for the United States to pursue. The SSC will be the most powerful accelerator of its type in the world and we cannot continue to have our heads buried in the sand when it comes to high-technology American research projects.

It is unfortunate that again the funding for this project is spread out. Every time we continue to spread out the funding for these important projects we raise the total cost for the project. We need to stand firm on our commitment so that cost can be kept down.

In addition, this bill also provides funding for a number of critical flood control projects throughout the United States. These important projects will help prevent property damage in areas with recognized flooding problems. It is even more important, however, that these projects move forward in order to save the countless lives lost to devastating floods. This bill provides the needed relief to those areas stricken each year by floods.

Preparing for our future needs is never easy, but H.R. 2445 provides the insight and programs that will make it a little easier. I urge the adoption of this important bill.

□ 1740

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to our friend and colleague, the gentleman from Arizona [Mr. PASTOR], another member of this panel.

Mr. PASTOR. Mr. Chairman, this has been quite an experience for me. This is the first time I have been a member of this particular subcommittee, the Subcommittee on Energy and Water Development of the Committee on Appropriations, and it has been a learning experience.

First of all, Mr. Chairman, I wanted to thank the chairman, the gentleman from Alabama [Mr. BEVILL] and the ranking member, the gentleman from Indiana [Mr. MYERS]. For someone who did not know the details of the committee, they provided us information, tender loving care, and helped us with this subcommittee, so I thank both these Members for being patient with us as we learned the workings of the subcommittee.

It was very interesting, because for me, I spent a number of weeks attending hearings in which the first hearing we had, I had a chance to see the Secretary of the Interior and old friend, Governor Babbitt. He came before us and gave us what he thought was needed through the Bureau of Reclamation. Through this committee hearing, we are going to provide many projects through the Bureau of Reclamation.

One of the things I personally learned through this experience is the extensive inland waterways that we have in this country, a system that provides transportation to many of our goods, agricultural products, to go from where they are grown or developed or manufactured to the ports and harbors where they are taken to foreign lands. It was an extensive impression that it gave me of this extensive inland waterway that we have.

This bill helps the development, it helps the maintenance and the operation of this inland waterway, which I learned how important it is to our country. Through the Corps of Engineers, through their testimony, we are helping Americans recover from disasters. We are also planning for the future, in that we are providing monies to protect Americans in this country from disasters and floods.

We not only deal with the present or past disasters, but we also look to the future to see how we are going to ensure that Americans will not be damaged in disasters, and especially in floods.

The other department that came before us was the Department of Energy. Here I learned how this department is now going to emphasize conservation, something that we have not done in the past 12 years. This department now is looking to how Americans can conserve the use of energy, which is very important, Mr. Chairman. They are also looking at alternative energy sources, solar energy, wind, thermal, so that we can ensure that we develop these renewable sources of energy so that we do not have to be dependent on fossil fuels.

The department also is going to convert our national labs, who in the past have dedicated their research to defense, to weapons, and this department now is going to work with these national labs to see how they can convert to nondefense research.

Mr. Chairman, I support this bill and urge my colleagues to support it.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky [Mr. ROGERS]. The gentleman is not a new Member of Congress nor a new member of the Committee on Appropriations, but he is a new member of this subcommittee and was a great contributor to the bill we have before us today.

Mr. ROGERS. Mr. Chairman, I thank my colleague for yielding me this time.

Mr. Chairman, I rise in support, as well, of the energy and water development appropriations bill that is before us. At the outset I want to thank and congratulate our chairman, the gentleman from Alabama [Mr. BEVILL], and the ranking Republican on the subcommittee, the gentleman from Indiana [Mr. MYERS], for their work and their support in the interests of the Members of this body, and, consequently, the country in putting this bill together.

As the gentleman from Indiana [Mr. MYERS] has mentioned, I am one of the new members of the panel. I have only joined it this year, although I have served on the Committee on Appropriations now I think 10 years or so. Barely a handful of subcommittees in this body handle the variety of requests from our colleagues that this subcommittee does, I have learned, or on such a vital array of programs.

These two gentleman, whose collective experience and collective wisdom and judgment mean so much to this body, a real valuable asset, years and years of experience that these two Members of Congress have given to this subcommittee and to the country, is indeed a very valuable part of this institution.

Mr. Chairman, I want to say something about the staff work on this subcommittee. I have learned from my experience this year of the tremendous amount of experience this staff has, and the amount of attention to detail that they have devoted to this bill. I am sure this is only the last installment of that. We appreciate the work of the staff and the leaders of the committee.

For those in the country who read about gridlock in Congress, I would like to invite them to come and sit in on a meeting of the Subcommittee on Energy and Water Development of the Committee on Appropriations. It is a bipartisan operating committee. We differ on issues, but we do not differ personally, and we try to work together for the benefit of the country. That is a tribute, again, to the leadership, the chairman and the ranking member, who set such a good example for the rest of us.

Mr. Chairman, the bill before us continues, as has been mentioned, a number of programs and agencies that are truly vital to the country: The water resources work of the Corps of Engineers; the nuclear programs of the country, both civilian and military, on which our national security depends; research to ensure reliable energy for generations to come; and economic development programs that serve the particularly needy regions of the country.

In particular, as we all know, the Corps of Engineers is an enormously important water management agency within the Federal Government. We recognize the corps for its work to improve the navigation of our waterways, to provide water supply, to operate lakes for recreation and hydropower, and a number of other tasks.

In my part of the country, in eastern Kentucky, we rely on the corps for all those things, but first and foremost, we rely upon the corps to protect our communities from damaging flood waters, to make them safe places to live and to do business.

I am pleased, therefore, that under this bill the corps will be able to continue providing vital flood protection work in the communities in my region and throughout the country. The people of eastern Kentucky are just as entitled as those in other parts of the country to watch a dark cloud on the horizon without having to worry that it might be the one that sweeps away their home or business.

Mr. Chairman, I also want to commend the committee for including funds that continue the work of the Appalachian Regional Commission, helping needy areas of the country and the other Appalachian States in addition to Kentucky to help themselves.

□ 1750

The ARC is the helping and innovative hand without which many of our neediest would go underserved. By providing the budget request for the ARC, the bill continues to deliver clean water, better schooling and training, highways and other badly needed basic services to an impoverished region of the country.

Mr. Chairman, this is a very good bill, and it has been put together responsibly and conservatively, and I urge our colleagues to support it when the vote comes.

Mr. BEVILL. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], who is also a member of this panel.

Mrs. MEEK. Mr. Chairman, I would like to address my remarks to all of the Members of the House, but most distinctly to Chairman BEVILL of our committee and to our ranking minority member, JOHN MYERS, who is a good friend and colleague. This is my first year on this panel and it has been most instructive. The staff has been supportive as well as having taken time to give us personal training and personal guidance in what we do on this committee. So it just has not been a haphazard process for the Committee on Energy and Water. It has been purposeful, it has been deliberate and well-guided in this process.

Certain goals were set and they were met. Certainly this could not have happened if it were not for the good leadership and the good staff. So that gives me a great privilege in my freshman year to be a part of this committee.

This particular bill, H.R. 2445, is a very good bill which each of us as policymakers are distinctly privileged to have a part in making this bill come to the floor today. Because of that we know that we are serving the needs of our country and we know that through this committee we will be serving the water needs of the country and we will be serving the energy needs and the many other needs. If there is one bill in this entire Congress that has a broad, eclectic approach for everyone, it is the Committee on Energy and Water's bill, and our committee has done that. There is something in it for everyone.

I am so happy to know that we are now on the forefront of research and development so our universities can point toward what is necessary for the 21st century, and this Congress has had the foresight to do that.

Certainly I take my hat off to the Corps of Engineers and their disaster control, and how they were the saving grace in south Florida when we were devastated by Hurricane Andrew. It is almost 1 year since that devastation, and if it were not for the U.S. Corps of Engineers, certainly Florida would not be in the position it is in today of recovering from that major disaster. This committee funds the U.S. Corps of Engineers, and I think it is a credible way of funding an agency such as that.

Also, the Department of Energy we see stepping out on the forefront of re-

search and development, and the superconducting super collider came before our committee. We feel that that is a reach into the future, a reach into man being able to look into the future and see what is exactly needed in the area of medical research. How do we know but that one of our lives may be saved by the proton research therapy which comes about because of the superconducting super collider?

But all in all, we will go into the next century as a world leader because of this committee and because of the foresight it has. We have had cooperation and advice from all of these agencies, and we have taken a handle on the water situation in this country. If there has ever been a program or a committee that is nonpartisan and nonideological, it is this particular committee. And I thank the chairman of the subcommittee for giving me this opportunity.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], one of the newest Members of the House who, although he is not on this subcommittee, came to us early on and started working with this committee.

Mr. PORTMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise today to express my deep concern on that part of the legislation before us that reduces the administration's request for defense environmental restoration and waste management. I am 100 percent behind cutting Government waste, but we cannot take short cuts when dealing with nuclear waste. The Fernald plant located in my district and similar waste sites around the country where people live with the nightmare of nuclear byproducts deserve the full attention of this Congress and full funding for cleanup.

Fernald continues to receive national media attention because of the environmental disaster created by seepage of nuclear waste and the ensuing contamination of ground water and hundreds of acres of land. The careless disposal of waste has elevated health risks and threatened the drinking water of individual citizens and entire communities.

It was unfortunate when we learned a couple of months ago that funding for Fernald would be cut by the administration despite early indications that the cleanup would proceed as planned. It would be a serious setback if the cleanup in progress would now be forced to cut back even further.

The Fernald cleanup is being accomplished using a new vehicle—the Environmental Restoration Management Contract Program. The program offers a new way for the Government to do business—providing incentives for the private sector to complete its work in a timely and efficient manner. We were told this new approach would be the wave of the future—that it could mean that the days of huge cost overruns and years of delay could be over. This promising program, barely a year old, has not had a chance to succeed, and yet we are talking about the possibility of substantially reducing its funding.

In the case of Fernald, reduced funding now means over $1 billion in additional costs later. It means the loss of jobs—300 to 600 starting this October. It means that the citizens of my district must suffer longer with the fears of nuclear contamination. I hope that the issue of funding for this cleanup can be addressed in this legislation or in later actions.

Let us give this new approach being tried at Fernald that has so much promise a chance to succeed and let us give some hope to our citizens that this nightmare may soon be over.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to our colleague, the gentleman from Ohio [Mr. MANN].

Mr. MANN. Mr. Chairman, I thank the gentleman for yielding me the time, and I congratulate him on the great work that he has done in bringing this bill before us.

I would like to associate myself with the remarks of my friend, the gentleman from Ohio [Mr. PORTMAN].

Mr. Chairman, I too, rise today to express my deep reservation with a portion of the legislation before us, H.R. 2445. This measure, as recommended by the Appropriations Committee, cuts $280 million from the administration's request for Defense environmental restoration and waste management.

The Defense Environmental Restoration and Waste Management Program is critical to those communities that host a Department of Energy nuclear weapons facility. At the height of the cold war, these DOE sites were the front line of our strategic defense. Unfortunately, as a result, many such facilities have experienced significant hazardous contamination of soil, ground water, and surrounding structures. The Government clearly has a responsibility to remediate this impact as much as possible and as soon as possible.

While I note that this recommended appropriation is marginally higher than the fiscal year 1993 appropriation, I am concerned that cleanup efforts at these sites will continue to be postponed. I must point out that these expenditures are not indefinite. Unlike so many Government programs, this one is terminal and has an end in sight. However, the longer we deny adequate funding for the cleanup process, the longer we delay completion. The result is increased community fears and increased DOE costs.

Mr. Chairman, I am acutely aware of the size of this appropriation. However, we owe it to those people and communities that have dedicated so much to our national defense to provide them with a safe and healthy environment in which to live.

I support the administration's full request for Defense environmental restoration and waste management and oppose the $280 million reduction as recommended by the Appropriations Committee. Should we not restore the necessary funding in today's dispensation of H.R. 2445, I am hopeful that we may do so in subsequent action on this, or a similar, measure.

□ 1800

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who works with the committee.

Mr. GUNDERSON. Mr. Chairman, we all know that the appropriations subcommittees are facing very difficult choices this year, and I think the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] have done a commendable job in putting this bill together and getting it to the floor.

Mr. Chairman I especially want to commend the members of the Energy and Water Subcommittee and the full committee for the support which they have shown in this bill for the Environmental Management Program [EMP] on the upper Mississippi River. The program, which is now in its seventh year of funding, is proving to be not only a highly successful mechanism for fostering a comprehensive and cooperative approach to management of the interjurisdictional resources of the upper Mississippi, but a model for a much broader national program for the management of interjurisdictional river resources. This is a program that has worked and is working for the environment as well as for the people of the five-State upper Mississippi region. Chairman BEVILL and the subcommittee's ranking member, Mr. MYERS, deserve credit for the support they have shown the program.

In addition, I thank the committee on behalf of my constituents in the city of La Crosse, WI, for bringing us one step closer to resolution of a problem which has remained unsolved for too long. By specifically directing the Corps of Engineers to credit the city of La Crosse $1.4 million for the city's share of construction cost of the State road and Ebner Coulees project in the city, the committee directing the corps to do what it was authorized to do in the 1992 reauthorization of the Water Resources Development Act, and again urged to do in committee report language accompanying the fiscal year 1993 energy and water appropriation.

Again, Mr. Chairman, I commend the bipartisan leadership of the Energy and Water Subcommittee for bringing a very good bill to the floor in a very difficult budgetary environment, and I

urge all the Members to give it their support.

Mr. BEVILL. Mr. Chairman, I yield 1 minute to our friend and colleague, the gentleman from Oregon [Mr. KOPETSKI].

Mr. KOPETSKI. Mr. Chairman, I would like to engage in a colloquy with the chairman of the subcommittee.

Mr. Chairman, I would like to take this opportunity to discuss the nuclear weapons research, development, and testing accounts. First, let me begin by acknowledging the committee has reduced the budget request for these accounts by over $100 million. Further, the appropriation containing these accounts is $198 million less than the fiscal year 1993 funding level. I support these cuts and applaud the work of the Energy and Water Development Appropriations Subcommittee.

However, I wish to point out the administration has not submitted the report on nuclear weapons testing as required by law contained within last year's Energy and Water Development Appropriations Act, Public Law 102–377. This report was due March 1, 1993.

Additionally, Mr. Chairman, as you know, these programs have not been authorized. When the House considers the Defense authorization bill later this summer, the House may make additional changes in the research, development, and testing funding levels. With this in mind, will the chairman agree to support the position of the House in these areas in conference committee with the Senate?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. KOPETSKI. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, yes, I will support the House position during conference.

Mr. KOPETSKI. I thank the subcommittee chairman. I look forward to working with him and his staff as this legislation progresses.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there have been a lot of nice words said about the staff and some of the members on this committee, and we all thank you for those nice accolades that you said. I hope they are worthy of the investment.

But I want to close by saying that this is an austere committee bill this year. There were some requests that some of the Members of Congress have made and some of the Governors have made and others have made for funds and programs that the committee just could not find the money to fund this year. Most of the programs sometime hopefully in the future will be funded, but we just could not have the money this year.

In closing, I also want to talk about the SSC, which will be under consideration tomorrow. We may not have time for all to speak on the SSC. This committee has always funded the SSC, has always believed in it.

It is true you can be critical of the SSC, because it is the most sophisticated, the most advanced system for research that this country has ever, ever attempted.

We do not know for sure. We know that it is going to explore matter. We know that there are elements now that we are not sure about, the putting steel together and some of the other chemicals, some of the things that we put together in equipment, and such as fabrics, and we do not know how they are put together, and we do not know how they will wear, or if they will wear longer, so if this country is going to be on the leading edge and we are going to have the research for the next century, we are going to have to advance programs like the SSC.

As has been mentioned by the gentlewoman from Florida [Mrs. MEEK], cancer is growing in this country, and one of the side things that we did not even think about when the SSC came up for discussion was the fact that we could take out of this linear accelerator some beams, proton beams, divert them away, and not interfere with the other experimentation, and be one of the vital new treatments that we have considered in advanced proton treatment of advanced cancer such as tumors of the brain and deep tumors in the body that are hard to reach with normal x-ray or gamma radiation. So we can take some of these protons off and use them for treatment of cancer.

We have already had three reactors working in Loma Linda, CA, treating eye tumors and other deep tumors, so this is a side benefit we did not anticipate when this first was being considered.

But we think that this is an opportunity here with the SSC, advancing out and exploring a whole new area that has not been explored in the past.

At Fermi Lab outside of Chicago, we have, of course, two rings of reactors there. We have learned great things there about the conduct of electricity. We have learned to make better magnets that we use in many, many types of equipment in the country today.

This is a great opportunity that we will have in the SSC if we bring it on line.

Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield the balance of our time, 4½ minutes, to our friend and colleague, the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Chairman, I want to take a few moments to respond to some things that have been said in the press in the last couple of days about the supercollider. We have had one of the more outrageous things that I have seen in the time that I have been in Congress, and my friend, the gentleman from New York, mentioned the release of an inspector general report.

The report was not released, and it was not a final report. This was the leaking to the press in an unofficial way of a work-in-progress document that is still being commented on internally in the Department of Energy.

Now, you are going to hear a lot of discussion about this IG report in the next couple of days, so I would just like to take a moment or two to talk about what was in that document, what was not in that document, and that it is not a final document and it was not released, it was leaked by critics of the program.

The release of the draft inspector general report on the allowability and propriety of subcontractor expenditures at the SSC has led to criticisms of as much as $216 million of expenditures by the laboratory. Although the report has not yet been officially issued, and although its findings are labeled as tentative, it seems appropriate, in light of the premature release of the report, to respond to some of its alleged findings and conclusions. It must be emphasized that although some public portrayals of the report claim or imply that the $216 million has been wasted, the draft report makes no such claim; rather it suggests problems in the manner in which those expenditures were accounted for and controlled.

The draft report apparently focuses on three particular issues: expenditures at other national laboratories, cost growth in reimbursable contracts, and use of management allowance funds.

Expenditures at other national laboratories: Of the $216 million in expenditures that the draft IG report finds reason to question, $156 million is for work done at other national laboratories in support of the SSC. The IG report apparently states that the SSC Laboratory did not select the other laboratories on a competitive basis and that this resulted in inadequate control and accountability for funds and equipment. Quite apart from the fact that Fermilab, Brookhaven National Laboratory, and Lawrence Berkeley Laboratory were the only places in the United States that possessed both the experience and the facilities necessary to carry out the first stages of the superconducting magnet development program, it is worth noting that the involvement of those laboratories has resulted in a remarkably successful technology development program.

The SSC Laboratory has taken advantage of the unique capabilities in both personnel and equipment available at other national laboratories in order to carry out basic research and development in support of the project. This led to construction of superconducting dipole magnets at Fermilab and Brookhaven and of a superconduct-

ing quadrupole magnet at Lawrence Berkeley Laboratory. The completion of the accelerator system string test 6 weeks ahead of schedule is a direct result of the successful collaboration between the SSC Laboratory and the other national laboratories. In general, as soon as the basic research and development on collider systems has been completed, the SSC Laboratory has proceeded to transfer the technology to private industrial firms for the production of those systems.

The use of memorandum purchase orders to obtain work from other national laboratories was reviewed and authorized by the Department of Energy.

Cost growth in reimbursable contracts: The IG questions the use of cost reimbursable contracts even though contracts for major procurements such as those for engineering and construction management services and for development and production of magnets, were placed in accordance with DOE policies and were specifically approved by the DOE.

When initially issued, some of these contracts called for a more restrictive scope of work than was ultimately required. As the scope of the contracts was increased, the total funding increased accordingly, as did the amount of work performed by the contractor. The IG has apparently categorized increases in these contracts, all of which were formally reviewed and approved by the Department of Energy, as uncontrollable growth. To the contrary, the increases have been carefully controlled and, in fact, the ultimate cost of the contracts under consideration is expected to be within the funds budgeted for the activities performed by the contractors.

Use of management allowance funds: The Super Collider Laboratory is run by a nonprofit organization, Universities Research Association, Inc. [URA], which receives no overhead or fee for operating the laboratory. In order to fund expenses that are not directly chargeable to the super collider contract, the DOE, in accordance with its longstanding policy, provides a management allowance to URA. The management allowance for the SSC was about $1.1 million, 0.2 percent of total expenses, for the fiscal year ending September 30, 1992. The management allowance was used to pay for the salaries and expenses of URA's corporate offices and personnel. In addition, it included $264,000 for discretionary expenses of the laboratory director. The largest expense in this category was about $143,000 for meetings, travel expenses, and hospitality, mostly for the many experts from around the world who visit the laboratory regularly—unpaid—to advise and assist the project. The discretionary allowance also provided $66,000 for employee morale activities, examples of which include partial support of a holiday party and maintenance of plants in common areas of laboratory buildings. The laboratory believes that past expenditures have been reasonable and prudent.

Although, as noted here, some of the issues raised by the draft IG report do not constitute valid criticisms of laboratory practices, the report apparently does include a number of useful recommendations and suggestions. When the report is officially issued, the laboratory will carefully review it and fully expects to implement many of the suggestions.

□ 1810

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. I thank the gentleman and appreciate the Chair's indulgence.

Mr. Chairman, let me be perfectly clear: The gentleman from Alabama, [Mr. BEVILL] and the gentleman from Indiana, [Mr. MYERS], have brought to the floor a good bill. We are not surprised that they have brought forward a good bill; that is what we are used to from Chairman BEVILL and Mr. MYERS.

The only problem with it, as I see it, is the provision relating to the superconducting super collider.

I expect the vote tomorrow of the full House to speak to that issue, and then we can all enthusiastically support this fine piece of legislation.

But I think, Mr. Chairman, we should all be aware of the headlines which make it easier to dissolve the SSC cult.

For now, let me just cite a few of the most telling examples. The General Accounting Office new estimates that the SSC will cost a minimum of $11 billion to build, an increase of almost $3 billion over last year's figure. Keep in mind the steady progression; it started out in 1985 at $4.4 billion and then it went to $5.2 billion, then it went to $5.9 billion, and then it went to $8.2 billion.

Now, the General Accounting Office tells us—and it is yet to be more than 17 percent complete—that the projected cost is in excess of $11 billion. So we are talking about 200 percent over the original projection.

Item: The Department of Energy inspector general reports that the SSC managers juggled the books to make it look like they were exceeding their goals for minority contracting, when actually they failed to meet them. And it is very important to note that the Department of Energy accepts these findings.

Item: The Secretary of Energy, who appeared before our Science Committee in her maiden appearance on Capitol Hill, she said at that time that she has no passion for this project—and I can understand why. The Secretary of Energy, echoing her predecessor, acknowledges that foreign contributions for the collider are unlikely to exceed $400 million, considerably less than project supporters have repeatedly promised.

Now keep in mind that this House, by a substantial, overwhelming bipartisan vote 2 years ago, addressed this issue, and we said a minimum 20 percent foreign contribution would be required to go forward. That minimum 20 percent foreign contribution has not been forthcoming.

Item: The latest inspector general's report accuses SSC managers of imprudent spending, a lack of cost controls, which is a recurring lament, and worst of all, a deliberate effort to thwart auditors.

There are going to be some people during this debate who would address the nickels and dimes and suggest that, "Oh, they had a Christmas party for their employees. What is wrong with that?" I am not offended by that. What I am offended by is a project that is billions of dollars in cost overruns.

In short, while the superconducting super collider managers have not yet reached the level of arrogance and self-indulgence and secrecy and undependability exhibited by Rasputin's patron, the czar, they are getting there.

Let us topple this regime, let us put the project to bed and go on with higher priority assignments.

I thank the gentleman from Indiana for yielding to me and thank the Chair for its indulgence.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding. I agree with the Comments of the gentleman from New York [Mr. BOEHLERT] regarding the superconducting super-collider, but I do rise in support of H.R. 2445.

Mr. Chairman, this Member would begin by expressing commendations to the distinguished gentleman from Alabama [Mr. BEVILL], the chairman of the subcommittee, and the distinguished gentleman from Indiana [Mr. MYERS], the ranking member of the subcommittee for their exceptional work in bringing this bill to the floor.

Mr. Chairman, the 1994 energy and water development appropriations bill for fiscal year 1994 includes funding for several related water projects that are important to Nebraska.

Importantly, the bill provides funding for two Missouri River projects which are designed to remedy problems of erosion, loss of fish and wildlife habitat, and sedimentation. First, the bill provides $11.8 million for the Missouri River mitigation project. This funding is needed to restore fish and wildlife habitat lost due to the federally sponsored channelization and stabilization projects of the Missouri River during the Pick-Sloan era. The islands, wetlands, and flat floodplains needed to support the wildlife and waterfowl that once lived along the river are gone. An estimated 475,000 acres of

habitat in Iowa, Nebraska, Missouri, and Kansas have been lost. Today's fishery resources are estimated to be only one-fifth of those which existed in predevelopment days.

Second, the bill provides $200,000 for operation and maintenance and $74,000 for construction of the Missouri National Recreation River project. This project addresses a serious problem in protecting the river banks from the extraordinary and excessive erosion rates caused by the sporadic and varying releases from the Gavins Point Dam. These erosion rates are a result of previous work on the river by the Federal Government.

In addition, the bill provides funding for the continuation of studies important to residents of Nebraska's First Congressional District. It provides continued funding for a floodplain study of Antelope Creek which runs through the heart of Nebraska's capital city, Lincoln, and it enables the completion of a flood control benefit study of the Burt Water Drainage District in Burt and Washington Counties.

Finally, Mr. Chairman, this Member recognizes that the bill also provides operation and maintenance funding for the Missouri River Water Control Manual as well as funding for Army Corps and Bureau of Reclamation projects in Nebraska's other two congressional districts at the following sites: Wood River; Papillion Creek and Tributaries Lakes; Gavins Point Dam, and Lewis and Clark Lake, in First and Third Congressional Districts; Harlan County Lake; Salt Creek and Tributaries; Prairie Bend and North Loup Division.

Again Mr. Chairman, this Member commends the distinguished gentleman from Alabama [Mr. BEVILL], the chairman of the subcommittee, and the distinguished gentleman from Indiana [Mr. MYERS], the ranking member of the subcommittee and all the members of the subcommittee for their continued support of these projects which are important to Nebraska and the First Congressional District, as well as to the people living in the Missouri River Basin.

Mr. BOEHLERT. I appreciate those remarks because this is a very good bill coming from the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS], the ranking member; a very good bill worked out in a bipartisan fashion. That is no surprise to any of us who have served in this institution year after year. We have come to expect that quality of legislation from Chairman BEVILL and Mr. MYERS.

Mr. MYERS of Indiana. Mr. Chairman, I yield the balance of our time to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I am very pleased, Mr. Chairman, to conclude this general debate. I stand in strong support not only of the legislation authored by the gentleman from Alabama [Mr. BEVILL] and the ranking minority member, the gentleman from Indiana [Mr. MYERS], but also in support of the superconducting super collider.

Mr. Chairman, this is a committee that has been, I think, burdened by a number of increasing demands on it but has yearly come through with a balanced bill that not only meets the Congress's need to tighten funding but does so in a way that allows significant scientific research projects to go forward.

I particularly want to focus on the fact that this is a bill that is below, in budget authority and in outlays, the 1993 appropriation and is a strong statement from this administration about its priorities as well. We have certainly heard a lot on the floor today on the SSC in that regard.

This is an Administration that believes looking into the inner aspects of matter, determining what really caused the creation of Earth and all of the atmosphere around it is just as important as exploring the stratosphere, exploring outer space.

Therefore, I strongly back not only what is in this bill in the general sense for the good of the country, but also for its particular focus on western water needs.

Mr. Chairman, I rise in strong support of the bill H.R. 2445, the bill providing for energy and water development appropriations for fiscal year 1994. This is a fiscally responsible bill and a balanced bill, and I urge my colleagues to support it.

Mr. Chairman, this bill is $285.5 million less than the President's budget request, $63.8 million below the amount approved by Congress in the budget resolution and $126.4 million below the amount appropriated for fiscal year 1993.

Mr. Chairman, for those Members who are interested in reductions in spending over last year's level, I would like to highlight just a few of the key areas where the committee made substantial reductions.

At the same time that the committee made very substantial reductions in a variety of areas, the committee has been able to provide significant additional support for the scientific infrastructure of the country, increase support for renewable energy technologies, and increase support for key water supply and flood control projects throughout the country.

In California alone, the bill provides support for hundreds of projects from flood control to water supply to fishery and natural resource protection.

Mr. Chairman, I would just point in particular that the bill provides the first year of funding to implement the CVP Improvement Act. This provision will yield an estimated $45 million in fiscal year 1994 for improvements in the operation of the CVP to reduce the project's impact on fish and wildlife and at the same time provide a more secure water supply to the farms and cities that depend so critically on this project.

I appreciate the committee's willingness to work with me on this and other problems facing our very diverse State.

The bill also continues the Corps of Engineers leadership in wetlands development as well as its more traditional missions.

And, the bill—through its support for the SSC, general science, and other nuclear and high-energy physics research—will also help maintain our Nation's position as a world leader in science and technology.

Mr. Chairman, I thank Mr. BEVILL and Mr. MYERS for their cooperation and support, and their sensitivity to the many water development and energy-related problems facing the Nation. I urge my colleagues to support the bill.

Mr. HUGHES. Mr. Chairman, I rise in support of H.R. 2445, the fiscal 1994 energy and water development appropriations bill.

I wish to commend subcommittee Chairman BOB BEVILL and ranking member JOHN MYERS for their efforts in crafting this legislation. They did a superb job under very difficult circumstances.

I am delighted that they were able to bring this legislation in some $126 million below last year's funding level, and some $285 million less than the President's request.

This legislation assures that adequate funding will be available for our Nation's highest priority energy and water development projects, and is at the same time fiscally responsible. That is a winning combination which I hope will set the standard for all appropriations bills this year.

The energy and water development bill gets right to the heart of our efforts to rebuild our infrastructure and strengthen our Nation's economy.

The hundreds of projects nationwide which are funded under this bill create jobs, generate tax revenues, enhance the environment, and strengthen the very foundation of our economy.

These projects serve far more than just the parochial interests of the States or communities which sponsor them. They also help to fuel our Nation's economic engine. Putting people back to work, and enlarging our economic pie, is a far better way to reduce the budget deficit than raising taxes.

I am very pleased that the legislation provides funding for seven important navigation and beach-erosion-control projects in my district in southern New Jersey. All of these projects are intended to enhance our multibillion-dollar tourism, boating, and commercial shipping industries, which are a major source of jobs in our region.

These projects include: Maintenance dredging along the Intracoastal Waterway and Cold Spring Inlet; deepening of the Salem River; and the continuation of studies which are aimed at developing low-cost, comprehensive navigation and beach erosion control projects along Brigantine Inlet, Towsends Inlet, Cape May Point, and the Delaware Bay coastline.

I am especially pleased that the committee voted to combine the Cape May Point project with the ongoing flood control survey along the Lower Cape Meadows. This will enable us to cut costs and expedite the completion of this work.

I wish we could do even more to support energy and water development projects around our country. Unfortunately, I understand the realities of our budget crisis, and the need to defer funding for those projects which are not critical.

That is one of the major reasons for my vote for the Slattery-Boehlert amendment, which would terminate all funding for the superconducting super collider project. While I understand the potential scientific benefits of this project, I just don't think we can justify the $11 billion price tag at this time.

In this difficult fiscal climate, it would be more prudent to use those funds for deficit reduction than to continue work on the superconducting super collider.

I urge a yes vote on the Slattery-Boehlert amendment and a yes vote on H.R. 2445, the energy and water development appropriations bill.

The CHAIRMAN. All time has expired.

Mr. BEVILL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose, and the Speaker pro tempore [Mr. HASTINGS] having assumed the chair, Mr. HUGHES, Chairman of the Committee of the Whole House on the State of the Union, reportd that that Committee having had under consideration the bill (H.R. 2445) making appropriations for energy and water development for the fiscal year ending September 30, 1994, and for other purposes, had come to no resolution thereon.

□ 1820

RESIGNATION AS TEMPORARY MEMBER OF COMMITTEE ON NATURAL RESOURCES

The Speaker pro tempore (Mr. HASTINGS) laid before the House the following resignation as a temporary member of the Committee on Natural Resources:

HOUSE OF REPRESENTATIVES,
Washington, DC, June 18, 1993.

Hon. TOM FOLEY,
Chairman, Democratic Steering and Policy Committee, Washington, DC.

DEAR MR. SPEAKER: This letter is to notify you of my intention to resign my position as a temporary member of the House Committee on Natural Resources effective immediately.

I have been very appreciative of the opportunity provided me by the Members of the Steering and Policy Committee to serve on this important body. Thank you very much.

Sincerely,

HOWARD L. BERMAN,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

THE SPACE STATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. BACHUS] is recognized for 5 minutes.

Mr. BACHUS of Alabama. Mr. Speaker, I rise today in support of final passage of the reauthorization of NASA and the space station.

In doing so, I ask you to reflect today on the advice of two of our former Presidents from opposing political parties. They served our country at uniquely different times in our Nation's history. Yet both made the critical decision to fund the Space Program not for its certainty, but for its uncertainty.

We do not know what our investment in NASA and the space station will achieve in the next 30 years, just as we did not know what our investment would achieve in 1961. That year, President John F. Kennedy appealed to this body to spend an unprecedented $7–$9 billion over 5 years to send a man to the Moon, and to do so during the height of the cold war.

He said in his address,

> Now it is time to take longer strides—time for a great new American enterprise—time for this nation to take a clearly leading role in space achievement, which in many ways may hold the key to our future on earth.

Who, in 1961, could have predicted many of the historic events of our lifetimes? The eradication of smallpox, the rapid spread of AIDS, the fall of the Iron Curtain, the development of personal computers and other electronic devices, organ transplants and medical technology advances such as laser surgery, and sending a man to the Moon and then beyond.

Freeman Dyson, an author and scientist, eloquently expresses my thoughts and hopes,

> The big jumps ahead are taken by people who disregard the conventional wisdom and do something unexpected. The big jumps are unpredictable. And the same unpredictability reigns also in economics and international politics.

The value of the unpredictable spinoffs from space exploration are immeasurable. Among these are the heart monitor, pollution control devices, athletic shoes, smoke detectors, sunglass lens, solar hot water heaters, fire resistant materials, sewage treatment, magnetic resonance imaging, and breast cancer detection.

Who would have predicted these advances and, more importantly, who would suggest we do without them?

This vote is not an easy one in light of our budget deficit, just as it was not easy for President John F. Kennedy in 1961, at the height of the cold war, or for President Ronald Reagan in 1986, after the death of the *Challenger*'s crew. I remember their decisions vividly. I have a sense of what they must have felt then.

A feeling of uncertainty, yet hope. A genuine gratitude for the sacrifices of those in the Space Program who journeyed before us. And, as evidenced by the courageous decisions of Presidents Kennedy and Reagan, a sense of dedication and resolve. A commitment to look forward, to proceed, and to succeed.

As President Reagan said only hours after the death of our *Challenger* astronauts, an event which could have been the end of space exploration and advances, "It's all part of the process of exploration and discovery. It's all part of taking a chance and expanding man's horizons."

Looking back, I could list for you hundreds of products and scientific advances which resulted from the Space Program over the past 30 years. Looking forward, I cannot see future advances with the same clarity, but I know they are there and I know we owe it to future generations to continue this investment in the future. As President Reagan said, "The future doesn't belong to the fainthearted; it belongs to the brave. The *Challenger* crew was pulling us into the future, and we'll continue to follow them." Therefore, in conclusion, my fellow Members, I urge you to join me in this journey by supporting the NASA reauthorization and the space station.

ACCESS AND EFFICIENCY: REBUILDING OUR ESSENTIAL HEALTH CARE FACILITIES

The SPEAKER pro tempore. Under a previous order of the House the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, today I and several of my colleagues are introducing the Essential Health Facilities Investment Act of 1993. This legislation would provide assistance for the capital needs of safety net facilities, support State review of capital expenditures, and expand Federal efforts to facilitate development of health care provider networks. These initiatives are targeted to expand the availability of health care services—basic primary care service and advanced medical procedures—to residents in all the neighborhoods and communities of America.

Much attention has been given over the past several years to the crumbling infrastructure of our Nation's highways and bridges. These are areas requiring greater Government attention. But just as we need to invest resources in ensuring that our roads are maintained, we must also ensure that our health care safety net does not tear apart. The care of our Nation's uninsured falls to these facilities.

In addition to the emergency care services provided, the safety net facilities—those public and not-for-profit hospitals and clinics which serve a disproportionate share of uninsured and low-income patients—provide tremendous volumes of outpatient and primary care. These facilities provide the only source of health care for many uninsured and insured low-income residents. In effect, they have become the family doctor for many in our country.

Many of our safety net facilities have been the victims of chronic under-investment. As such, these hospitals and clinics face a capital infrastructure crisis, and this crisis continues to worsen. Buildings and equipment have been allowed to deteriorate—putting in jeopardy the delivery of quality health care services to large portions of our population. A renewed investment in these facilities is warranted and required as these safety net facilities will continue to play an essential role in our Nation's health system even as we work to extend health insurance coverage to all in our country.

OUTLINE OF THE ESSENTIAL HEALTH FACILITIES INVESTMENT ACT

In title I of this legislation, Medicare's Essential Access Community Hospital Program

[EACH] would be expanded to all States and a new urban Essential Community Provider Program [ECP] would be initiated. A new designation of essential community provider would be established. Funding would be provided for the creating of hospital and community health clinic networks that improve the organization, delivery and access to preventive, primary, and acute care service for underserved populations.

In title II, financial assistance for capital needs would be provided by the Secretary of the Department of Health and Human Services to safety net facilities which serve a disproportionate share of uninsured and low-income patients.

In title III, financial and technical assistance would be provided to States engaged in the review of capital expenditures for health care facilities and high-technology equipment. The reviews would be designed to ensure that the health care needs of all the states' residents are met and that consideration to the availability of alternative, less costly or more effective means of providing services would be sought prior to additional capital expansions.

REBUILDING THE SAFETY NET INFRASTRUCTURE

The provision of high-quality health care services requires that the provider institutions be healthy, vibrant entities. Today, many of the safety net providers have seriously deteriorated physical plants and out-dated equipment. A couple of quick facts. The average age of the physical plant of urban, public hospitals is nearly 26 years, compared to a national average for all hospitals of 7 years. The average capital expenditure for urban hospitals is $12,600 per bed, compared to a national average expenditure per bed for all hospitals of $23,500. The capital ratio for these public facilities is 5.3 percent, compared to a capital ratio of 11 percent for private hospitals.

A national survey of the Nation's safety net hospitals found that a lack of available hospital beds is resulting in serious overcrowding. Hospital corridors surrounding emergency rooms have begun to resemble triage units at the height of a military battle. In 1 month, 50 percent of the hospitals in the three most severely impacted areas, Los Angeles, Detroit, and New York, were forced to restrict emergency department access over 25 percent of the time.

The extreme deterioration of so many of the safety net facilities requires that the Federal Government assist in their rejuvenation. The Essential Health Facilities Investment Act calls for the creation of a capital financing trust fund to assist with the capital needs of these safety net facilities.

It is valuable to remember that while these safety net facilities provide the only access point for many poor and uninsured individuals, the specialty care services provided at these facilities are used by everyone in the community. Burn and neonatal units, trauma care centers, and other highly specialized services are often located only at the safety net hospital. It is a simple fact that all members of a community benefit from well-maintained safety net facilities.

Health care institutions serving high numbers of indigent patients have long encountered barriers to obtaining and repaying necessary capital financing. The high proportion of services provided to low-income patients often leads to operating margins too low to support debt service at market rates. Even when revenue bonds may be supported by local revenues, oftentimes the bond ratings are too low, and thus the interest rate too high, to be feasible. These ratings often have little to do with the ability of hospital administrators to manage their facilities well. It is more often the case that market analysts consider the local appropriations that sustain these facilities too uncertain. As such, the facility is simply prohibited from securing the needed capital.

For the facilities with the greatest demand placed upon them in our inner-city and rural areas, the traditional method of financing—Federal funding—is no longer available. Many of these facilities were originally built with grants or loans under the Hill-Burton Program. These funds have not been available for years. With a lack of Federal moneys available to repair and rebuild these facilities, and the strain on the resources of local governments, the result has been that the capital needs of safety net facilities have gone unmet.

This legislation does not propose that the Federal Government take on a massive rebuilding program commensurate with the Hill-Burton Program. Nor does it propose that the Federal Government take sole responsibility to solve this problem. However, this legislation is designed to support State and local efforts—to work in partnership with State and local governments—to upgrade the capacity of these facilities. In drafting this bill, we recognized that the Federal Government has limited resources it can tap for this purpose. Therefore to fund this program, a 0.5 percent, one-half of 1 percent, tax would be levied against the gross revenues of all hospitals. Hospital revenues received from Medicaid would not be subject to the tax.

Revenue from this relatively modest tax would be used by those inner-city and rural facilities across America with the greatest need for assistance. Eligible facilities would be those designated as essential access community hospitals, rural primary care hospitals, large urban hospitals qualifying for maximum Medicare disproportionate share payments, and hospitals or federally qualified health clinics that are members of community health networks.

Assistance from the capital financing trust fund would be provided in the form of loan guarantees, interest rate subsidies, direct matching loans, and in cases of urgent life and safety needs, direct grants. The Federal assistance would be used to leverage State and local government and private sector financing. Repayment would be made back to the trust fund.

For fiscal years 1995 through 1999, $995 million will be made available each year through the capital financing trust fund for these safety net facilities.

With relatively limited resources available through this legislation and elsewhere to meet the tremendous health facility infrastructure needs across the Nation, decisions to finance the reconstruction, replacement or acquisition of facilities and equipment must be made only after first considering whether existing service capacities could be tapped to meet the needs of the underserved more efficiently. The next section of this bill is designed to ensure that the capital expenditure decisions supported by this legislation are considered within the context of the entire community's needs and capacities.

MAXIMIZING CAPITAL RESOURCES

As discussed above, many communities, particularly those in rural and inner-city areas, lack the facilities and equipment to adequately meet the needs of their residents. Yet, problems with an oversupply of capital resources also characterize our health care system. One area of oversupply is with hospital beds. In 1981, occupancy rates in community hospitals averaged 76 percent nationally. The average dropped to 66.1 percent by 1991. Redundancies in high-technology equipment and services exist as well. An effective remedy to the issue of capital allocation must be able to deal with both the flood and the famine of facilities and equipment.

This legislation would do just that. It would mandate that each State establish a system to require prior approval of capital expenditures for new, or significantly modified beds or services in excess of $1 million. Federal financial assistance would be provided to States for conducting this approval process. If the State did not create such a system, Medicare would not reimburse hospitals in the State for their capital expenditures.

Some may question whether this is a punitive approach, requiring States to perform a federally mandated function or suffer a loss in resources. We do not believe this is the case. Under this proposal, 75 percent of the cost of carrying out the capital reviews will be covered by the Federal Government. For the 39 States currently conducting some sort of capital review process, the Federal funds will enable them to expand their efforts. In the remainder of the States, individuals, and businesses will benefit from the elimination of costs associated with excess capacity.

Two specific examples highlight the tremendous redundancies, and potential savings, that currently exist in the health care sector.

Redundancies of hospital facilities and services are well known. The case of dueling hospitals in Kalamazoo, MI, provides a classic example. In Kalamazoo, a metropolitan area of 200,000, there are two hospitals with two maternity wards, two heart programs, two state-of-the-art emergency rooms, and two radiology services. To top it off, the two hospitals each developed their own helicopter ambulance service. Case after case in city after city across the country can be cited that, while they may not be as extreme as this, mirror the experience in Kalamazoo. Whether anecdotally or in the aggregate, these examples provide strong evidence of the need for more coordinated allocation decisions.

A second example highlights not only the wasted resources resulting from excess capacity but also the threat to the quality of care provided. California currently has 119 separate cardiovascular surgery programs. Twenty-five of these were added after the State abandoned its certificate-of-need [CON] program. One might inquire that while the post-CON expansion was great, was it excessive? A clear answer to this question is provided by a quick comparison of Canada and the former West

Germany with the United States. The United States has twice as many open-heart surgical units per million persons as does Canada and nearly five times as many as West Germany. And the ratio in California? It exceeds the national average. The startup costs for each of these programs are between $6 and $13 million. Annual operating costs average $7 to $10 million at each location. For each open-heart surgery center that is not needed and not created, millions of dollars can be saved each year.

If we move from a consideration of cost to one of quality, this excess capacity can be considered to be even more detrimental. For example, applying the guidelines endorsed by the American Hospital Association and the American College of Cardiologists, 35 percent of the open-heart surgery centers in California perform less than the minimum number of procedures require to achieve an acceptable level of competence and quality.

Another important component of the capital reviews provided in this legislation is their relation to antitrust laws. Quite a bit of debate and legal expense have been expended on the question of antitrust enforcement in the health care sector. This legislation provides much needed clarity as to Federal intent.

The creation of a capital review process by a State—one that meets the criteria described in the Essential Health Facilities Investment Act—would satisfy the requirements for a State to employ the State action immunity doctrine pertaining to Federal antitrust enforcement. As such, implementation of a capital review process would be considered affirmative State policy in this regard and would be considered to provide ongoing, active State supervision as required. The effect of this would be to provide an exemption from Federal antitrust enforcement for those projects approved under the state expenditure review process.

EXPANDING THE EACH PROGRAM

A third provision of this legislation is designed to facilitate the organization, delivery, and access to primary, preventive and acute care services for medically underserved populations by fostering networks of essential community providers.

The Essential Access Community Hospital Program was enacted in 1989. This Medicare initiative provides a unique Federal/State partnership to assure the availability of primary care, emergency services, and limited acute inpatient services in rural areas. The EACH Program was created to maximize resources available to rural residents by establishing regional networks of full-service hospitals [EACH's] connected to limited-service rural primary care hospitals [RPCH's]. Since 1981, over $17 million has been awarded in the seven participating states.

In a recent assessment by the Alpha Center, the strengths of the EACH Program were clearly articulated. Their March 1993 report stated, "The EACH Program has released an enormous amount of creative energy focused on the development of regional networks that link health care providers in remote areas with those in more densely populated communities."

A letter from the project directors of the seven EACH States contained the following comment, "We believe the EACH concept is an alternative of value * * * and will assist policymakers, regulators and changemakers in the long process of refocusing rural health care delivery." I am confident that the EACH Program provides a framework for greatly improving the quality and efficiency of primary care, emergency services, and acute inpatient services in rural areas across the country. Because of this, this legislation would extend the EACH Program to all States.

In addition, creating a new urban Essential Community Provider Program would carry the network concept to our Nation's inner cities. While different from the rural EACH Program, the urban ECP Program would concentrate on networking hospitals with primary care service centers, particularly federally qualified health centers. In addition, ECP networks could combine with rural networks.

A February 1993 report by the General Accounting Office found that "more than 40 percent of emergency department patients had illnesses or injuries categorized as nonurgent conditions." The growth in the number of patients with nonurgent conditions visiting emergency departments is greatest among patients with little or no health insurance coverage—exactly those populations served by essential community providers. Networks of essential community provider hospitals and clinics will help steer clients to more appropriate clinical settings and, as a result, maximize the resources available in both emergency and nonemergency settings.

The concept of inner-city provider networks designed to ease access and improve continuity of care is not new. Initiatives are currently being pursued in urban areas across this country to do just that. This legislation would boost these efforts through critical financial and structured technical assistance.

Funding under the ECP program would be available for the expansion of primary care sites, development of information, billing and reporting systems, planning and needs assessment, and health promotion outreach to underserved populations in the service area. Facilities eligible to participate in the ECP networks—those designated as "essential community providers"—include certain Medicare disproportionate share hospitals, rural primary care hospitals, essential access community hospitals, and federally qualified health centers [FQHCs] or those clinics which otherwise fulfill the requirements for FQHC status except for board membership requirements.

In order to facilitate the integration of hospitals and clinics into these community health networks, physicians at network clinic sites would be provided admitting privileges at network hospitals. As well, the placement of residents at network-affiliated FQHCs would be counted in the total number of residency positions when determining the indirect medical education [IME] reimbursement to hospitals under Medicare. In total, the authorized funding level under the entire program, rural EACH and urban ECP, would be increased 10-fold from the current level of $25 million to $250 million annually.

My colleagues and I are today introducing the Essential Health Facilities Investment Act of 1993 because we believe this legislation is an important and necessary component of the effort to reform our nation's health care delivery system. Irrespective of the final form health reform takes, the initiatives in this bill are essential to ensuring access to high quality, efficient services for everyone in our communities. We urge our colleagues to join in support of this legislation.

HEALTH CARE AND PRIVACY: THE NEED FOR FAIR INFORMATION PRACTICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. CONDIT] is recognized for 5 minutes.

Mr. CONDIT. Mr. Speaker, anyone who reads the newspapers or watches the evening news is aware that health care reform has become a high-priority issue at the White House and in the Congress. I would like to inform my colleagues what the Subcommittee on Information, Justice, Transportation, and Agriculture, which I chair, is doing in anticipation of general health care reform legislation. While the subcommittee has no direct jurisdiction over health care, it does have a role to play in protecting the privacy of health care information.

Privacy is a vital issue because increased use of personally identifiable medical information will be a part of any health care reform. The sensitivity of health care information can hardly be overstated. Misuse of personal health care information can adversely affect employment, insurance, licenses, and other critical opportunities and benefits. Individuals must be able to visit a doctor and know that the information they provide will be fairly used and properly protected. At the same time, we must also recognize that health care providers, insurers, employers, researchers, and others must have effective access to health-record information in order to deliver services and make decisions in a cost-effective and appropriate manner. Balancing these sometimes competing interests will not be easy.

Today, neither patients nor recordkeepers have a clear understanding of their rights and responsibilities with respect to health care information. There is no comprehensive Federal law governing health care information practices, and current State laws are a patchwork of inconsistent and often unsatisfactory provisions. Health care reform will increase the need for uniform rules for the collection, maintenance, use, and disclosure of identifiable patient data.

The development of uniform fair information practices for health care information is a current project of my subcommittee. This is an outgrowth of the subcommittee's general oversight over privacy matters. Working cooperatively with the health subcommittees of the Energy and Commerce Committee and the Ways and Means Committee, we hope to be able to do the hard work necessary for workable legislation. We have begun with an informal consultation with the health care establishment and other interested parties. By the end of the year, I expect to be able to circulate a draft and to consult with everyone concerned about the use of health care records. Eventually, it is my hope that we can hold hearings and then join our work with the overall health care reform effort.

In this environment, I very much welcome the announcement this spring of a comprehensive national survey of public attitudes on a wide range of health care information privacy and confidentiality issues. Equifax, Inc., together with Louis Harris & Associates and Dr. Alan F. Westin of Columbia University, will conduct the poll. Survey topics include: First, the levels of trust Americans have in institutions that use medical information; second, experiences individuals have had with the uses of such information; third, attitudes about the use of medical information for various needs and health care reform; fourth, privacy protection safeguards; fifth, individuals rights of access to their medical records; sixth, employer access to personal medical information; and seventh, how attitudes toward privacy correlate with attitudes toward health care reform.

This will be the fourth in a series of privacy surveys funded by Equifax. Past privacy surveys by Equifax and by Louis Harris have been the subject of hearings before the subcommittee and have provided very useful background for understanding public attitudes. I very much look forward to the result of the new Equifax survey.

In the meantime, anyone with a specific interest in the development of fair information practices for health care information is invited to contact the subcommittee.

HAITIAN IMMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, I am honored to have a distinguished Member of the delegation from our State 'in the Speaker's chair.

Mr. Speaker, at the end of last week I came to this well to speak of the enormous problems plaguing our Immigration and Naturalization Service in dealing with people seeking political asylum, and the larger context of enforcing our national immigration laws. Just to recap: INS knows of approximately 1.2 million illegal entries into this country every year; officials estimate the actual number of people coming into this country illegally to be closer to 3 million. In the specific case of Haiti, since the military coup almost 40,000 Haitians fled Haiti seeking refuge in the United States. Of those, more than 10,000 were granted parole and are now in this country—90 percent of them in Florida—awaiting processing of their asylum claims. We are told that those claims are being processed with the help of nongovernmental organizations [NGO's] at a rate of 1 a month—which translates into more than 800 years needed to process all 10,500. Since I last spoke on this issue, the Supreme Court has upheld the current United States policy of intercepting Haitians in international waters and repatriating them. It has been reported that this means we have turned our backs on the Haitians. This is simply untrue. There remains in full force a process for Haitians seeking entry into the United States through the visa process at our consulate in Port-au-Prince. I continue to believe that the Haiti problem must be solved in Haiti, not by encouraging Haitians to take to the seas in leaky boats to make the treacherous journey to America.

Another element of this problem involves the HIV-infected Haitians recently transferred from Guantanamo Base in Cuba into the United States. As a result of unilateral action by a Federal judge in New York. I am deeply troubled by this decision, and by the inexplicable silence we are getting from the Clinton administration regarding our concerns.

By not immediately challenging the judge's order to admit the HIV-infected Haitians, the Clinton administration has left this country open to a dangerous precedent of immigration policy set by judges, not legislators. Bringing these HIV-infected people into this country is in direct violation of legislation recently passed by Congress and signed by President Clinton. This ruling tells would-be immigrants all over the world that, if you can get a foot in the door, even under a fraudulent political refugee asylum request, you are probably home free. I and over 40 of my colleagues urged the President to seek an immediate stay and appeal the decision. So far—silence. There is never a cop around when you need one syndrome.

Second, immigration is clearly a national problem. For too long, citizens of States like Florida have disproportionately borne the brunt of the financial and social costs of resettling immigrants. I have joined an effort with my Florida colleague, Mr. MICA, to send the Federal Government the bill not only for the present wave of Haitians, but also for the amount owed—but never paid—from the Mariel boat lift: $150 million total.

□ 1830

Mr. Speaker, I will wind up by simply saying that there is more on this subject, and more will be heard in the days ahead because this problem is not going to go away until this body deals with it and gets the administration to deal with it.

HEALTH INSURANCE—ONE OF THE MAJOR ISSUES FACING THE UNITED STATES THIS YEAR

The SPEAKER pro tempore (Mr. HASTINGS). Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, one of the major issues facing the United States of America this year is the issue of health insurance, and there has been a lot of information put out about this, and there has been a lot of misinformation. Tonight, I and three of my colleagues, the gentleman from Illinois [Mr. HASTERT], the gentleman from Texas [Mr. JOHNSON], and the gentleman from California [Mr. DOOLITTLE], will try to discuss and illuminate this issue just a little bit so that our colleagues, and possibly the American people, will have a better understanding of the problems we face and a little bit more understanding about what is really correct information and what is incorrect.

Mr. Speaker, I would like to refer at the outset to two articles before I turn to my colleagues. One was written in the Wall Street Journal on April 15 of this year, and in this article they point out some very important points that should be known by everybody.

First of all, Mr. Speaker, they say that there are probably 37 million uninsured; at least that is what some of the pundits are saying, but, before turning one-eighth of the economy upside down, they say in this article, to help these souls maybe somebody should try to distinguish between an intriguing problem and a, quote, unquote, crisis. Thirty-seven million sounds like a lot, but that still leaves, and this is very important, 182 million people swimming in the world's best medical care. Some 83 percent of Americans have public or private insurance, or both, including the genuinely poor. Twenty-four million of them have Medicaid.

They go on to talk about how the survey took place that showed we have 37 million uninsured, and what they did was they said at any given point in time is there anybody in your household that is not insured, and, when you start looking at the figures, you find out that many people are uninsured, but for a very short period of time in between jobs, and yet they are counted as part of the uninsured in this country.

They go on to say it turns out that half of the uninsured go without coverage for less than 5 months, and 70 percent for less than 9 months. Among the uninsured capable of or willing to work, three-quarters reacquire coverage within a year. Amazingly this figure holds for both full- and part-time workers.

A lot may be plugging away at low-wage or part-time jobs in industries like retail with high turnover. Eventually their employers will offer them health insurance, but only after a waiting period, and during that waiting period they are without coverage. That is because employers want to make sure that the new hires intend to stick around.

It goes on in another part of the article and says:

> What else do we actually know about the uninsured? They tend to be young, low on the earning curve, but not necessarily poor. Nearly half have household incomes above $20,000 and 17% earn more than $40,000, according to the Employee Benefit Research Institute.
>
> What this suggests is that many young workers are turning down health coverage from their employers. They'd rather have the cash wages and funnel the money toward rent, car payments or a savings account.

In another part of the article it points out that:

> Nobody knows how many of the long-term uninsured are truly needy, how many are just economizing or how many have fallback strategies. They do indeed have a problem, but it isn't that their afflictions will go untreated; it's that if they contract something

serious while they're uninsured, insurance companies will deny them coverage for what's called a "pre-existing condition." But no way do 36 million people have this problem, or "crisis."

And in conclusion, Mr. Speaker, in this article he says:

Despite all the media hoopla and handwringing in various medical journals, we think a very strong case can be made that smaller-scale experimentation and innovation would be more apt.

How about medical IRAs, Medicaid vouchers and loosening up state mandates that force companies to goldplate their health benefits, thus driving up health care costs? Each of these would help to lure more folks under the insurance umbrella and trim demand for uncompensated care.

Mr. Speaker, I would like to read a couple more quotes, and then I would be happy to yield to my colleagues.

This is an article from Forbes magazine on June 22, 1992:

This year's big lie, echoed in numerous political speeches, is that 37 million Americans are completely uncovered by health insurance.

The estimate of 37 million was drawn from a survey for a single point in time. It included many people who lost health insurance for a brief period—there are millions of such people, changing jobs, going back to school, moving, getting married, becoming widows, going off welfare and so on.

□ 1840

For most of these people the period of going benefitless is relatively brief.

A more realistic picture comes from a 1990 Census Bureau study entitled "Health Coverage 1986-88." Instead of taking a snapshot picture of a single month, this study took a moving picture over 28 months. What it found was that "4 percent of all persons lacked coverage for the entire period." That means 96 percent of the people did have coverage.

Instead of 37 million people who were continuously without insurance, the long-term uninsured amounted to fewer than 10 million.

Who are the long-term benefitless? Over 27 percent of those without health insurance are under age 16, while another 23 percent are between 16 and 25. Most of these young people are dependents who could be insured through their parents' employers, or through college plans, at some cost. If some parents choose to skip such dependent coverage, perhaps only for a few months, that does not mean they would not or could not pay their children's medical bills. And it certainly does not prove lack of "access" to health insurance.

Let me read one more quote here.

Another study by Katherine Swartz and Timothy McBride of the Urban Institute, finds that "half of all uninsured spells end within four months" while "only 12% to 13% of [the uninsured] have spells that last more than 24 months." It also finds that "people who are employed (either full time or part time) are more likely to have short uninsured spells." That means proposals for federal "play or pay" schemes that focus on requiring employers to provide insurance miss the point entirely. Most of the long-term uninsured have no employers. They are either children, self-employed or living off assets.

Most damaging to the argument that tens of millions of poor Americans lack health coverage is this finding: Swartz and McBride discovered the highest percentage of short-term uninsured was among those with family incomes above $36,000 a year.

Let me conclude by reading the following:

They also like to argue that more government involvement in health care could somehow lower costs. This is downright silly. The reason medical costs are out of control is not that the government covers too few of the nation's medical bills, but that it covers too many. Taxpayers now pick up the tab for 42% of all medical bills—up from 37% in 1970. Whenever the government subsidizes any purchases, the effect must be to increase demand and bid up prices. If we stifle that effect with price controls, medical care will have to be rationed by waiting lists or by bureaucratic decisions about who lives or dies.

The government could make things easier for the self-employed and temporarily unemployed by allowing a refundable tax credit for premiums on catastrophic medical coverage, and a tax deduction for building an IRA-like account as a health bank that could be used for major medical bills, or left to grow for retirement.

Instead of listening to the empty rhetoric of those who want to federalize medical services, voters should reflect on the probability that a government health scheme is likely to deliver service with the efficiency of the Postal Service and the compassion of the IRS.

I think those are things that ought to be thought about by everyone who thinks we need to have an all-encompassing Federal health care program such as what the administration has been talking about.

With that, I will be happy to yield to the gentleman from California [Mr. DOOLITTLE], who has been working very hard on a plan to deal with this problem.

Mr. DOOLITTLE. Mr. Speaker, I thank the gentleman for yielding. I think the information that the gentleman shared shed some real light on this problem of our health care system.

Make no mistake about it, this health care system that we presently have has real problems. I am convinced of that. There are problems that need to be addressed. There are problems of affordability. There are problems of access in some cases, at least access to insurance, although I think the issue has been confused, perhaps deliberately, perhaps unintentionally, but confused to imply to people that there are people in this country who do not have access to health care.

Of course, I think as everyone is aware, there is a Federal law that actually requires that people who show up at emergency rooms to be diagnosed, to be evaluated and diagnosed, to see if they have a medical need, and if they have such a need, for that need to be dealt with, whether they can or cannot afford it.

Mr. BURTON of Indiana. I wish the gentleman would repeat that, because there is a feeling out in the country that there are a lot of people who are going without access to health coverage if something goes wrong. They may not have health insurance, but if they have a medical emergency or problem, they are going to be taken care of.

Mr. DOOLITTLE. Well, they are indeed. I think America needs to be very sensitive to what one of the primary controversies is going to be during the Clinton administration. Really it is a clash of world views.

This is a President and an administration that has tremendous faith in the power and munificence of government. They have a philosophy that basically says that we need to have more governmental involvement in our lives in order to improve the human condition.

Now, that is in direct contrast, say, to the traditional conservative philosophy, which holds that we ought to have more individual initiative, more individual control of our lives, and more private choice in order to best meet the needs of human beings.

So we are getting an administration that is seeking opportunities to expand the power of government. That is why in this reconciliation bill being debated by the Congress they are advancing the largest tax increases in history and the largest spending increases in history. They are determined to make government the center focus of our economy.

Now, we hear rumors affecting health care, which is, I believe, one-eighth of our entire national economy, which center around this issue of the health care industry. They are whipping up people's concerns over the so-called 37 or 36 million, whatever it is, who do not have health care insurance.

Mr. SAM JOHNSON of Texas. If I may interrupt for a moment, I think we ought to stop talking about 36 or 37 million uninsured, because that number, as the gentleman has just proven from statistics, is not correct. We are talking about the wrong number.

The people are insured. It is just that at one point in time some 36 or 37 million may not have insurance. But it is of their own choosing, for the most part, is it not?

Mr. BURTON of Indiana. That is correct.

Mr. SAM JOHNSON of Texas. Therefore, if they do not want to buy insurance, but would prefer to risk their health in an emergency room where they know they can get health care without buying insurance today, then that is their choice.

I do not believe and I do not think you gentlemen do either that it is the Government's responsibility to force them to buy insurance if they do not want to. Nor is it our responsibility to take care of them. I think that is what the gentleman is pointing at with regard to this monster tax increase that is going to come on everybody. And I think one of the things that has not been told about that is that the tax in-

crease, which, by the way, is 24 times the amount of taxes on the $100,000 group as applied to over $200,000, 48 times the amount on the $75,000 group compared to the $200,000 group, means we are really punishing that guy that is out there able to provide the job for the guy that does not have one and able to give health insurance and benefits to the guy that does not have them.

Now, I think that we have to be very careful about how we structure this health program. But we have to talk in truth and not fiction.

The truth of the matter is there are not 37 million uninsured. I think that if we make this clear to America, then it is going to be our responsibility to point out again that with this monster tax increase that is staring us in the face, we are not even talking about funding a health program such as the administration wants to have. We are talking about another little tax creeping up on us and getting burned again.

Mr. HASTERT. If I could comment on that, first of all I want to congratulate the gentleman from Indiana [Mr. BURTON], the gentleman from California [Mr. DOOLITTLE], and the gentleman from Texas [Mr. JOHNSON], for talking about this issue. It is a big issue. It is something that is one of the hot topics of the time.

I think one needs to take some time and analyze this, and you are doing it. We need to analyze.

The first question, the first statement we want, and the gentleman from Indiana [Mr. BURTON] is exactly accurate, is I do not think Americans are ready for a government health care program. I think that is one of the first red flags that the gentleman raises, and I think that is something we need to do.

Do Americans want to trade off a system which they have today, which is basically a choice system, for a system of big government? We have seen big government and how big government operates. If you go to Canada or England, you will see a health care system that sometimes is touted even here in Washington, but which is less than adequate for the people who have a deal with it.

But who are that 37 million, that number that keeps coming up? The gentleman has hit the nail on the head. A lot of them are people in between jobs or in between health care plans.

Some of those folks are people who are self-employed. And because they do not have tax fairness, and they are farmers and barbers and beauticians, some of them are even doctors and lawyers.

Mr. BURTON of Indiana. Explain why there is not tax fairness. Corporations get a 100-percent writeoff.

Mr. HASTERT. I will get to that.

Mr. SAM JOHNSON of Texas. Do you not need to say that the gentleman from Illinois [Mr. HASTERT] is probably one of the most knowledgeable Members in our House here?

Mr. BURTON of Indiana. He has been working on this for some time.

Mr. SAM JOHNSON of Texas. I am proud to be standing here by him tonight.

Mr. HASTERT. There is not tax fairness because people who are self-employed, proprietorships and partnerships, only have a 12-percent deductibility. And of course, one of the things that you see every time you can identify a problem, you want to be able to identify a solution. And if you gave people tax fairness, if you gave them 100-percent deductibility, when they buy their family a health care policy.

Mr. BURTON of Indiana. Like the corporations.

Mr. HASTERT. Like every other business, not just corporations, but every other business has that deductibility as a business expense, and individuals ought to have it, too. So a lot of those folks, you do solve that problem, get them health care access, if you want to use that word, by changing a very simple law. It is a fairness issue in taxation.

Ironically, other issues out there come to play on this health care. Another group of those folks are people who are people who work for part-time. They work for McDonald's and Sears, big corporations. But they work part-time.

Mr. SAM JOHNSON of Texas. There are some employees in the retail sector, which you are talking about, who do not get insurance right off the bat because the company is trying to see whether they are going to be a long-term employee or just one that is in and out. I can understand the cost of doing business in that way.

Mr. HASTERT. And you will find that a lot, when you get back and start to talk to employers in your district, you find a lot of those people are hiring temporaries, temps, employees, because they do not know what Government is going to do. We talk about big-time unemployment, and we talk about not turning the economy around as fast, employers become very reluctant to hiring more people because they do not know what the Government is going to do to them. Instead of going out and making those new hires, they pay overtime to the folks they already have on board. And I have got a couple of companies who are paying 60 hours, they are keeping people on board 60 hours a week because they do not want to hire new employees.

Some of them are going out and hiring temporary employees, putting them to the test before they hire them.

The issue is, some of them are working for McDonald's and Sears and on a part-time basis. And if you are part-time, they may be feeding a family off that. But they are not covered by insurance.

Some of those people, too, are small business. Of course, I think small business is really the heart of our economy. It drives the economy. And the NFIB tells us, National Federation of Independent Businesses, if you start to mandate Government mandates on small business, we are talking about businesses under 50 folks, 50 employees, the first thing that happens is before half of those businesses will go out of business, as usual, because they already provide health care. Twenty-three percent of those small businesses will pretty much narrow down, the mom-and-pop organizations, they will let people go because they cannot afford to pick up that health care responsibility. And 22 percent of the small businesses will close their doors because they are so marginal. And that is where some of those folks are. So we have to be sensitive to that.

We also have to start to be really sensitive about what we do to businesses when we start to put on huge mandates for those businesses. I think it really comes down to two basic things.

No. 1, how do we start to solve the problem if there are some people out there, and I think the tax fairness is an issue, how do we start to solve the problem of bringing those people into the system, because they, if there is 37 million people out there, they still get sick, they still have automobile accidents, they still have heart attacks and they end up in the hospital, usually in the emergency room, not primary care but in the emergency room, and they get care. And what hospitals do, when you tie your insurance or if you are an employer, they are charging you 140 to 160 percent of what your actual services are to cross subsidize those people who are getting hurt.

Mr. SAM JOHNSON of Texas. So they can write off those that walk in.

Mr. HASTERT. It is a cross subsidization. They have to do it. So that is what our goal is. And we need to find ways to get those people in the system, good American free enterprise ways of doing it. And that is a real challenge.

Mr. BURTON of Indiana. Let me just interrupt for just a second. I think you made some great points. You have been working as chairman of the Health Care Task Force, and we really appreciate the yeoman service you are putting in on behalf of all of us.

But there are two things that I would like to point out. And we can discuss these. I would like to welcome the gentleman from Georgia, who has just come out to the floor.

First of all, in addition to the huge tax increase that is going to be coming to this floor before too long, the Senate is working on it, I guess today, which is going to be somewhere between $300 and $400 billion, they are looking at probably between $100 and $250 billion for this health care scheme that Hil-

lary Clinton will be proposing to the Congress sometime this fall. That is probably double to triple the largest tax increase that we have faced in 1 year in history.

The second thing I would like to point out is, every time this bureaucracy in Washington takes over another function of the private sector, they screw it up. If you do not believe that, look at the S&L crisis and some of the other debacles that have taken place in this country.

I submit to my colleagues, and I would be happy if they would discuss this, what do you think is going to happen if we end up with a national health care program that the bureaucrats are going to be running here in Washington instead of the competition of the private sector?

Mr. SAM JOHNSON of Texas. I talked to a Canadian the other day and I said, "Why don't you go back to Canada?" He said, "I'm not going to. They don't have any health care."

That is a national program up there, and I think everyone fails to realize that everyone is insured, no doubt about it, but you have got to wait in line to find a doctor. You do not get to pick your own hospital. You do not get to pick your own doctor. Many times you probably do not even know what kind of medication you are going to get.

Mr. BURTON of Indiana. I yield to the gentleman from Georgia [Mr. KINGSTON]. I want to tell a story after a while about a friend of mine that went to Canada and got into their health care plan.

Mr. KINGSTON. I want to bounce off the comments of the gentleman from Texas real quick in terms of Canada. The other thing that Americans need to remember is that in 1986, Canadian doctors went on strike. And when I tell the folks back home in Georgia that under the Canadian system, if we go that way, their doctor will go on strike, if he or she wants to, as do Canadian doctors, that does not sit well with people. People do not realize when we are comparing the Canadian system to the American system, we are comparing apples to oranges. It is a much smaller country, I think 26 million people, that have a completely different system in terms of the marketplace. It is just not a good comparison.

I did want to go back on this small business taxes and the deductibility. I do have an insurance background. I sold insurance for 13 years before getting elected.

One of the things that the small mom-and-pops tell me, the pet stores, the beauty shops, the clothes stores, and so forth, which is where most of the jobs come from in the economy, is that they would love to provide the health care benefit to their employees, but the typical scenario is now that the employees that they have a spouse that works for the Government or a large corporation, the school board or something. They are providing health care for the family.

The person who works for the small mom-and-pop shop is covered as a dependent. But if these shops had the 100-percent deductibility that large corporations had, then more of them would purchase health care. And if that happened, then obviously, it would be more accessible to a large number of people.

I believe right now that 60 to 80 percent of the people employed in America work for small business. It is so important, if we help small business, we will be helping them.

Mr. SAM JOHNSON of Texas. Can I just make one quick point? The businesses, small businesses, absolutely need 100 percent deductible on their health care. That is part of the reason why they did not provide insurance and part of the reason we are talking about uninsureds. But I think your point earlier, the gentleman from Indiana [Mr. BURTON], where you talked about 182 million Americans who are insured, have insurance, and of that 182 million, 24 million of them are extremely poor and receive Medicaid, which means that the insurance is out there. It is just that we have not made the laws such as would allow small business, for example, to provide insurance for their employees, as you stated.

Mr. BURTON of Indiana. Mr. Speaker, I yield to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I would like to thank all of the Members for appearing and participating tonight. I think this is exactly the type of a national discussion that we need to have about health care.

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There is much that is good with our present health care system. There are some real problems that need to be solved, and you all have just touched upon this. That is the idea that if a person changes jobs, then they lose their health care. Then when they sign up for a new job, then they have to qualify. If they have developed what they call a preexisting condition at their previous job, now they have lost that insurance and they go to the new one, and in many cases they may not even be able to get insurance.

I think one of the goals as we seek to reform our health care system, since employees really have to earn their health insurance, because after all, that is one of their benefits, it is just not given as a gift but it is tied to their working, showing up for work, since they earn that they ought to be able to own it. It ought to be personal to them and portable.

It has been suggested by experts looking into this field that if businesses are not willing to provide that kind of a personal and portable plan, then they ought not to get the tax deduction for providing that type of health insurance.

The gentleman from Illinois and others have commented upon the nature of this 37 million. I think the gentleman from Indiana referenced it. The reality is, 60 percent of this 36 or 37 million, I hear both numbers and I am not sure which one to fix on, but let us say 37 million, 60 percent of that 37 million are under the age of 30. They are the healthiest sector, really, of the job market, and the primary reason these individuals do not have health insurance is because the price is too high.

Why is the price too high? The price is too high because, in many cases, of the government's own involvement with its own regulations, which drive the price up. The irony is that one of the solutions that we hear being advanced to the health care crisis is a law passed that says employers must provide health insurance for their employees, a mandate imposed by the government.

We have heard within the last month figures as high as 12 percent, can you imagine that, a new payroll tax, 12 percent laid on the employer plus about 3 percent for the employee. People who think we do not have enough taxes already in terms of payroll taxes, wait until this hits them.

Mr. BURTON of Indiana. It would drive a lot of companies out of business.

Mr. DOOLITTLE. It will drive a lot of companies out of business, and the ones who can avoid going out of business are going to seek to cut their costs. What is going to go first? Health care, that is what is going to go first. Either the deductibles are going to go up, the cover is going to be limited, or they are just not going to seek to offer it, if there is any way they can avoid it.

One other way they may seek to avoid it is dropping below the threshold, whatever the minimum number of employees is that they have before these Federal standards take effect.

Mr. BURTON of Indiana. Which will cost jobs.

It will cost jobs, and it is going to hurt the very people that we are seeking to help. The gentleman over here has made a very important point. I believe in that study that was done there are only about 9 million or 4 percent of this population that was being looked at that was actually long term without health insurance or, I think 28 months or more. I believe the figure that sticks in my mind was 4 percent. That does not correlate to 9 million. It would have to be more than that.

Mr. SAM JOHNSON of Texas. That is correct, it is 4 percent, but it says 9 million. The gentleman is right, it does not correlate.

Mr. BURTON of Indiana. Fewer than 10 million, they said.

Mr. DOOLITTLE. We are going to have to address this discrepancy in our figures, because that would be about 25 percent. I think the figure from other sources I have read is 4 percent are actually without health insurance for 28 months or more.

What we have to do is reform the system so we preserve individual choice, like we have now; so that we make it more affordable. We can do that by actually getting the Government out of the system. Does the Government do anything well? Look at the different range of activities that the Government is involved in.

Mr. SAM JOHNSON of Texas. The microphones work.

Mr. DOOLITTLE. The microphones work.

Mr. SAM JOHNSON of Texas. The House Administration staff does a good job.

Mr. DOOLITTLE. These folks up here tirelessly toil away in service. The reality is that Government is inherently inefficient. That is why the founders believed in a limited government. That is why they gave us a written Constitution with expressly delegated powers from the people to the Government and they put it in writing so that there could be no mistake about it. At least that was the thought. It is kind of ironic to see how this has all developed over time.

Their desire was to constrain the Government. Why? Because government will sap the lifeblood of the people, if given the opportunity. It naturally tends to grow.

Big government was not invented in the 20th century. We had big government under King George in the 18th century, with hordes of tax collectors and regulators of all sorts from the British Government. They had big government then, and we finally had an American Revolution.

Unfortunately, we have big government again today. It is going to get bigger if they are allowed to seize control of one-eighth of the United States economy, which is indeed the portion that is comprised by the health care industry.

I think we need to look at reforms that broaden the opportunities to get health insurance and that preserve choice and that preserve the high quality of medical care that we actually have.

Mr. BURTON of Indiana. While we are doing it, do not kill the goose that laid the golden egg.

Mr. DOOLITTLE. Yes, or do not throw the baby out with the bath water.

Mr. HASTERT. I think the gentleman from California hit on some interesting philosophy points, some basic philosophical points. I think when we look back at health care, there are some problems in this country. I think we all agree there are some things we will be able to address.

How do we define those problems? We have said there are x number of people who do not have health care, whether because it is transition or whatever, but some of them do not have health care. Like the tax fairness issue, we need to find solutions to address that. I think we can target, we can pinpoint those solutions at those populations of people.

For instance, small business, and I come from a small business situation, I said the statistics of small business drive them out of business if they have to provide health care. That was the NFIB statistics, the National Federation of Independent Businesses. How do we help small businesses? We can do some reform in insurance that small businesses have to do, that they can group together, they can go together into a marketplace. Instead of taking four people to a market, if you were a small business, you can take 400 or 4,000.

The types of not only benefits but the costs you are going to have to pay are going to be a lot less with that approach, because you can purchase en masse, so that is another reform we have to look at, small group reform.

When we are doing it, one of the things that the gentleman from California talked about is the issue of portability. If we make those risk pools bigger when we do reform, then all of a sudden people can move from job to job. They do not have a job lock or the preexisting condition problem that there was before, and we can make some real headway. Those are the types of things we want to focus on.

Mr. SAM JOHNSON of Texas. What we are talking about is if we are doing something like that, we immediately eliminate about 60 percent of the uninsured.

Mr. HASTERT. Absolutely. That is what we want to do, we want to take those people who are uninsured and move them into that insured market. Then we get to the next point, the next issue. That is holding down health care costs.

We said that 40 to 60 percent of our health care cost is legitimate insurance that people have today, and the average company spends $4,700 per employee family on health insurance. A lot of that, we could start to figure that 40 to 60 percent of that is cost subsidy for people who do not have insurance and still get sick and end up in the hospital. We can start holding down health care costs.

Those are the other things we want to look at once we get people involved, how can we hold down health care costs, because that is a problem. It has gone up higher than the rate of inflation, and there are some things we can do.

Another thing we can do, for instance, is one of the huge cost drivers that we have is malpractice insurance. It drives health care costs two ways. The first way is that the cost of insurance, for instance, Fox Valley of Illinois that I represent, if you go to an OB–GYN to deliver a baby, 25 to 30 percent of the cost of that delivery is just health care insurance. It is the malpractice insurance that that doctor has to have before he even thinks about walking into a delivery room.

Also, the hospitals have to pick up riders on top because doctors cannot buy enough. The other side of that issue is defensive medical costs. The same locality, if the doctor is going to suggest that you have a gall bladder surgery, for instance, he can give you up to $5,000 worth of tests, not for a prognosis or not to make you get well quicker or not to do anything that really affects your health, but if he gets hauled into court he has protected himself.

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And so those defensive medical costs have driven up health care costs so dramatically over the last few years. So malpractice reform is a common-sense thing. And I think most people agree that it has to be done. There are ways to do it.

People are going to be injured because of doctors or hospitals, and that is part of the process. But there are ways to ask, if somebody signs onto an insurance policy, for instance, you can go into mandatory arbitration and get the thing settled right away, and people are not stuck out in lawsuits for 2 years, 5 years, or 10 years before they get whatever they want to get. And I will conclude real quick on this thing, but you know, they can get their money and go ahead and live the rest of their life. And it makes sense to do things like that.

Mr. BURTON of Indiana. Let me just add one more part to the equation, and that is that one of the problems they have in metropolitan areas like the gentleman's, he is from around the Chicago area?

Mr. HASTERT. Like you are from the Indianapolis area, right.

Mr. BURTON of Indiana. I am from the area. In urban areas you have many hospitals, and they all want state-of-the-art equipment. They all want the latest heart machines, heart-lung machines and so forth, and because of the way the antitrust laws are written, and I am sure you are looking into this, they cannot cooperate to the degree that they really would like to or ought to. As a result they are all buying these multi-hundreds of thousands of dollars' worth of equipment, sometimes million-dollar pieces of equipment, and it drives up the cost of staying in the hospital. And if we could do something legislatively that would allow these antitrust laws to be changed so that they can cooperate, maybe we would only need one heart-lung kind of ma-

chine in a given area, or maybe some other kind of machine in another hospital so that they could transport people back and forth across town for specialized procedures, and it would cut down the cost of this equipment, and thus the overall cost that a person incurs in a hospital.

Mr. HASTERT. The gentleman is absolutely right. As a matter of fact, that is point 2 on my script here. Antitrust reform is something, it is the next step if you do malpractice reform, and antitrust is the thing to follow up. You hit the nail on the head.

For instance, in the area I have that encompasses probably 4 major towns and probably 200,000 people you have 6 hospitals. Every one of those hospitals has a MRI. They also have a pulmonary unit, they have a cardio unit, they have an orthopedic unit, and because of the laws that exist today, in order to draw patients to those hospitals they have to have all of the bells and whistles, and the laws says that you cannot not compete. You have to compete. So if you are going to compete you have to buy all of those things.

If you are going to change the antitrust laws, you are saying let us cooperate, let us utilize the stuff that we have. And of course they have an MRI and now, by gosh, for every person that comes through there, they say let us give them an MRI because we have to pay for this thing. And so it really is a huge cost driver, and that is a huge step in trying to get to that solution.

Mr. KINGSTON. If the gentleman will yield, one of the points I have made in some of the meetings I have been in is that when I was a freshman in college at Michigan Stage University in 1973 we voted not to allow pocket calculators because the only one that was out in 1973 was $159. By the time I was a senior you could get a better pocket calculator for $15. The same is true with personal computers, cellular phones and everything else. But the big difference between that and an MRI is you do not have the excessive red tape, the government intervention and regulation that you do on a hospital. So we can reduce that, and this same technology that has helped so much in education and in business, then we can also have it do the same thing in medicine where it does not just improve quality, but it decreases costs.

I want to mention, if I may, I say to the gentleman from Indiana, that unfortunately I have another appointment that I have to scoot to, but I wanted to jump back to something the gentleman from California said about let us not spoil the market system. I think there is another important point, and that is that we should not spoil the territory and the jurisdiction of States, because one of the things that I hear from so many officials is do not give us more mandated, unfunded benefits and so forth.

But there are many things going on in health care right now that the States are doing. For example, South Carolina a couple of years ago passed a portability law that for groups of over 10 they wipe out the preexisting conditions. The insurance companies were against this originally, but now 2 or 3 years later they are OK with it. I think South Carolina should be commended for their action on that.

In the State of Georgia we passed a law in the legislature this year that addressed the issue of doctors having in-house referral fees, and that I think is good. We also passed a law, I say to the gentleman from Illinois, about clustering, allowing small accounting firms and small-lawyer, one- and two-man shops to combine together to purchase and form purchasing groups. This is happening now.

In one of the counties that I represent, Glenn County, we talked about the problem of immunizations. They came up with their own solution to it, because as you know, one of the biggest problems with immunization is not the availability or the affordability, it is the fact that the parents do not take the kids to get immunized under the present program offered by the county health services. And what they did was that they put in an automatic dialing machine, and any parent who had not brought their child in for a free immunization got harassed each and every night through this obnoxious automatic dialing. As a result of it, they got children immunized in Glenn County, GA. And the lady who runs the program, Carol Heisman, was saying that other counties across the Nation want to duplicate that. What was great about it was it was effective and it was inexpensive, and it did not take us, the big bad, know-it-all Federal Government in Washington, DC, to tell the people how to do it. They came up with their own solution.

So one of the things I am really worried about with a sweeping health care law is that we are going to stifle that type of initiative. And I wanted to mention that. Unfortunately I have an appointment that I need to scoot on, but I really appreciate your leadership and everything you all are doing on this.

Mr. BURTON of Indiana. We appreciate the gentleman's comments.

Mr. HASTERT. I think the gentleman brings out a very good point, that the States are the natural laboratories in the country, and there are some States doing some very good things. We need to have flexibility so that the States can do the experimentation. Also on the antitrust things that Mr. BURTON talked about, we need to pass some Federal law to make the laws so that experimentation can move forward on a nationwide basis, because sometimes there are constraints to doing that.

Mr. DOOLITTLE. If the gentleman will yield, I think the gentleman from Georgia needs to go.

Mr. SAM JOHNSON of Texas. Tell everybody that he is from Savannah since we have mentioned a couple of other towns.

Mr. BURTON. Near Savannah, he is from near Savannah, GA.

Mr. HASTERT. What I want to know is why a fellow from near Savannah, GA was going to school in Michigan.

Mr. DOOLITTLE. He makes a very good point, because here we are dealing with one-eighth of the U.S. economy, the health care industry, and we were about, at least if we can believe what is coming out as leaks from the secret Hillary Clinton health care meetings, we are about to rush in and radically reform this whole system without having considered all of the nuances. I think the gentleman from Georgia is saying wait a minute, this is too big without proceeding very carefully. Let us not wipe out some of the experiments going on, as the gentleman from Illinois referenced in the different States. When we are grappling with this, those are sovereign entities. And really the framers intended for domestic issues to be dealt with by the States. But because this has a Tax Code component, there is an element in the Federal law that we have to deal with, and I think antitrust has to be dealt with, as the gentleman from Illinois mentioned. We have to deal with this issue of how we are going to treat tax deductibility of insurance.

Right now it is biased against the self-employed, it is biased against those employed by small employers who do not provide health insurance, and it is biased against the unemployed. We need to change that tax law to allow health care to be personal and portable.

When I got my term life insurance, they sent out someone to do a health exam, and then as long as I pay the premium it does not matter where I work, or where I live, I get to keep that life insurance policy because it is personal to me. And it is portable because it goes anywhere that I go. That I think is what we have got to do with health insurance.

It was purely an accident of history, if you will, that it became tied to employment. It was as a direct result of another government intermeddling during World War II with wage and price controls. And all of a sudden businesses could only pay, could only charge so much for their products and services and only pay so much to employees. So the ever-flexible free enterprise system resulted in businesses thinking OK, let us see how we can attract employees without paying them more in their dollar wages. Oh, we will offer health benefits. And of course, that has really caught on, and expanded to the point where we are

today, where we have 83 percent of our people cover their employment. But we have these pockets of people who for no logical reason are really being denied opportunities to have access to health insurance.

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So that is the responsibility at the Federal level, I think, is to change at least that part of it and change the part relating to antitrust and do what we can with malpractice to reduce the costs of so-called defensive medicine. We can do all of these things without having the Government take over the health care system which is the finest in the world as it presently exists. It just is not the fairest in the world because we have these flaws in it.

So we need to make some changes, no question about it. But the gentleman from Georgia, I thought, made a very good point respecting the rights and responsibilities of the States, and others here have made some excellent points.

Mr. BURTON of Indiana. And the initiative.

Mr. HASTERT. If the gentleman will yield, he is right in those issues, and we need to look back.

And what is coming down the pike? Well, quite frankly, we do not know what is coming down the pike. But we know that 80 percent of the people in this country are insured today. Most of them have their insurance through their employer just because of the system that you talked about. It is there.

What we have to ask ourselves in any new system that comes down and any Government system, if we get it, is that there are three questions, I think, that people want to ask themselves: No. 1, what am I going to get; No. 2, what am I going to have to pay for it; and, No. 3, am I going to have any choices?

I think when you start to look at the Government system, probably those choices are not very good. And when they see what they are going to get, especially if we have caps and we have limited benefit packages that they are talking about, they are going to get less, and they are also going to find out that they are going to pay more, and those are not very good solutions at all.

So I think that one of our real challenges is to say how we start to put together a reform of the system that says, you know, we are going to pay about what we are paying now, or somebody is going to pay that, and we are going to, you know, get what we get now or maybe a little bit better, and, by gosh, we are going to have some choices.

That goes into another issue that all of the laws that you need to change in malpractice, and, as the gentleman from Indiana brought up, the ideas of antitrust.

You know, I guess when we really get down to it, we have probably the best, and the gentleman from Texas [Mr. JOHNSON] said this before, that it is the best health care system in the world. I mean, I will hold it up against the Canadians or the Swedes or the Japanese or the Germans or the English or anybody.

When they get sick in those countries, they want to come back to the United States and make sure they have got their doc and their hospital and their pharmaceuticals that are there. But when you look at that, what we want to do with our doctors and systems is say, "Listen, let us give the doctors the ability to go back to what they were trained to do." Right now they are so leashed down and tied down with malpractice laws and antitrust laws that, you know, before they do a decision on a person on how to treat a person if he has cancer or whatever, they know what the symptoms those people have are, they know what maladies they have, but they have to go back and do 37 different tests before they dare give a prescription or a prognosis or a cure.

We need to give docs and the people in the health care profession the ability to do what they were trained to do, and that is to give people their best judgment.

You know, we have to design a system that allows them to use their talents, not to go out and, you know, there are all kinds of stories out there, but, you know, one caution that a doctor told me, who happened to be a top surgeon in a big Chicago hospital, he said, "Every time we give a knee surgery for somebody who twisted their knee playing tennis, an arthroscopic surgery, usually for torn meniscus, we have to do an MRI." He said, "We do not have to do an MRI, and it costs $1,500 to do an MRI, but we have to do an MRI because we may get hauled into court, and we have to have that as part of it, you know, as the service we have given."

Mr. BURTON of Indiana. So it is an additional $1,500 that is unnecessary?

Mr. HASTERT. Absolutely, and everybody pays.

Mr. BURTON of Indiana. That is terrible, terrible.

Anything else? Does anyone else have any comments they would like to make?

If not, I would just like to end by saying that the gentleman who heads the task force for the Republicans here in the House will be presenting a program that we will be looking at in the conference before too long, and the gentleman from California [Mr. DOOLITTLE] is going to be working on one from the study committee, and we will probably be collaborating on a program that we think will be something that our colleagues and the American people will embrace.

Mr. DOOLITTLE. I might just jump in and say that the gentleman from Texas and I are cochairman of the study committee task force.

Mr. BURTON of Indiana. I am sorry. Yes, our colleague, SAM JOHNSON of Texas.

Mr. JOHNSON of Texas. That is all right, I am just from Dallas.

Mr. BURTON of Indiana. The Big D, yes. Well, in any event, we will have a program, and it will be one that is well thought out and will not burden the American people with huge new taxes or a new bureaucracy.

You know, the S&L crisis was caused because we had a bureaucracy that was out of control. We do not want that in health care.

We think we will be able to present a program that will solve our problems without adding another $150 billion or $200 billion in taxes on the backs of the American people.

Mr. HASTERT. I just wanted to say that I appreciate the gentleman from Indiana scheduling this special order tonight, and I think what we need to do is to have more real thoughtful discussions about what the problem is and how we can start to look at ways to start to solve that problem, and this is a great first step.

I certainly appreciate being with you this evening.

Mr. BURTON of Indiana. The one thing I like about a discussion like this, with all of us participating, is it illuminates the issue not only for us and our colleagues, but there are a lot of people who watch these proceedings on C-SPAN. I know that you get calls, and I get calls, from across the country from people saying, "I did not know that," and the American people need to have more in-depth knowledge of the problems and possible solutions.

You know what Lincoln said, that if the people know the facts, the country will be saved, and I think that that is just as true with the health insurance crisis as anything else.

I thank the gentlemen.

THE NORTH AMERICAN FREE-TRADE AGREEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes.

Mr. BONIOR. Mr. Speaker, I have asked for this time this evening to discuss an issue that is very important and very close to me, the North American Free-Trade Agreement.

THE HEALTH CARE CRISIS

But before I do that, I had the occasion to listen to my friends and colleagues on the other side of the aisle discuss health care, and one of the comments that was made in that discussion was that we are rushing in to do radical reform. Well, I do not know that my colleagues understand or perceive the need to do something about reform.

Some people say, "Well, we are rushing into it." We have a health care crisis in this country. Our health care system is out of control.

For a family of four in 1980, the health care cost was about $2,500 a year. Today it is over $6,000, and if we do nothing, nothing, by the end of the decade, it will be $14,000 per family.

That will bankrupt not only families but businesses in this country. We have to do something, and we have to do it this Congress, and I hope this session of Congress.

A country this wealthy, this prosperous, without a national health security plan for its people is an outrage, an absolute outrage. The Germans have had it since 1870, 1870. They have a good system. The French have a good system.

I heard some comments about the Canadian system, and while I do not particularly advocate that system, my district is right across from Canada, and believe me, the vast, vast overwhelming majority of Canadians like that system. They get good service from the system.

So, you know, to do nothing as we have for all of these many years is not the answer. The answer is to engage ourselves and solve this problem to provide people with affordable health care insurance, affordable, that will not bankrupt their families.

The health care crisis is causing us, in the automobile industry in Michigan, today, it costs, for the cost of health care for an autoworker or for someone who is retired in the auto industry, it is $1,100 a year, onto the sticker price of each new automobile, $1,100. The cost of health care on the sticker price of a new automobile in Japan is about $300, in Canada it is about the same, and Germany maybe a little bit more, but not much more.

We are uncompetitive in pricing because of this health care crisis that we have today, and it is going to require that we not only deal with the guestion of reforming malpractice, which we need to do, as my colleagues have indicated in their colloquy, and we certainly obviously need to do tort reform, and it has got to be a part of this package.

But we have to go after the industries that have helped create this crisis, in a responsible way, but nonetheless call them to task.

□ 1930

Mr. Speaker, I am talking about the insurance industry, the pharmaceutical industry.

One of my colleagues mentioned here, "Does the Government do anything well?" And then there was this kind of laughter between my colleagues on the other side of the aisle, "The Government really doesn't do anything well."

Well, you tell that to the people who serve in the U.S. Marine Corps or the Navy or the Air Force and to our men and women who fought in Desert Storm, and you tell them they do not do anything well. You tell the people in my district, the people of the National Guard who served their country in Desert Storm, the people in the Army Tank Command that produced the vehicles that made us successful in Desert Storm, that they do not do anything well. Or tell that to the men and women across this country who carry the mail every day through rain, sleet, snow, storms, so that you can get the communications, both business and personal communications, that are important to your lives. You tell that to the park workers. We have the greatest national park system in the world in this country. You tell them that the Government does not run that well. There are fine people who work in those parks interpreting for young people and making sure people have a pleasurable experience in our national park system. You tell them that the Government does not do anything well. You tell the fine researchers we have at the CDC down in Atlanta, or the NIH here in Washington, who work tirelessly, some of them 12, 14, 15 hours a day in order to come up with the cures for diabetes, cancer, Alzheimer's, and all these other diseases that are ravaging our population. You tell them they do not do a good job. You tell the people who educate your kids. We have the finest university system in the world here. They work for the Government. You tell them they do not do a good job. Or those who work in your communities teaching your young people.

You know, the problem is that we have got a lot of good workers in this country, and I am just getting a little sick and tired of people who put in hard days' work for their Government, getting bashed around on this floor.

My staff works hard. They work tirelessly. They are in their offices right now, some of them putting in 12, 13, 14, 15 hours a day, and they do it well. And they do it so well they help me whip this side of the aisle on a constant basis.

So let's not be too negative about the people that provide these services in education and in health care and police services across the country.

You tell the men and women in blue in this country who protect people on the streets and on the highways of this country that they do not do it well.

Mr. Speaker, you will have to excuse my exuberance here tonight. I listened, and while there were some thoughtful messages from my colleagues in the last special order, there were some things that obviously annoyed me.

NORTH AMERICAN FREE-TRADE AGREEMENT

Mr. Speaker, I would like to go on to another issue, if I could, and that is the North American Free-Trade Agreement.

I am here once again this evening to talk about this thing called NAFTA. If it is ratified, it will lock in the disastrous trends already destroying thousands of jobs in my home State of Michigan and all across the country.

And don't think for a minute that the story announced yesterday, accompanied by a great deal of fanfare and hoopla, I might add, about a single plant General Motors plans to relocate from Mexico to Lansing, MI, is representative of what is going on. The real story is told by more than 200 plants that have shut down United States operation and moved to Mexico in recent years. The real story is told by the advertisements placed in American business publications by the Mexican Government that boast, they boast about Mexico's low wages and weak labor standards.

Here is the truth about NAFTA: It was negotiated purely in the interest of multimillionaire investors and multinational corporations, at the expense of working people and their families on both sides of the border.

And that is what I want to focus on this evening; the loss of American jobs alone, though reason enough, reason enough to stand firmly against this agreement that was negotiated by the last administration and by Mr. Salinas, but proponents of NAFTA are now trying to sell the myth, to sell the myth that ratification of the agreement will be good for the Mexican people.

Just as we must set the record straight on the jobs issue, we have to set it straight on this count also.

The Mexican Government has established a development strategy that revolves almost exclusively around one principle, one principle: Keep wages shamefully low.

An explicit agreement between the Mexican president, coopted labor leaders, and Mexican industrialists has kept Mexican wages at one-tenth of United States wage levels. In spite of rapidly rising productivity, this explicit agreement keeps the vast majority of the Mexican population near or below the poverty line.

Those who want to believe that NAFTA can be a tool to raise wages and living standards in Mexico are really fooling themselves. NAFTA was negotiated by the very same man who designed the wage agreement that keeps wages low, and who enforces that agreement with an iron fist.

Now, NAFTA will not reverse this system of inequity. As far as President Salinas is concerned, this system of depressed wages is dependent on NAFTA, dependent on NAFTA, and NAFTA is dependent on the system.

Last week I delivered a statement that outlined exactly how the political system in Mexico keeps workers from earning the fair wage that they deserve. To begin with, labor unions must be approved, approved by the president

and his ruling party, and any attempt to organize without official approval is seen as illegal. It is deemed illegal.

Even approved unions can get into trouble if they step out of line. In the case of Agapito Gonzalez, who brought the Union of Journeymen and Industrial Workers to the brink of a strike in 1992, is a good example. Gonzalez was arrested just days before the strike deadline and held for 6 months before the Government's charges of tax evasion were dropped. The strike, needless to say, was broken.

The Government gets away with these tactics because there is no institutional system of checks and balances in Mexico. The Mexican President and his party are all-powerful. The Congress is set up in such a way that it is nothing more than a rubber stamp of the President's wishes. And the judiciary, the judiciary at virtually every level, is in the President's pocket. The system by which judges are appointed makes sure of that.

Mr. Speaker, I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I thank the gentleman for yielding. I am very much impressed with what the gentleman just said about the nature of the workers in Mexico and how there is forced union organization by the Government, in fact the Government-controlled trade unions.

I am wondering if the gentleman has been as interested as I have been in provisions that might be incorporated in the treaty, since the treaty allows free investment flows, as well as corporations, to operate across borders, transnational corporations, to incorporate within the treaty transnational labor organizations if in fact you are dealing with the same companies that have left the United States.

I am curious as to whether the gentleman has thought about this and has any thoughts.

Mr. BONIOR. I have thought about it, and I could not agree more with my friend from Toledo. Where in the NAFTA text does it say American plants cannot move south to take advantage of low wages and labor standards? Where does it state in this NAFTA text that labor unions in Mexico should have the right to organize so that they toe the ruling party line or not? Where in this text of NAFTA does it say who is going to pay or clean up the environment along the border where the polluter companies have been proven clearly to dump their toxic wastes? None of that is in there on the environment, none of it is in there on labor standards, and none of it is in there on democracy and election fraud.

Election fraud is rampant in Mexico, absolutely rampant. Corruption is everywhere, in law enforcement and throughout the Government. The President and his ruling party manipulate the laws to punish their political enemies without regard for their innocence, while Government officials remain above the law in spite of their guilt.

□ 1940

The scourge of drug trafficking in Mexico spells out just how troubled this Government really is. Law enforcement officials in Mexico are powerless to clamp down on drug traffickers for the very reason they are the same people who are involved in the trafficking themselves. In many cases the drug traffickers are the law enforcement officials.

The gentlewoman from Ohio and my friend, the gentleman from Ohio [Mr. BROWN] I am sure are aware of the assassination that occurred recently. Mexican Cardinal Juan Jesus Posadas Ocampo was killed last month when he was allegedly caught in the crossfire of a gun battle between two drug gangs.

People throughout Mexico and America were deeply saddened to learn of the loss of this person whose voice of reason, of passion, of piety, of moderation, was a real important voice in Mexican life; but those who know the Mexican system know his killers really never will be brought to justice.

I think it would be appropriate at this juncture to once again read the works of the Peruvian author, Mario Vargas Llosa. He described the Mexican political system this way. He said:

> The perfect dictatorship is Mexico because it is a camouflaged dictatorship. It may not seem to be a dictatorship, but it has all the characteristics of a dictatorship. The perpetuation, not of one person, but of an irremovable party, a party that allows sufficient space for criticism provided such criticism serves to maintain the appearance of democracy, but which suppresses by all means, including the worst, whatever criticism may threaten its perpetuation in power.

Ms. KAPTUR. Mr. Speaker, will the gentleman again yield?

Mr. BONIOR. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I think the American people would be very surprised in view of what the gentleman has said. Mexico is the major drug route to the United States. If this treaty has been negotiated, the issue of drug interdiction has not even been addressed in a 2,000-page document, and with the recent death of the Cardinal, with our own Drug Enforcement agents having been killed down there, with all the corruption that we know exists in the judiciary, I find it inconceivable that this country could negotiate an agreement with a country that has not taken sufficient action to stem that drug trade, and I commend the gentleman for incorporating that in his remarks this evening.

Mr. BONIOR. Mr. Speaker, I thank the gentlewoman.

You know, if this NAFTA thing goes through, if we ratify this, it will be an endorsement, it will be the endorsement that Salinas and his cronies have been looking for in the political system in Mexico that they have created. It will be an endorsement of a political system that represses its own people. It will be an endorsement of a political system badly in need of reform. It will be an endorsement of a free-trade agreement with a society, as the gentlewoman points out, that is not even free, and it will be an endorsement of a system of gross social and economic inequality.

Listen to this. Twenty-one financial groups controlled by 25 families own over 60 percent of Mexico's gross domestic product. Twenty-five families own the vast bulk of Mexico's wealth, while the rest of the country remains impoverished.

The privatization of banks, of airlines, of telecommunications and other sectors of the Mexican economy has only enhanced the power of the wealthy and the elite, and these are the people who are trying to jam this treaty down the throats of the Mexican workers and down the throats of the American workers.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield once again?

Mr. BONIOR. I yield to the gentleman from Ohio.

Ms. KAPTUR. Again, I am glad the gentleman raised that point as well. I represent a community that has been titled for years the Glass Center of the World, and one of the most threatened industries, the loss of jobs in the U.S. glass industry will be immediate upon the signing of that treaty. Thousands more workers in my district will lose their jobs.

I have been studying the ownership structure of these Mexican business families in the weeks that the gentleman is talking about.

What is very interesting if one looks at Vitro Glass, a multi-billion-dollar corporation in Mexico and one looks at its ownership structure, about 35 percent of it is owned by the Ford Motor Co. and another 15 percent by Pilkington Glass out of England. Pilkington Glass owns the major flat glass production facility in my district. If that agreement goes through as negotiated, what is going to happen is that company will close down production in my area and merely expand production in Mexico, because they are already positioned to do that by the agreements they have reached with the Vitro Glass family.

So, I really thank the gentleman for bringing that up tonight. It has been a hidden part of the discussion. It is not incorporated in the document of the treaty itself.

The whole issue of how Mexican business operates, how that society is structured, is not even addressed.

And how do you have free enterprise compete with a nation whose business

structure is in fact oligopolistic? There is no way for us to take it to antitrust. There is no way for us to address this House of Horrors, and it is going to hurt the people in my area.

Mr. BONIOR. Exactly. And another hidden fact in all this, it is no wonder that the Mexican Government and the corporate elite supports this, because they have spent upward of $50 million in lobbying efforts designed to sway the American public's opinion in favor of this agreement, $50 million.

Every high-priced law firm in this town lobbying is on the payroll. Maybe not everyone, but boy, they have got a heck of a lot of them downtown on K Street working for this agreement, a lot of them, because there are big bucks at stake here.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I find it curious that the gentleman talks about the $50 million that the pro-NAFTA people and the Mexican Government is spending lobbying us in Congress and lobbying our constituents with the television ads and all that kind of thing that they do to try to put the pressure on us to go with them on NAFTA.

The reason they have that kind of money to do it is obviously the corrupt system that they have been running. The gentleman from Michigan [Mr. BONIOR] has talked before several times about the $25 million contributions that President Salinas has gone to all his business friends, his major business friends in Mexico and asked them for $25 million each to his political party.

The supporters of NAFTA like to tell us that Mexico will get more democratic if NAFTA passes. There is clearly no evidence for that.

The Salinas election itself was fraudulent, most observers say. They have had a one-party system for years and years.

The $50 million they are spending to lobby us in Congress, the $25 million contributions they have basically extorted from their business friends, and there is simply nothing in this agreement, absolutely nothing in this agreement, either that the Bush administration negotiated with Carla Hills last year or the talk of the side agreements, the discussion of the side agreements, there is nothing in there at all in this agreement to push the Mexicans towards any kind of really democratic system.

You simply cannot have free trade without free elections. Mexico has never had free elections. Mexico under this agreement is not in any way pushed to have free elections.

We have no business signing a free-trade agreement until and unless there are free elections and until and unless there are free trade unions, free trade unionism, and all those other things that the gentlewoman from Ohio [Ms. KAPTUR] has talked about and that the gentleman from Michigan has talked about.

Mr. BONIOR. One of the things that amazes me about this issue, and I would like to get the gentleman's reaction if he has one to my comment, is the speed at which this is being perpetrated on the American people, the American worker.

I mean, there are tremendous disparities between the Mexican economy and the American economy, tremendous inequalities built into this system that really does not work in Mexico, and yet here we are over a year-and-a-half or two-year period rushing into this incredible trade agreement.

The Europeans recognized that simple fact when they built their economic development and regional parity measures right into their Common Market Agreement. The European communities worked for decades to address disparities in wages, infrastructure between the wealthiest and poorest nations in that agreement, and the Europeans recognized the importance of regional parity even though their wage differential between the wealthiest and the poorest countries is four to one. It is about 10 to 1, 12 to 1 in the United States and Mexico, and that is being generous.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield further?

Mr. BONIOR. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The timing of it is absolutely amazing. Something curious happened on the way to these NAFTA negotiations.

Last year Carla Hills worked quickly under a deadline, under a self-imposed announced deadline to negotiate this agreement prior to the 1992 elections, knowing and thinking that President Bush needed that for this reelection; more importantly, sending the message to Mexico and to Canada that we are working under a deadline.

You do not negotiate, whether it is a labor-management agreement and I am negotiating with you and I am labor and you are management, I do not say to you, "Well, I got to finish this by midnight tomorrow night," because if I do, then time is on your side. You simply wait it out.

Mickey Kantor is doing the same thing. He is announcing that we want an agreement passed, completed, ready to go into effect by December 31 of this year, and he is saying that by mid-July he wants the side agreements negotiated.

□ 1950

And the old Rolling Stone song, "Time is on Your Side," time is on the side of Salinas, time is on the side of the Prime Minister of Canada, Kim Campbell. All they have got to do is wait, and wait, and wait. We will not get good environmental side agreements because Salinas and Campbell can wait, and wait, and wait. We will not get good truck safety agreements because Salinas and Campbell can wait, and wait, and wait. We will not get good peso devaluation side agreements, we will not have good worker safety, or wages, or child labor laws. All the time is on the side of the Mexicans and the Canadians simply because we are working under a self-imposed deadline, something we would never do in any other kinds of negotiations. It simply does not make sense.

The administration and the former administration want an agreement. They want an agreement regardless of what the side agreements are, and we cannot operate that way. We cannot negotiate that way because we are playing right into their hands.

Mr. BONIOR. I can see a scenario developing in the country if this happens, if this, unfortunately, goes through, in which there will be really a mass exodus out of our area of corporations. I mean the logic of it is too obvious not to happen.

What will keep, especially with the productivity of the Mexican worker increasing, and it is increasing—what will keep them there? Why will keep these companies there if you can forgo paying $10, $12, $14 an hour, and go to Mexico, and pay $1 an hour, and not have to worry about pollution or toxic waste pollution because the Mexican Government does not enforce that, and not have to worry about health standards, not have to worry about environmental standards? Why would they stay? Why would they stay when they could get the same price for their products and a conscionable reduced financial input into the product? There is no incentive for them to save, and what will happen in this country is this:

In negotiations between workers, and industrialists, and companies all over America, those at the table will say, "Well, if you don't agree to giving up this health care benefit, if you don't agree to scaling back wages from $12 an hour to $8 an hour, we're going south."

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield, that has already happened many times in my own district where workers have been told, "Cut your health benefits, take a $3 an hour cut in pay." Let us say they are earning $10 an hour, $9 an hour—"or else we'll move to Mexico," and in one particular company that is, in fact, in the neighborhood I live in they shut their doors and left because the workers refused to go down to $6 an hour and take a cut in their own health benefits that had been a benefit that had been agreed on between the company and the workers.

Mr. BONIOR. But right now there is a penalty for bringing that product back into the country, what is called a

tariff. With this treaty the tariff comes off. There is no penalty at all. You are rewarding, you are providing, the incentive for this to happen, and the theory goes, free trade theory, is that, of course, this is going to increase the standards of wage increases for Mexican workers, and their standard of living will increase, and they will be purchasing products here in the United States.

Well, I tried to address that in the beginning of my remarks. The whole system in Mexico is built upon keeping wages low. It is the whole idea of the Mexican system, and until that basic ingredient is addressed none of the theory works.

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield further, I do not think that the average Member of Congress or the ordinary citizens of our country realize, as a result of the Mexican Government's free-trade zone, the northern border of Mexico, the maquiladora program, that in fact over 2,000 United States companies have already relocated down there under this very narrow program.

Mr. BONIOR. Would the gentlewoman talk a little bit about the program and what is this maquiladora thing we keep hearing about?

Ms. KAPTUR. Well, it is interesting. The name, as translated, means "in bond." I always say "in bondage." It reminds me of the reason we fought the War against the States, the Civil War, here in our country.

There is a very difficult economic system that is operating south of our border in Mexico, and essentially in those maquiladora plants the Government of Mexico has said to a United States company, "Look, if you relocate here, and you send materials down here for assembly or processing, you can then under the law here and under a tariff-forgiveness provision in U.S. law send the completed products back to the United States," and so automobiles, textiles, electric wiring materials, automotive parts go down there for such type of value-added production, and then they come back here.

So, they are not really developing a new export market for the United States. What they are actually doing is creating little colonies down there where people do work for very low wages, and they send it back here.

Mr. BONIOR. What kind of wages? What kind of low wages? I ask the gentlewoman, "What are you talking about?"

Ms. KAPTUR. I will say to the gentleman, "Every Member of Congress before voting on this treaty should go and walk on the streets of the villages where I walked and go through those companies. We went to Zenith television which moved out of Springfield, MO, and Chicago, IL, putting thousands of workers out of work in our country. Zenith now employs in Reynosa, Mexico, 12,000 workers. We talked to one woman who cannot afford to buy what she makes, even those little black and white TVs."

Mr. BONIOR. What does she make?

Ms. KAPTUR. After 48 hours of work on a given week, after 10 years of seniority in that plant, she takes home $15.75 a week. Out of her check is deducted money that goes to the Government of Mexico to build housing for which she gets no benefit. They deduct money to clean her street, and with all due respect I must say she does not have an asphalt road. They have a dirt road that is never swept.

I said, "Ma'am, have you ever seen anybody from the Government of Mexico come here to fix your road?"

She said, "No."

They live in little—one cannot call them homes. They are huts made out of tin and cardboard, no running water, no electricity, dirt floors that the people have scooped out with tin cans. When you walk into these little homes that have no door, you just go through the opening. You step down into their home, and they try to keep them as clean as they can, but they spray them down during the day so it is muddy in the house and they do not get the dust on their little tables. There are 12 people living in one room, working in U.S. companies.

I was so hurt when I saw what I saw down there. I thought our companies paid people a living wage that they could afford to buy the television set that they were making, that maybe they would have the hope of buying one of those little automobiles. They absolutely cannot on $15.75 a week, cannot support a family of 5 or 10 people. They have to pay $3 for a little box of rice.

Mr. BONIOR. So this differential and tremendous profit that was gained by leaving 2,000 Americans workless in the United States to employ people in Mexico at below $1 an hour wage level, and to skim from even that buck an hour money so that they could have, quote, unquote, housing and good street cleaning, which basically went into the pockets of the Mexican officials——

Ms. KAPTUR. Right.

Mr. BONIOR. And where did all this profit go? Did Zenith, did they lower their prices of their television sets?

Ms. KAPTUR. No, they sure did not, and we visited one automotive company that in 1 year on wage savings alone this particular company, they saved in wages by going down there, $131 million, and of all the U.S. auto companies located in that band at the northern part of the border, only one, because the community forced them, has built a treatment plant, a $2 million sewage treatment plant, for the sewage and the toxics that they are generating, and that was General Motors only after considerable community pressure. All of the rest of them are down there disgorging their waste into the ditches in northern Mexico. There is a multibillion dollar cleanup problem that our companies have left this continent. I was ashamed to see what I saw down there and the heritage that our companies have left.

Mr. BONIOR. If I could just switch subjects for just a second here, it relates to all of this, but, as my colleagues know, the things that really just burn me, just gets me livid, is the way that much of our academic community and the press has bought into this.

I have been in public service for most of my adult life, elected public service now, going on 22 years. I have never seen a bigger boondoggle than this NAFTA, never, and I have never seen a bigger ripoff, and I cannot for the life of me understand how the academic and journalistic community in this country has bought into this, and, believe me, they have bought into this.

Now one explanation is that the control of many of our institutions, in academia as well as in the press, is run by corporate elites, and they are told to buy into this, and another explanation is that a lot of these people have never worked in a factory, never have gotten their hands dirty, are divorced of reality of what happens in Toledo, and Detroit, and Warren, and Fort Huron, and Lorain, OH. They have no concept of the pain that is going on in these facilities, in these communities, because of plant close-downs so that corporations can go down and rake off these profits in a corrupt political system that Mexico provides.

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield, I have been so disappointed that there has been so little investigative journalism on the part of our newspapers.

□ 2000

I wonder if they sold out to some of their advertisers here in this country. I wonder the same about our television and our news media. I wonder if they are living up to the high principles that they once espoused when they graduated from journalism school.

I also think there are just some folks that are plain lazy. They do not want to take the time to go down there. I remember a wonderful U.S. ambassador from our country, Sargent Shriver, who represented us in Europe. I asked him once what it was like to be an ambassador. He said, "I'll tell you what. If you can manage to get the ambassador out of the cocktail lounge in the Hilton Hotels and get him out into the countryside, you will have a great ambassador."

I wonder sometimes if our university professors and some of our media leaders have managed to walk down the street that we walked down when we were there a month ago.

Mr. BONIOR. How some of these paragons of journalism, who purport to

be the conscience of human rights and human work for dignity and decency, can support this, is beyond me, absolutely beyond me.

I guess Salinas has done an incredible job of selling this thing to these people. I mean, he is a nice looking guy. He went to Harvard and is educated. He controls this thing with an iron fist. He controls a corrupt system, and he is a part of it. He is a big part of it.

Mr. BROWN of Ohio. If the gentleman will yield, interestingly, a newspaper editor in a Ohio newspaper told me last week that although he himself understands the human rights violations, he understands that wages in Mexico, even with the maquiladoras and all the American business down there and the American manufacturing, that wages have not gone up in Mexico in the last few years. That even though the proponents say that the wages will go up, they will be able to buy the televisions, and the people that the gentlewoman of Ohio [Ms. KAPTUR] is talking about will be able to buy those televisions and be able to buy those cars, that is clearly not true.

This editor understood all of that. He told me the other day, even though he is an opponent of NAFTA, that his publisher is down the road going to endorse the NAFTA because it is business.

Mr. BONIOR. It is business. It is big, big business. It is elitism. It is big business.

Mr. BROWN of Ohio. The only people in Mexico that really support NAFTA, the only people that really support it are the elitists, the Salinas people, the people that control the government, the people that control the businesses.

Those businesses have that $50 million that those businesses spend. If the elite in this country, if the newspaper publishers, if most of them had not already been captured by this, they have been well organized. They sent out people to talk to newspaper editors.

People tend to agree that free trade in theory is a wonderful thing. Free trade, like free enterprise, is almost an article of faith in this country. Free enterprise absolutely works in this country. We need governmental involvement on environmental issues and free enterprise. We need government involvement on minimum wages and worker safety and all that.

With free trade, these economists and these people that take it as an article of faith just believe that pure free trade is a wonderful thing.

We do not have pure free trade anywhere. And never, as the gentleman knows, never has there been an agreement ever in history between two countries that are economically so far apart. Never has there been that kind of agreement.

The proponents will say, well, they had that in Europe with Portugal and Spain on the one hand and Britain and Sweden and Germany on the other.

The wage differentials were not nearly as high. And as the gentleman pointed out, it was a years and years and years long negotiating process, with free elections, kind of free election side agreements, free trade unionism side agreements, side agreements on wages, side agreements on salary, side agreements on all of that.

Mr. BONIOR. They spent decades doing that. They spent tens of millions of dollars putting it all together. And here we want to spend virtually nothing and do it overnight.

There is an old Abbott and Costello routine that you may have seen growing up, where Bud Abbott says to Lou Costello, "Lou, if you had 50 bucks in one pocket, and 100 in the other, what would you have?" And Lou says, "Somebody else's pants."

Basically that is what we are dealing with here in terms of the American worker.

There is a report floating around that says in the auto industry, the textile industry, the steel industry, we will lose in the United States 40 percent of our workers if this thing goes through. Now, that is going to devastate our region.

Ms. KAPTUR. If the gentleman would yield, the people who will be the most affected by that job loss will be women, women who work in industries like textile industries, where the wages are some of the lowest, even in our country. People who work in manufacturing, at jobs that are very repetitive. And we are told we should accept this, because the United States has to become a high wage society and a high tech society.

Well, I think every society should have a range of jobs, and we should try to strike to uplift everyone in this society.

But women will be the most hurt, and those who have gone into the work force most recently. So women and minorities will be the two groups in our society hurt.

Mr. BONIOR. They have always been expendable in our society. And the newspaper editors and the academicians, I mean, they do not deal with that on a daily basis. I mean, why should they worry about those people in our society who are struggling? They are expendable.

What do they say? How do they answer the question that 40 percent of these people are going to be put out of work. What is their answer to that, that we are going to retrain them? What are we going to retrain them to do? Where are we going to get the money to retrain them?

Ms. KAPTUR. If the gentleman will yield again, in the agreement that has been negotiated for the people of our country, the proposal does not even have extended unemployment benefits for the people here that will lose their jobs. It does not have job retraining. And, quite frankly, the people in my district do not want retraining; they want jobs, period.

They are tired of hearing about retraining. Some of them have been retrained two and three times for jobs that are not there.

Last year these big companies created more jobs in Mexico than they did here in the United States of America. So our people really understand what is going on.

Mr. BROWN of Ohio. If the gentlewoman will yield, earlier this week I was in a job retraining center in Elyria, the second largest city in my district. It was a group of about 30 people that were some of the most committed people you ever saw.

Back in February when they started these classes there was a really bad snowstorm, and everything in Elyria was shut down, except about half the people that were at this job retraining center came in that day. It showed the kind of dedication they have.

These people do not want welfare, they want work. They want jobs. They want the kind of jobs that they had in Toledo, Ohio, and in Michigan and in Lorain, OH, and in Elyria, and all over, the kind of jobs that gave them the self-worth that they deserve, that gave them the chance to send their kids to college, that gave them a decent retirement, that gave them nice homes.

Sending our jobs to Mexico is clearly in the wrong direction. But, as you say, there just does not seem to be much interest among newspaper publishers and among academicians and within large corporate America.

Ms. KAPTUR. If the gentleman will yield again, one of the disappointing features that I have learned in the last year has been that the American Newspaper Publishers had President Salinas before them about a year ago.

Mr. BONIOR. Isn't that a great, progressive organization, the American Newspaper Publishers.

Ms. KAPTUR. What was interesting was they did not allow for those who had a different point of view to also come before them. And one of the people I think they should have allowed to come before them is a woman whose remarks I would like to insert in the RECORD tonight. I would like to call her one of the silent voices of Mexico, Luz Rosales Esteva, who speaks very eloquently on democracy and human rights in Mexico. If you would permit, I would like to read a few paragraphs from material she has given me. She wanted us to tell her story to the American people. She has helped found an organization dedicated to human rights and democracy.

Mr. Speaker, Ms. Esteva asked me to read this into the RECORD for the American people to hear. She says:

Human Rights and Democracy are inextricably intertwined: where there is no democracy, human rights are not respected and

vice versa. If we are talking about a trade agreement, we need to ask ourselves to what extent it respects the rights of man and our peoples' democracy. I believe that this agreement, the North American Free Trade Agreement, should be ratified provided it helps improve the living conditions of our respective peoples. Up to now in my country this agreement has not been discussed with the majority of the social sectors and an agreement such as this one should have the consensus of a large majority of the citizens.

While I am unable to speak in detail about the problems in the United States and Canada, I can tell you that the reality in my country is that we do not have democracy, and virtually every aspect of human rights is violated: economic, social, cultural and environmental rights, and to an even greater degree political and labor rights.

Due to the economic model currently being implemented—from which NAFTA originates—the living conditions of more than 80% of the population have deteriorated. For example, 50% of all children under 5 years of age are malnourished, workers' salaries have lost 40% of their buying power in the past ten years, and the policy of streamlining the government has resulted in the reduction of public spending in education, health and social security. The International Labor Organization (ILO) states that in Mexico we designate 2.4% of our gross domestic product (GDP) to social welfare costs, while the United States designates 12.3%, and Canada 18%.

The impunity of public officials, accused of corruption, who do not respect people's individual rights of Mexican citizens are violated and there is clear opposition to democratic transformation, denying the people's right to elect its representatives; thus generating a climate of social tension. To give an objective example of this, I can tell you that since August of 1991, 6 governors have been forced to step down because of citizen pressure objecting to the electoral processes which brought them to their posts.

Civil observations of the electoral processes in eight of the ten states observed between August of 1991 and February of 1993 show grave irregularities, which we have documented extensively, for example:

In the zones where the opposition is strong, the electoral authorities erase thousands of names from the election register of people who are not members of the official party, denying them their political rights.

Government funds are used indiscriminately to support official party candidates, especially through the National Solidarity Program—which is used more as a political arm than as a means to eradicate poverty. For example, public works are conditioned on election results in areas where potable water or a certain bridge that needs building are extremely important to the inhabitants. Between 1990 and 1992, Solidarity spent the same amount in the state of Michoacan as it did in its annual budget for the entire country, with the objective of weakening the opposition in the townships where it was strongest.

Excessively high cost political campaigns are carried out in a country where 17 million of the citizens live in extreme poverty.

The communication media is almost totally inclined toward the official candidate.

The electoral process is controlled at every level by the government party, which decides the laws and the electoral officials and declares the results of the voting.

One of the most alarming statistics is the fact that electoral conflicts have cost more than 200 lives in the last 4 years; the huge majority of who were opposed to the official party.

This impunity and the unjust electoral process have generated a lack of confidence and discredited the government, which lacks the backing of the people.

The Free Trade Agreement has been negotiated in this climate of no-confidence and lacking the participation and representation of a large majority of the population. You thus can understand that it does not have a confirmed backing of the Mexican people.

In light of all this, I want to show you the other side of this society—a people struggling in many different ways to conquer a harsh reality. I have been a witness to the wide spread participation of citizens fighting for change. The formation of 60 civic organizations for human rights, citizens' environmental groups, the Mexican Action Network on Free Trade (RMALC), and citizens' movements to defend democracy demonstrate this.

In practically every election since 1992, an average of 400 citizens from all different social classes have come together to observe the development of the elections, with the interest of defending the right to vote. Currently, civil institutions and citizens all over the country are united in the citizens' movement for democracy, and we are proposing reforms in the national electoral law, which defines five points of change necessary to achieve a peaceful transition to democracy. This is what we as mexicans want:

Impartial Electoral Commissions that are independent of the government and made up of citizens and political parties—an electoral branch of government separate from the executive, legislative and judicial branches. Legitimate election registers and voter identification controlled and monitored by citizens and political parties. Prohibition of the use of public funds to benefit candidates. Limits in the expenses of political campaigns. An impartial media.

To summarize, in Mexico there exists a strong citizens' movement to defend democracy and human rights. There are viable proposals being put forth and Mexican citizens are demonstrating the ability to be critical and proactive in all of these issues. Proof of this is the Plebiscite held in Mexico City on the 21st of March, organized by 10,000 city residents, to determine the kind of government people want in the capital. Eight-four percent of the 331,000 who voted in the plebiscite said they want their own government and not one imposed by the President.

The government doesn't want to recognize the plebiscite, but meanwhile in the state of Guerrero, it wants to impose a governor who obtained little more than 200,000 votes (11% of that state's voting age population) via a campaign and elections that were obviously fraudulent.

To know Mexico, it is essential that one listen to the Civil Society, understand it and support it. There is a lot to be done in the field of Democracy and Human Rights, by both our peoples, respecting our own processes and sovereignty.

In the Tri-national relationship between Canada, the United States and Mexico, the Mexican Action Network on Free Trade and its northern counterparts have made proposals that should be analyzed closely in order to improve the social conditions of the three countries. In this respect, we should in our relations: (1) abide by the Multinational Covenants developed by the UN and the OAS to protect and promote human rights; (2) ratify the UN convention for the rights of immigrant workers and their families; (3) consider free transit of peoples; and (4) the creation of bilateral organisms which include the participation of non-governmental human rights organizations to eradicate violence in the U.S./Mexico border region.

I believe these agreements are fundamental and before thinking about ratifying NAFTA, the autonomous human rights organizations should be consulted and these proposals studied carefully. This would help to advance democracy, and hence be a responsible approach toward the future of our peoples, in spite of the months or years of work it may require.

I hope that I have helped you better understand Mexico and the struggle of its people to advance and conquer these problems.

Thank you very much.

□ 2010

I appreciate the opportunity to speak out on behalf of that silent voice from Mexico that needs to be heard.

Mr. BONIOR. Mr. Speaker, I thank my colleague for her leadership on this issue. She has been such a stalwart to me in providing leadership for the rest of us.

We thank you for all you have given on this issue.

Mr. BROWN of Ohio. Mr. Speaker, I think the people in this country pretty clearly are ready, and in Canada, have begun to speak out on NAFTA. While the elite in Mexico surely support it, are spending $50 million to pass it in the American Government, in the Halls of the American Congress, and while people raise voices, people in Mexico are raising voices like the woman that the gentlewoman from Ohio [Ms. KAPTUR] mentioned, there are the few trade unions in Mexico that are not government operated, that are not owned by the Government or operated in some way by the Government. Those trade unions, I believe, unanimously oppose NAFTA.

Of the three people that negotiated NAFTA, President Bush, Prime Minister Mulroney of Canada and President Salinas, President Bush is out of office, partly because of opposition to NAFTA. Prime Minister Mulroney is out of office in large part because of the Canadian people's opposition to NAFTA. And President Salinas will soon be out of office.

I think people in our countries are speaking on NAFTA while the $50 million is being spent by the Mexican Government to lobby it here, while U.S.A. NAFTA, a corporate group in America, funded by American corporations, is spending tens of millions of dollars in addition to lobbying Congress. I think that the people in this country, the numbers are with us.

The people that feel they are going to lose their jobs to Mexico, as they will, people that are afraid of the environment along the Mexican border, people that do not want to see children exploited on this side of the border and the south side of the border, I think people in large numbers are going to begin to lobby their Members of Congress.

It is important that we get that kind of grassroots input to fight off the kind of corporate big money involvement and corporate big money influence peddling that these law firms in Washington are doing, paid for by large American companies and paid for by the Mexican Government.

Mr. BONIOR. They are trying to buy the jobs of the American worker, this lobbying campaign. They are trying to steal the jobs of the American worker. It would be a tragedy, indeed, if we allowed them to do this in this body.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman from Michigan for yielding to me.

Before I engage in this colloquy, I would like to say that at some point in the future we will have a chance to discuss the health care issues, including the gentleman from Michigan in the discussion, because we had a little difference tonight.

Let me just say that I just got back from Mexico. I went down to Miami, FL, to meet with Customs people and DEA agents to talk about the immigration problems and the drug problems that were bad down there and the refugee problem from Haiti and elsewhere. Then we flew to Mexico City, because we wanted to check on three things: the drug problem, the Mexican-American North American Free-Trade Agreement, NAFTA, and also to see what kind of a problem it would create on both sides of the border as far as jobs were concerned.

We found that there are 2,100 companies down there that have gone down there because of the maquiladora program. We found that some of those companies have been infiltrated by the drug cartel people. They have bought into those companies, because they find a conduit to getting drugs into the United States that they did not have before. And I talked to some of our Customs people.

Some of those convoys of trucks bringing supplies in, products in from Mexico, from the maquiladora companies, are miles long. And our Customs people and DEA people at the border are simply overwhelmed by the number of trucks that are coming in, and drugs are coming in through that method, because you simply cannot check all of the cargoes of all of those trucks.

So from the standpoint of drugs, this is going to be an additional problem, if we approve the NAFTA agreement, because there are going to be other companies going down there, probably several thousand.

And when you add to the 2,100 maquiladora companies, these other thousands of companies that will go down there or at least hundreds, it is going to compound the problem. We are going to have convoys of trucks coming up here, many with drugs and other contraband in them that we simply will not be able to catch.

I asked one of the DEA officials down there about how they are going to deal with that. He said that they will catch a number of those people but they will not be able to stop the tidal wave of drugs. I said, "Then what do we need the DEA down there for, if you are not going to be able to stop this tidal wave of drugs?"

He said, simply, that is not their charge. Their charge is to try to enforce the law as much as possible and catch the drug dealers. But this is going to add to the problem.

In addition to that, we went to two companies down there to talk to them about what this would do to their companies. These are American companies. One was Eli Lilly, which has a major company in Indianapolis. That is their major plant. They had a subsidiary down there, because of the import tariffs on American products, drugs coming into that country. So about 40-some years ago, Lilly put a plant down there.

They told me that some companies that they knew of might very well close their doors down there because the import tariffs that are now erected against some of our products going into Mexico would be removed. And as a result, there would be no necessity to keep some American plants down there that are currently there because those protective barriers will not be there.

I said, "What will happen to the employees of many of those companies, including farmers, small campasinos that have farms down there, small truck farms that produce products there in Mexico?" And they said that what many of them would do would be to come to the United States, and they think that this would enhance the illegal immigration problem.

As a matter of fact, they told me that we could expect an increase in illegal immigration into the United States averaging from 6 to 8 percent a year for the next 8 to 15 years. So the illegal immigration problem that we have could be and probably will be compounded, if NAFTA is approved. This is another problem.

I am pointing out the problems with the NAFTA agreement that some people do not see that is really apparent.

Ms. KAPTUR. Do you not find it incredible that in this 2,000-page proposed treaty that the issue of immigration, drug interdictment, is not addressed at all? The border crossing issue? How do we inspect, and also the agricultural migration, where because of changes in Mexico, over 10 million people are being taken off their farms down there?

Mr. BURTON of Indiana. Of course, I would like to say, if the gentleman will continue to yield me just a couple more seconds, you have been covering this very well. I think that this is an issue. I hope the gentleman in the well and others from our side of the aisle will involve ourselves in a bipartisan colloquy, maybe over the next few weeks, about this issue. Not necessarily because everybody will oppose NAFTA, but I think the American people who pay attention to C-SPAN and the news media and others that watch this will find some of these issues that you are raising tonight and that we have just raised now very interesting and illuminating. Because a lot of people are getting one-sided information, as I think you just mentioned a few minutes ago. And we need to make sure that the American people are well aware of all the ramifications of this, not just Mr. Perot's great sucking sound of companies going down there, but the drug problem, the illegal alien problem, job loss on both sides of the border. I think these things ought to be discussed in depth. So I hope that the gentleman from Michigan, with whom I somewhat agree on this issue, and others will take the time to have a bipartisan discussion on this in the weeks to come.

Mr. BROWN of Ohio. The gentleman from Indiana raises the specter of a long line of trucks coming across the Mexican border into Texas and Arizona and New Mexico and into California and then fanning across this country.

One of the issues that is not often raised is not just the drug issue, which is discussed, although not addressed in the agreement, but the issue of these trucks, these by-and-large unregulated trucks with less than well-trained Mexican drivers driving into the United States.

In this country, in every State in the Union, there are regulations on truck length. There are regulations on truck weights. There are regulations saying that no driver may drive more than 10 hours any day. There is random drug testing in most places in this country for truck drivers.

In Mexico, there are no enforced truck weights. There are no enforced truck lengths. There are older trucks in Mexico, not in as good a shape, not in as good a mechanical condition.

The drivers in Mexico only need to be 18 rather than 21 to get a license. Those drivers do not have the testing, can drive as many hours a day as they want. We raise that specter of these trucks coming into the country, when Americans are pretty concerned about truck safety anyway, with some of the triples on the road and some of the longer, bigger trucks.

□ 2020

I think if we seek trucks from Mexico that are not as well maintained, with drivers that are not as sharp because they have been driving more hours, probably not as well trained and more likely to be substance abusers, because there is not training and testing and

all of that, it raises the specter of even an additional problem with NAFTA that again we have not addressed in the side agreements, and we are not going to address in the side agreements, because the administration, as did the previous administration, set an artificial deadline on negotiations.

There is no reason that President Salinas or Prime Minister Campbell would feel like they need to negotiate this, need to give in on anything, because of this self-imposed American deadline.

Ms. KAPTUR. If the gentleman will yield, Mr. Speaker, in closing for myself this evening I just wanted to thank the gentleman from Indiana [Mr. BURTON], who has been a leader on this whole drug interdiction issue, not just as concerns Mexico but many of the other supplier countries. We certainly appreciate his being part of this special order tonight.

I also wanted to thank my very talented colleague, the gentleman from Ohio [Mr. BROWN]. There are some fights that are really worth fighting, and this is one of them. I am really glad to have him.

Mr. BONIOR. You bet it is.

Ms. KAPTUR. To you, I would say to the gentleman from Michigan [Mr. BONIOR], who is helping us reveal to the American people the true dimensions of this agreement, we thank you for your leadership, your persistence, and your intelligence all along.

Mr. BONIOR. I thank the gentlewoman from Ohio.

GENERAL LEAVE

Mrs. MEEK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

EQUAL JUSTICE UNDER THE LAW FOR HAITIANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Mrs. MEEK] is recognized for 60 minutes.

Mrs. MEEK. Mr. Speaker, I have called this special order today to bring attention to the plight of 142 Haitians, who have suffered enormously over the past several months. They risked their lives in Haiti to support democracy. They were detained and interviewed at Guantanamo Bay Naval Base, Cuba, by Immigration and Naturalization Service officials.

I implore our President to stand firm and to prevent our refugee laws from being exploited by fear. Please do not appeal Judge Johnson's order.

I would now like to thank my colleagues, who have joined with me today to support the Guantanamo Haitians.

It is heartening how many people have come forward to help with the resettlement of these Haitians. I especially appreciate the letter I received from the associate dean of the University of Miami School of Medicine offering to coordinate any necessary health services with Jackson Memorial Hospital to provide services to the Haitians from Guantanamo.

Indeed, not all of the 142 Haitians have tested positive for this virus, as the 142 includes children and HIV-negative spouses. Those who are HIV-positive do not require hospitalization at this time, and are able to work. The Haitians will receive 12-month parole and work authorization papers, allowing them to obtain employment through family contacts and placement programs available to them.

Concern that letting these Haitians enter the United States sets a dangerous precedent, opening the floodgates for those with AIDS to come to the United States is baseless. Public health officials have stated that they present no serious health risk. The Haitians affected by the judge's order do not have AIDS. They have tested positive for the HIV virus.

I would inform my colleagues from Florida that less than half of this number will reside in Florida, and most of them will be provided housing and living expenses by immediate family, friends, and charitable organizations.

They will be eligible for already existing refugee resettlement programs and will not require additional assistance. In fact, the cost of operating the Guantanamo camp was estimated between $7-$8 million a year, far exceeding any cost associated with resettling 142 people.

On June 8, Judge Sterling Johnson of the United States District Court in New York issued an order initiating the immediate closure of the Haitian processing camp at Guantanamo Bay Naval Base, Cuba. On June 9, the Justice Department announced it does not intend to seek a stay pending an appeal. However, the Justice Department has reserved the right to appeal at a later date. The judge's decision was consistent with our current immigration policies and requires our Government to apply those policies uniformly in accordance with U.S. law.

They were found to have a credible fear of persecution in Haiti. They were justified in their flight from military authorities who ousted President Aristide in October 1991. INS officials found that all of these Haitians met the standard of persecution that should have allowed them to come to the United States following their interviews.

But instead of bringing them here, they were incarcerated at Guantanamo because many tested HIV-positive.

Our refugee laws are based on establishing a well-founded fear of persecution, not on the politics of race.

The impact of Judge Johnson's order has been blown out of proportion by some. It only affects 142 people. Concerns raised by some that the Guantanamo Haitians have no financial resources and will strain our economy to the breaking point are unfounded.

□ 2030

In recent days many have expressed concern about the potential impact of Judge Johnson's ruling ordering the release of the Haitians held at Guantanamo Bay. This concern has been portrayed as a financial and medical threat to U.S. citizens, mainly because of perceived medical costs and a perception that public health would be threatened because the HIV virus would be further spread. Many of my constituents have expressed fear, but most are outraged and incensed at the double standard to which Haitians have been subjected.

Concern that letting these Haitians in sets a dangerous precedent, opening the floodgates for those with AIDS to enter the United States, is baseless. Contrary to what others have suggested, Judge Johnson's decision is not inconsistent with current immigration policy; rather it requires our Government to apply these policies uniformly and to abide by our laws. Our refugee laws are not based on economics or on race, but on the need to protect those who could be subjected to political persecution.

To my knowledge, no other group of asylum seekers have been required to take the HIV test at this stage of the asylum process. Until last year, the United States had never excluded anyone from the asylum program on the basis that they were HIV positive. Indeed, Cubans who have made it to the Guantanamo Naval Base are being brought to the United States and allowed to enter the asylum program without any medical testing at all.

The impact of Judge Johnson's order is being blown way out of proportion. His order only affects 142 people, which public health experts agree will have no significant impact on our economic or public health systems.

Concern that the Guantanamo Haitians will strain our economy to the breaking point is simply unfounded. Closing the camp immediately will result in saving our Government more than $15,000 a day; more than half a million dollars per month; $7 to $8 million a year. Most of the Haitians upon arrival in the United States will be supported by family members, friends, and charitable institutions. Those without families will be resettled initially from exclusively private funding sources; all perhaps will be assisted by Federal moneys in which all refugees are entitled. Eligibility for the Federal

refugee benefits will end if political asylum is denied.

The Haitians will be entitled to the same refugee assistance that is available to Cuban and others who wish to begin a new life in the United States. Any incidental cost incurred will be exceedingly smaller than the costs of operating the Guantanamo camp. And, certainly any cost incurred by the State of Florida as a result of the Guantanamo Haitians should be reimbursed out of the savings realized by the Federal Government.

While the Haitians were detained at Guantanamo, the Federal Government paid 100 percent of their housing, food, medical care, and other living expenses. Once the refugees arrive in the United States, they will earn their own wages, and to the extent that they require support, the burden of providing for their living expenses will be shared by their families churches, community groups, and voluntary agencies.

The American people are certainly entitled to know and to have a say regarding the economic impact of our immigration policies. But the sudden focus on costs in this case is clearly a way of justifying our prejudices against these particular asylum seekers. Those voicing their concern over the cost of caring for the Haitians in the United States have said nothing about the cost over the past 20 months of running the Guantanamo camp.

Not all of the Haitians affected by Judge Johnson's order have tested positive for HIV. Indeed the 142 Haitians currently at Guantanamo Bay include the HIV-negative spouses and children of HIV positive Haitians.

The notion that these Haitians pose a public health threat is a scare tactic that plays to the worst prejudices in our society, directed at people of color and against HIV positive people. HIV and AIDS are not airborne diseases. Nor are they transmitted by casual contact. Officials at the Center for Disease Control have said repeatedly that there is no reason to keep HIV positive people out of the country. These HIV positive Haitians pose less of a public health threat than the millions of untested Americans who unknowingly infect others through high risk practices.

None of the affected Haitians has AIDS. A few of them have tested positive for the HIV virus. None are expected to require immediate hospitalization. If they develop AIDS they will need medical treatment—but that is also true of the 1.5 million people in the United States who already have HIV or AIDS. Even if we kept the Haitians at Guantanamo Bay, we would be obliged to provide them with some level of medical care if their condition worsened.

The Haitians at Guantanamo have suffered enormously over the past several months. They have risked their lives in Haiti, fighting for democracy, only to learn in many cases, while at Guantanamo, of the loss of loved ones they were forced to leave behind. All have met the Immigration and Naturalization Services' standard of having a credible fear of persecution, a standard which should have allowed them to be admitted to the United States to pursue their asylum claims. But instead of bringing them here the INS subjected many of them to an even higher standard, which they virtually all passed. Judge Johnson's fair and just decision recognizes the extent to which we have discriminated against the Haitians.

From a humanitarian standpoint and as an act of compassion we must now look ourselves in the mirror and acknowledge what is right and what is just. What is right is to allow bona fide refugees to live in freedom and with dignity. What is just is to treat refugees fairly no matter how loud the voices of prejudice. We should use the same standards for Haitians as we do for other refugees. Our current treatment of the Haitians refugees can—at best—be characterized as discriminatory and un-American. We must move now to end such treatment and end the 20 months of suffering the Haitians have experienced.

Mr. Speaker, I am one of the members of the Congressional Black Caucus that have gone on record with some of the members appealing and asking the President and Mrs. Reno to not pull back on the decision of Judge Johnson. He did what was right, and sometimes we have very tough decisions to make in this country. But if they are based on the law and they are legal, then we can stand by them.

It is to be understood then that if we work very hard we know that the people who are detained and were detained at Guantanamo are political refugees, and they have already been interviewed.

On the health status, I repeat from before, public health officials estimate that 1.5 million people in the United States already have HIV or AIDS. Public health officials agree that the entry of a minimal number of HIV positive Haitians will have no significant economic or public health consequences.

Family unification. Most of the Guantanamo Haitians have immediate family members living lawfully in the United States, many of them living in Florida. These families are eager to provide affection and care and all necessary living expenses to their spouses, siblings, children and parents. Refugees will rejoin their families in Florida, New York, New Jersey, Massachusetts, Pennsylvania, and Maryland.

Employment. The Haitians will receive a 12-month parole and work authorization paper upon arrival, hopefully allowing them to obtain employment through their family contacts. The cost of resettlement will be done at negligible public expense. Refugees who adopt families are being resettled initially from exclusively private funding sources, exclusively private funding sources. Refugees with families will be assisted by a one-time Federal grant of $2,000 per person to their sponsoring agency. This is no more than other refugees who have come to this country.

I have the greatest respect for my colleagues who have expressed concerns of their constituents over the impact of the judge's ruling. However, my phones have also been ringing with calls from my constituents who are outraged and incensed at some of the things they have heard on the floor of this House and the double standard to which Haitian refugees have been subjected. Many of the people who are voicing these concerns know very little about the Haitian input in this country, and I do not think they could care less. No group of asylum seekers, as I said, is required to do what the poor Haitians have done.

I stand here today, Mr. Speaker, asking for some justice and some mercy in this country.

I have a letter here from the Catholic Commission, the Ministry of Christian Service to Attorney General Janet Reno which reads as follows:

CATHOLIC COMMISSION FOR CHRISTIAN MINISTRY OF CHRISTIAN SERVICE,

Miami Shores, FL, June 17, 1993.

Attorney General JANET RENO,
U.S. Department of Justice, Washington, DC.

DEAR MS. RENO: We are disturbed by reports that the Clinton Administration is being pressured to halt the closure of the HIV+ Haitian refugee camp at Guantanamo. The order by Judge Sterling Johnson allowing these Haitians to be brought to the United States is a just and humane one.

Working through the Migration and Refugee Services of the United States Catholic Conference, we have already assisted some 5,500 Haitians admitted from Guantanamo since last year with resettlement and legal services. Our offices are currently handling the arrival of these last few HIV+ detainees at no additional cost to the taxpayers.

At the time that I write, most of the 150 adults and 19 children affected by Judge Sterling's order are already here. Any move to halt arrivals now will only create confusion and subject the few remaining detainees to a cruel hoax of American justice.

Sincerely,

Msgr. BRYAN O. WALSH,
Executive Director.

This is signed by Monsignor Bryan O. Walsh, the executive director of the United States Catholic Conference.

I have other letters and also include for the RECORD a press release from the United States Catholic Conference, which I include as follows:

[Press Release]

MIGRATION AND REFUGEE SERVICES,
Washington, DC, June 8, 1993.

CHURCH AGENCY WELCOMES COURT ORDER REQUIRING ALL REMAINING GUANTANAMO HAITIANS BE BROUGHT TO UNITED STATES

WASHINGTON.—In a statement released today, Fr. Richard Ryscavage, S.J. Execu-

tive Director of the Catholic Bishops' Office of Migration and Refugee Services, applauded and welcomed the decision of United States District Court Judge Sterling Johnson, Jr. ordering that the remainder of all Haitians still detained at Guantanamo Bay be brought into the United States. The decision affects some 169 Haitians including 150 adults and 19 children. (data as of 6/1/93)

Fr. Ryscavage said "this decision of the court should be applauded and welcomed as a long overdue measure of justice and a humanitarian act of compassion for those who have suffered twice—first in fleeing Haiti where they were subject to human rights abuse and second in being subject to very difficult physical and physiological conditions in the refugee camp at Guantanamo Bay." Fr. Ryscavage had visited the section of Guantanamo reserved for HIV+ Haitians and was "shocked by the camp conditions . . . and deeply moved by the psychological pain of the detainees."

Those affected by the decision have now been in Guantanamo for over a year surrounded by barbed wire and housed in makeshift shelters, which often leak in the rain. All of these Haitians have met the condition of being allowed into the United States—namely, "a credible fear of persecution" if forced to return to Haiti.

Fr. Ryscavage "strongly urges the Administration not to appeal the court order and to allow the remaining Guantanamo Haitians to come into the United States either as refugees or with an indefinite status." The Catholic Bishops' Office of Migration and Refugee Services has already resettled 24 HIV+ Guantanamo Haitians and their family members since April 5, 1993. "Our agency is prepared to help provide the services needed to adequately care for and resettle these Haitians." These services include family counseling, structured orientation, case management, housing and food, employment where applicable, and coordination of medical services. Fr. Ryscavage "hopes that the political will and the necessary leadership will prevail in cooperating with the court decision."

The Office of Migration and Refugee Services has provided resettlement and legal services to some 5,500 Haitians admitted from Guantanamo since last year.

I have many letters from people supporting the fact that we should give some kind of justice and humanitarian care to these Haitians.

It is so important that we use the same yardstick, Mr. Speaker.

Mr. Speaker, I want to yield the rest of my time to the chairman of our Haitian Task Force, our honorable colleague from New York, MAJOR OWENS, who has fought this fight for so many years, and it has given me inspiration to do my very best. Thank you, MAJOR OWENS.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman for yielding. I want to congratulate her for sponsoring this special order and for beginning with a set of facts that I think are very important.

The problem is not a legal problem. The problem is not a financial problem. The presentation of the gentlewoman from Florida has made it quite clear that those problems are being taken care of. There are families, there are organizations assuming responsibility for the Haitians who have returned as a result of Judge Johnson's order. It ought to be quite clear now.

The problem is a moral one, the fact that at this point when the court has ruled there are people who are trying to pressure the White House to appeal the ruling of the judge in order to force these people back into a situation where they cannot get the proper health care.

□ 2040

It is an example of the expression of the worst strains in the American character to have people demanding that the President appeal this ruling.

I would like to see us remain true to the expression of the best that is in the American character, the kind of noble sentiments that are indicated in the way we have treated other refugees in the past.

We not only allowed the Hungarian refugees into this country at the time of the revolution in Hungary when Soviet tanks were used to crush the Hungarian uprising, we not only allowed them in, we sent planes to get them. We paid for their transportation. We allowed them in in large numbers. Nobody was tested for any kind of disease, no restrictions were placed in any way against those people, and we allowed large numbers of Cubans in unrestricted, and no special set of rules were ever generated, no special set of rules were even made.

We have behaved nobly in many ways, and our great Nation is to be congratulated for extending itself for humanitarian reasons, often when we have nothing else to gain. There are people who said we went into Kuwait, and we spent billions of dollars, and we placed American lives in jeopardy because Kuwait was a situation where our interests were very much on the bottom line, that we were concerned about oil, and that may or may not be, but I am glad we extended ourselves.

Definitely there is nothing on the bottom line in the case of Somalia. Somalia is a situation where, for humanitarian reasons, our troops are there strictly for humanitarian reasons, and there are many other examples where the Nation has behaved in a very noble way, and we have demonstrated why we are such a great country.

In the case of the Haitians, it is just the opposite. One incident after another, one example after another have demonstrated the worst in the American character. We have made those double standards which the gentlewoman enumerated before, and those double standards that apply only to Haitians, and we can only conclude that it is racism, that it is because of the color of their skin.

Why are they suddenly subjected to tests? If we are serious about HIV-positive persons and wanted to keep them out of the country, that means we would have a program to test all of the tourists coming into the country. We do not do that. We do not even test immigrants who come in under very strange conditions.

I think that "60 Minutes" exposed the fact that our Immigration Department allows people coming through the airports to come into the airports, especially the one in New York at Kennedy Airport, and if they say they are seeking asylum, political asylum, they are sent out for a few hours, they are questioned, and usually let go, because they only have detention space for about 20 or 30 people. So they have let people by the thousands come into the country, pretend they have lost their passport, say they are seeking political asylum, and in 3 hours they are told to show up at a hearing, and they are allowed to go into the streets of New York. Two-thirds of them they never see again.

We are that careless with our immigration policies. If you are concerned about immigration and if you are concerned about who comes into the country, then let the Immigration Department tighten up those kinds of policies.

Here we have a situation that is a matter related to political asylum. If ever there was a nation that was the subject of terrorism, oppression, abuse, it has been Haiti. If ever there was a group of people who almost automatically qualified without any further questioning, it was the Haitians, and then we have erected this setup of double standards in the case of the Haitians. It can only be attributed to racism.

I think that as soon as possible we should move on to try to get the Haitian problem solved. I would like to see our Nation not set any more precedents of the kind that we have set in the case of the HIV-positive Haitians; we have set a precedent in the case of the Coast Guard boats being used to keep people into the country. We have set that precedent. Nowhere else in the world have people been kept into their country because they were felt that they might try to get out to seek asylum and they might create problems for a nation. That is brand new.

The recent Supreme Court ruling upheld that action by our Government. It is most unfortunate. I do not criticize the Supreme Court. I cannot go into the legalities of it. I am not a lawyer.

I think the Supreme Court should never have been presented with the case. I criticize very much our administration, the present administration, which never should have appealed the case, never should have taken it to the Supreme Court.

There are arguments that are being made among lawyers about the fact that the ruling of the Supreme Court is not correct, but the Supreme Court has the final word. But it is all over with respect to this particular incident.

Justice Blackmun was the only Justice who dissented, and I think it is important to get on the record that fact that here is a Justice of the Supreme Court who really agreed with the Court that preceded him; the Federal court that had ruled before agreed with Justice Blackmun. The numerous lawyers who brought the case, of course, argued, and agreed with Justice Blackmun.

I just wanted to quote a little bit from Justice Blackmun's dissent on this case where Haitian people are being kept into their country by United States forces, and I quote from Justice Blackmun's dissent:

When in 1968, the United States acceded to the United Nations protocol relating to the status of refugees, it pledged not to "return a refugee in any manner whatsoever" to a place where he would face political persecution. In 1980, Congress amended our immigration law to reflect the protocol's directives, the Refugee Act of 1980. Today's majority nevertheless decides that the forced repatriation of the Haitian refugees is perfectly legal, because the word "return" does not mean return, because the opposite of "within the United States" is not outside the United States. * * *

I believe that the duty of nonreturn expressed in both the Protocol and the statute is clear. The majority finds it "extraordinary" that Congress would have intended the ban on returning "any alien" to apply to aliens at sea. That Congress would have meant what it said is not remarkable. What is extraordinary in this case is that the Executive, in disregard of the law, would take to the seas to intercept fleeing refugees and force them back to their persecutors and that the Court would strain to sanction that conduct. * * *

The refugees attempting to escape from Haiti do not claim a right of admission to this country. They do not even argue that the Government has no right to intercept their boats. They demand only that the United States, land of refugees and guardian of freedom, cease forcibly driving them back to detention, abuse and death. That is a modest plea, vindicated by the Treaty of the statute. We should not close our ears to it.

That is the end of the quote of Justice Blackmun's dissent.

Mr. Speaker, I want to close by just saying that a series of terrible things have been done to the Haitians, unfortunately, by our Government.

Some good things have been done recently. The present administration, listening to the voice of the Congressional Black Caucus, and we met with the President, where we presented him with a six-point program. He did respond on some of those points.

On step 1, he did respond and take steps to freeze the assets of the supporters of the coup and the members of the military. He did say that the passports would be restricted, and they did go to the United Nations and ask for the strongest possible sanctions and an embargo to be placed on the shipment of certain goods and materials to Haiti, especially the all-important commodity of oil and of arms. They took those steps.

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It is true it is 21 months late. We do not know why our Government did not go to the United Nations 21 months ago, but the steps have been taken recently and we applaud the President.

We think that there is a window of opportunity to solve the problem, to get on with having the United States Government relieved of the burden of having to make day-to-day decisions about the Haitians who are fleeing the country because of the oppression there.

If the situation in Haiti is corrected, if democracy is allowed to function, if the legally elected President, Jean-Bertrand Aristide, elected by 70 percent of the voters, if he is allowed to return and assume his rightful place, then many of these decisions that we are making which are setting unfortunate precedents and are presenting our country in an unfortunate light, many of these decisions revealing a latent racism in our country that we do not want to have come out, they will not have to be made. Let us do the right thing by Haiti. Let us do the right thing in terms of President Aristide, and we will return the situation to a state where the Haitians have control of their own lives.

It is important to note that during the 7 months that President Aristide was President and left alone by the army, the number of Haitians trying to get out of Haiti to seek refuge somewhere else went down almost to zero.

Let us bring the situation back to that point. There is a window of opportunity here. As of this morning, the U.S. embargo, the sanctions, began. The process is started.

General Cedras, the person who has led the oppression and the terror, who led the assault against Aristide, has agreed for the first time to hold meetings.

I, frankly, think it is an insult to have the legally elected President sit down with a renegade and thug that used force to throw him out of office after he was elected to that position.

□ 2050

But the compromise is that President Aristide has agreed to sit down with General Cedras. For the first time General Cedras is taking the United States seriously; for the first time the world community is being respected. They are really fearful that one step will lead to another.

We hope that the President is prepared to go beyond the U.N. sanctions and embargo; we hope the President is prepared to take the other steps that the caucus has recommended. We hope that we are moving to a point where a date certain for the return of President Aristide will be established.

The international community, the United States, the Organization of American States, and the United Nations, in combination, will say that President Aristide should be returned by a certain date and they will make it quite clear to the military gang in command of Haiti that we are coming.

I hope that they will take the further step of guaranteeing the safety of President Aristide with a corps of bodyguards, not an invading force, but enough people to guarantee the safety of President Aristide, and enough people to guarantee law and order, enough people to guarantee any of Aristide's opponents' safety, people who say they fear the return of Aristide.

All of these things are doable. We do not need to mount an invasion. We do not need to bomb anybody. We do not need to spend millions of dollars. The cheapest thing for the American Government to do now is the right thing. Let us do the right thing by Haiti. Let us get out of the situation where we had been forced by our own political expedience. Certain people have felt they have been forced to do outrageous things to Haiti.

Let us do the right thing: Let us return democracy to Haiti; let us return Jean Bertrand Aristide to this rightful place as the legally elected ruler of Haiti, and let us do it soon.

I thank the gentlewoman for this opportunity.

Mrs. MEEK. Mr. Speaker, I want to thank the gentleman from New York for his remarks and for sharing with this country the historical memory of what has happened and transpired with the Haitians.

Mr. Speaker, I want to end my special order with one special appeal to the American public. I want the American public to understand or to see the scenario that refugees from Cuba, from Nicaragua, from El Salvador, from many, many other countries have been allowed into this United States without the kind of hysteria, harassment, demagoguery and seeming racism that has faced the Haitians.

I appeal to my colleagues, in this special order, to do it fairly, take one measure and that be a measure of justice, that be a measure of law and of truth.

Mr. KENNEDY. Mr. Speaker. I want to thank Representative OWENS for his tireless work on behalf of democracy in Haiti, and for inviting me to participate in this important special order.

I attended the inauguration of President Aristide in April 1991. His election was evidence of the dedication of the Haitian people to live in liberty and democracy, despite decades of foreign occupation and military-backed dictatorship.

For too long after the bloody coup that drove President Aristide from power in 1991, the international community refused to use the resources available to us to remove the illegitimate regime.

Negotiators from the United Nations and OAS have gone the extra mile to offer the illegitimate government and the Haitian military a negotiated way out of the current crisis. Those

authorities, time and time again, refused to negotiate in good faith. They rebuffed the international community.

So I am pleased that the United Nations Security Council set a date—certain, midnight tonight, for comprehensive sanctions, covering oil and arms, unless the illegitimate authorities in Haiti agree to reinstate President Aristide.

The Clinton administration deserves praise for backing the U.N. sanctions.

But we must continue to apply pressure.

I have joined with my colleagues, Representatives OWENS, CONYERS, and SERRANO, in calling on the administration to work through the Security Council to use every available measure, including an international blockade if necessary, to ensure compliance. I hope that other Members will join us in sending this message of support to the Clinton administration.

As a first step in this direction we call on the administration to issue regulations to prohibit any land or air vessel that violates the embargo from entrance to any place in the United States, its territories, or commonwealth.

Tough sanctions alone will not return President Aristide to power. An embargo must be combined with negotiations.

In those negotiations, the United States must insist to the Haitian military and coup leaders that they agree on a date certain for the unconditional return of President Aristide. The heroic people of Haiti deserve no less from us.

Mr. DELLUMS. Mr. Speaker, it is with pleasure that I rise to join my honorable colleague, the gentleman from New York [Mr. OWENS], to address the Supreme Court decision upholding the administration's policy regarding the return of Haitians fleeing the military rulers of present Haiti. It is my hope that this body will recognize, consider, and support, the lone, dissenting, and honorable, position of Justice Harry Blackmun, and the earlier ruling of the Federal appeal court in New York, which decision was overturned today.

The President had previously denounced the Bush administration's interdiction against the boat people as cruel and illegal. I believe that this humane response was deeply appreciated by many here and abroad, especially people of color, who view our current policy as cruel and racist, and only possible because these desperate refugees are not Western Europeans.

I am deeply disappointed by the Supreme Court decision and ask my colleagues, as well as the President to exercise their power, their responsibility, in saving the lives of people who would rather face a hostile body of water than the soldiers and police of the military regime.

In the past 21 months, too many of us choose to forget that the military is in power by virtue of an illegal coup, and that we are on record as opposing military takeovers, as we opposed Iraq when they invaded Kuwait.

I have been encouraged to see the President working to strengthen the U.N. Security Council resolution to impose an embargo on shipments of oil and arms to Haiti, and consider sanctions. However, I believe that sanctions are only one response to the present situation in Haiti.

President Aristide and Haitians who are deeply committed to a democratic form of government have repeatedly asked the United States, and the international community to support them in taking these basic steps as a means of building the foundation for a nonmilitaristic, democratic form of government in Haiti.

They ask that these five steps be taken:

First, the military regime remove itself in favor of President Aristide. Please remember that the de facto government is responsible for torturing and killing massive numbers of opponents of their rule.

Second, the United States Government end the flow of cocaine and other drugs from Haiti into the United States.

Third, establish specific sanctions, backed by monitors, for any violations of the United Nations embargo; with special attention to the land boundary shared by Haiti and the Dominican Republic.

Fourth, the United States Government provide the necessary resources to the U.N. and Organization of American States for an international protective force to insure the safe return of President Aristide and the members of his government, and that provisions be made to prosecute the military personnel who participated in the coup as well as to disarm them to prevent an immediate repetition of another coup.

Fifth, the United States, the United Nations, and the Organization of American States announce a date for President Aristide's return to Haiti as mandated by the election 21 months ago.

I stand willing to join with my colleagues and others to assist in addressing this issue and formulating solutions. Our policy in Haiti fails to the degree that we fail to recognize the profound passion that the majority of Haitians have for an independent Haiti. Their history is one of struggle against slave masters, and imposition by dictators by the French and then the United States. Our new world 3 years beyond the end of the cold war, should be committed to the principles of the Declaration of Independence and guided by its wisdom: "We hold these truths to be self-evident, that all [Men] are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. * * *"

We have a new opportunity to take the right steps and I join you in that effort.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCKEON (at the request of Mr. MICHEL), for today, on account of attending graduation ceremonies for his daughter;

Mr. SKEEN (at the request of Mr. MICHEL), for today and the balance of the week, on account of surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special order heretofore entered, was granted to:

(The following Members (at the request of Mr. PASTOR) to revise and extend their remarks and include extraneous material:)

Mr. STARK, for 5 minutes, today.

Mr. CONDIT, for 5 minutes, today.

Mr. DURBIN, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BEREUTER, in support of H.R. 2446, immediately preceding the vote on final passage.

(The following Members (at the request of Mr. BACHUS of Alabama) and to include extraneous matter:)

Mr. SCHAEFER.

Mr. FIELDS of Texas.

Mr. GUNDERSON in two instances.

Mr. PACKARD.

Mr. OXLEY.

Mr. SAM JOHNSON of Texas.

Mr. CRANE.

Mr. SUNDQUIST.

Ms. DUNN.

Mr. GOODLING.

Mr. STUMP.

(The following Members (at the request of Mr. PASTOR) and to include extraneous matter:)

Mr. HALL of Ohio.

Mr. HOYER.

Mr. JACOBS.

Mr. ROSTENKOWSKI.

Mr. RAHALL.

Mrs. KENNELLY.

Mr. PAYNE of Virginia.

Mr. NEAL of Massachusetts.

Mr. COOPER.

Mr. ANDREWS of Texas.

Mr. KENNEDY.

Mr. LLOYD.

Ms. EDDIE BERNICE JOHNSON of Texas.

Mr. FORD of Michigan in two instances.

Mr. STARK in five instances.

(The following Members (at the request of Mr. BURTON of Indiana) and to include extraneous matter:)

Mr. SLATTERY.

ADJOURNMENT

Mrs. MEEK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 54 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 24, 1993, at 9:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1476. A letter from the Acting Assistant Administrator, Environmental Protection Agency, transmitting the annual report on conditional registration of pesticides during fiscal year 1992, pursuant to 7 U.S.C. 136w-4; to the Committee on Agriculture.

1477. A letter from the Chairman, Defense Base Closure and Realignment Commission, transmitting certified materials supplied to the Commission, pursuant to Public Law 101-510, section 2903(d)(3) (104 Stat. 1812); to the Committee on Armed Services.

1478. A letter from the Commissioner, National Center for Education Statistics, transmitting the annual statistical report of the National Center for Educational Statistics [NCES], "The Condition of Education," pursuant to 20 U.S.C. 1221e-1(d)(1); to the Committee on Education and Labor.

1479. A letter from the Secretary, Department of Health and Human Services, transmitting the 13th annual report on the implementation of the Age Discrimination Act of 1975 by departments and agencies which administer programs for Federal financial assistance, pursuant to 42 U.S.C. 6106a(b); to the Committee on Education and Labor.

1480. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of major defense equipment and services sold commercially to Japan (Transmittal No. DTC-32-93), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1481. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on missile proliferation, pursuant to 22 U.S.C. 2797b(a)(1); to the Committee on Foreign Affairs.

1482. A letter from the Department of the Interior, transmitting the annual report on royalty management and collection activities for Federal and Indian mineral leases in 1991 and 1992, pursuant to 30 U.S.C. 237; to the Committee on Natural Resources.

1483. A letter from the Secretary, Judicial Conference of the United States, transmitting the Conference's determination that U.S. District Judge Robert F. Collins of the Eastern District of Louisiana has engaged in conduct which might constitute grounds for impeachment, pursuant to 28 U.S.C. 372(c)(8)(A); to the Committee on the Judiciary.

1484. A letter from the Deputy Executive Director, Reserve Officers Association of the United States, transmitting the Association's financial audit for the period ending March 31, 1993, pursuant to 36 U.S.C. 1101(41), 1103; to the committee on the Judiciary.

1485. A letter from the Secretary of Transportation, transmitting the 11th Annual Report of Accomplishments Under the Airport Improvement Program for the fiscal year 1992, pursuant to 49 U.S.C. app. 2203(b)(2); to the Committee on Public Works and Transportation.

1486. A letter from the Acting Administrator, General Services Administration, transmitting informational copies of various lease prospectuses, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOAKLEY: Committee on Rules. House Resolution 206. Resolution providing for the consideration of the bill (H.R. 2150) to authorize appropriations for fiscal year 1994 for the U.S. Coast Guard, and for other purposes (Rept. 103-151). Referred to the House Calendar.

Mr. DIXON: Committee on Appropriations. H.R. 2492. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-152). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURBIN: Committee on Appropriations. H.R. 2493. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1994, and for other purposes (Rept. 103-153). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIXON:

H.R. 2492. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. DURBIN:

H.R. 2493. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Programs for the fiscal year ending September 30, 1994, and for other purposes.

By Mr. STARK (for himself, Mr. GIBBONS, Mr. DE LUGO, Mr. MCDERMOTT, Mr. MORAN, Mr. FOGLIETTA, Mr. OWENS, Mrs. CLAYTON, Miss COLLINS of Michigan, and Mr. SCOTT):

H.R. 2494. A bill to amend the Internal Revenue Code of 1986 and title XVIII of the Social Security Act to establish a program of assistance for essential community providers of health care services, to establish a program to update and maintain the infrastructure requirements of safety net hospitals, and to require States to develop plans for the allocation and review of expenditures for the capital-related costs of health care services; to the Committees on Ways and Means and Energy and Commerce.

By Mr. APPLEGATE:

H.R. 2495. A bill to direct the Secretary of the Interior to convey to the State of Ohio, the Senecaville National Fish Hatchery; to the Committee on Merchant Marine and Fisheries.

By Mr. DURBIN:

H.R. 2496. A bill to authorize the Secretary of the Interior to establish an Abraham Lincoln Research and Interpretive Center; to the Committee on Natural Resources.

By Mr. FRANK of Massachusetts:

H.R. 2497. A bill to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals and to increase the deduction to 100 percent of such costs; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 2498. A bill to assist community, business, and worker readjustment required as a result of the closure of military installations and reductions in defense spending, and for other purposes; jointly, to the Committees on Armed Services, Education and Labor, Banking, Finance and Urban Affairs, Public Works and Transportation, and Small Business.

By Mr. GOODLING (for himself, Mr. MICHEL, Mr. GINGRICH, Mr. ARMEY, Mr. HYDE, Mr. PETRI, Mr. FAWELL, Mr. BALLENGER, Mr. BOEHNER, Mr. BARRETT of Nebraska, and Mr. HOEKSTRA):

H.R. 2499. A bill to make the Age Discrimination in Employment Act of 1967 applicable to the House of Representatives and the instrumentalities of the Congress and to allow House employees and employees of the instrumentalities to bring a civil action in Federal court to vindicate their rights under such act and under the Americans With Disabilities Act, title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act; jointly, to the Committees on House Administration, Education and Labor, and the Judiciary.

By Mr. GUNDERSON (for himself, Mr. WILLIAMS, Mr. SABO, Mr. JOHNSON of South Dakota, Mr. BEREUTER, Mr. TAUZIN, and Mr. BARLOW):

H.R. 2500. A bill to establish a Council on Interjurisdictional Rivers Fisheries and to direct the Secretary of the Interior to conduct a pilot test of the Mississippi Interstate Cooperative Resource Agreement; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL of Ohio (for himself, Mr. WALSH, Mrs. KENNELLY, Mr. MCCOLLUM, Mr. MCDERMOTT, Mr. SCHIFF, Mr. SYNAR, Mr. COYNE, Mrs. SCHROEDER, Mr. JACOBS, Mr. BEILENSON, Ms. NORTON, Mr. RAVENEL, Mr. BACCHUS of Florida, Mr. DEUTSCH, Mr. SANDERS, Ms. BYRNE, Mr. FILNER, and Mr. PASTOR):

H.R. 2501. A bill to assist in implementing the plan of action adopted by the World Summit for Children; jointly, to the Committees on Education and Labor, Foreign Affairs, and Banking, Finance and Urban Affairs.

By Mrs. KENNELLY:

H.R. 2502. A bill to amend the Internal Revenue Code of 1986 and title I of the Employee Retirement Income Security Act of 1974 with regard to pension integration, participation, and vesting requirements, to provide for division of pension benefits upon divorce unless otherwise provided in qualified domestic relations orders, to provide for studies relating to cost-of-living adjustments and pension portability, and to clarify the continued availability, under provisions governing domestic relations orders, of remedies relating to matters treated in such orders entered before 1985; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. KYL:

H.R. 2503. A bill to amend title 10, United States Code, to require that in any case in which military law enforcement officials are called to a scene of domestic violence at which a weapon is present or there has been obvious physical violence that the officials shall arrest the individual who appears to have committed the offense; to the Committee on Armed Services.

By Mr. KYL (for himself and Mr. SKELTON):

H.R. 2504. A bill to amend title 10, United States Code, to require the Secretary of Defense to adopt centralized procedures for providing notice to victims and witnesses of the status of prisoners in military correctional facilities; to the Committee on Armed Services.

By Mr. MACHTLEY:

H.R. 2505. A bill to extend until January 1, 1998, the existing suspension of duty on stuffed dolls, certain toy figures, and the

skins thereof; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 2506. A bill to suspend temporarily the duty on photographic gelatin; to the Committee on Ways and Means.

H.R. 2507. A bill to continue until the close of December 31, 1994, the existing suspension of duties on color couplers and coupler intermediates used in the manufacture of photographic sensitized material; to the Committee on Ways and Means.

H.R. 2508. A bill to suspend temporarily the duty on benzoxazol; to the Committee as Ways and Means.

H.R. 2509. A bill to suspend until January 1, 1995, the duty on ortho aminophenol; to the Committee on Ways and Means.

By Mr. RAMSTAD:

H.R. 2510. A bill to suspend until January 1, 1995, the duty on certain machinery used to recycle mercury; to the Committee on Ways and Means.

By Mr. SLATTERY:

H.R. 2511. A bill to amend title XI of the Social Security Act is allow an adult in a family or household to attest to the citizenship status of any member of the family or household as part of the process for verifying the eligibility of the family member for certain public assistance benefits; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 2512. A bill to amend title II and XVIII of the Social Security Act to ensure the integrity of the Social Security trust funds by reconstituting the Board of Trustees of such trust funds and the Managing Trustee of such trust funds to increase their independence, by providing for annual investment plans to guide investment of amounts in such trust funds, and by removing unnecessary restrictions on investment and disinvestment of amounts in such trust funds; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. STARK (for himself and Mr. ROHRABACHER):

H.R. 2513. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. STUMP:

H.R. 2514. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. YATES:

H.J. Res. 217. Joint resolution to authorize the President to proclaim September 1993 as "Classical Music Month"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H. Res. 205. Resolution designating majority membership on certain standing committees of the House; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

211. By the SPEAKER: Memorial of the House of Representatives of the State of Louisiana, relative to the Child Abuse Prevention and Treatment Act of 1974; to the Committee on Education and Labor.

212. Also, memorial of the House of Representatives of the State of Louisiana, relative to the Medicaid Program; to the Committee on Energy and Commerce.

213. Also, memorial of the General Assembly of the State of California, relative to the Republic of Armenia; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. RIDGE, Mr. MORAN, Mr. REYNOLDS, Mr. LAFALCE, Ms. CANTWELL, Mr. JOHNSTON of Florida, Mr. CLEMENT, Mr. BATEMAN, Ms. ROS-LEHTINEN, Mr. TUCKER, Mr. COSTELLO, Mr. DEUTSCH, and Mr. KLEIN.

H.R. 163: Mr. SCHAEFER.

H.R. 287: Mr. JOHNSON of South Dakota.

H.R. 410: Mr. MANZULLO.

H.R. 437: Mrs. MORELLA.

H.R. 462: Mr. TUCKER and Mr. QUINN.

H.R. 476: Ms. MARGOLIES-MEZVINSKY.

H.R. 561: Mr. PETERSON of Minnesota, Mr. KIM, Mr. COSTELLO, Mr. DEAL, Mr. VOLKMER, Mr. TANNER, Mr. HALL of Texas, Mr. HUTTO, Mr. JOHNSON of Georgia, Mr. BAESLER, and Mr. PAYNE of Virginia.

H.R. 672: Mr. NADLER and Mr. MINETA.

H.R. 715: Mr. SHAW.

H.R. 727: Miss COLLINS of Michigan and Mr. RANGEL.

H.R. 728: Mr. MENENDEZ.

H.R. 786: Mr. CAMP.

H.R. 881: Mr. CASTLE.

H.R. 882: Mr. MANZULLO.

H.R. 899: Mr. MANZULLO.

H.R. 911: Mr. GORDON, Mr. CARDIN, Mr. VALENTINE, Mr. WALKER, Mr. BAKER of California, Mr. YOUNG of Alaska, and Ms. MOLINARI.

H.R. 1029: Mr. WAXMAN and Mr. DIXON.

H.R. 1036: Mr. WYNN, Miss COLLINS of Michigan, Mr. ABERCROMBIE, and Mr. DEFAZIO.

H.R. 1048: Mr. WYDEN and Mr. SCOTT.

H.R. 1078: Mrs. ROUKEMA.

H.R. 1079: Mrs. ROUKEMA.

H.R. 1080: Mrs. ROUKEMA.

H.R. 1081: Mrs. ROUKEMA.

H.R. 1082: Mrs. ROUKEMA.

H.R. 1141: Mr. WYNN, Mr. GILMAN, and Mr. DARDEN.

H.R. 1152: Mr. GILMAN, Mr. SANGMEISTER, and Mr. LEVY.

H.R. 1153: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1229: Mr. GLICKMAN.

H.R. 1231: Mr. VENTO, Mr. FINGERHUT, Mr. WYNN, and Mr. SHAYS.

H.R. 1276: Mr. HANCOCK and Mr. BARCIA of Michigan.

H.R. 1332: Mr. HASTINGS, Mr. NADLER, Ms. PRYCE of Ohio, and Mr. SHAW.

H.R. 1354: Mr. FOGLIETTA and Miss COLLINS of Michigan.

H.R. 1406: Mrs. VUCANOVICH and Mr. BAESLER.

H.R. 1489: Mr. STUPAK and Ms. BYRNE.

H.R. 1492: Mr. OWENS.

H.R. 1538: Mrs. THURMAN, Mr. KOPETSKI, Mr. KLEIN, Mr. TORRES, and Mr. GUTIERREZ.

H.R. 1596: Mr. BUNNING.

H.R. 1609: Miss COLLINS of Michigan.

H.R. 1627: Mr. BALLENGER, Mr. ZELIFF, Mr. GOODLATTE, Mr. BAKER of California, Mr. ARMEY, and Mr. BREWSTER.

H.R. 1630: Mr. LIPINSKI.

H.R. 1645: Mr. COLEMAN, Mr. GENE GREEN of Texas, Mr. ROMERO-BARCELO, and Mr. BRYANT.

H.R. 1670: Mr. MCCOLLUM.

H.R. 1697: Mr. POSHARD, Mrs. THURMAN, Mr. WYNN, Ms. SNOWE, Mr. SANDERS, Mr. MCCOLLUM, Mr. HUNTER, Ms. MARGOLIES-MEZVINSKY, Mr. COBLE, Mr. HENRY, Mr. BERMAN, Mr. HOCHBRUECKNER, Ms. DELAURO, and Mr. BLUTE.

H.R. 1897: Mr. CALLAHAN, Mr. ENGEL, Mr. LEHMAN, Mr. ENGLISH of Oklahoma, Mr. FOGLIETTA, Mr. JOHNSON of South Dakota, and Mr. WELDON.

H.R. 1901: Mr. SCHIFF.

H.R. 1917: Mr. FINGERHUT.

H.R. 1924: Mr. CLAY, Mr. DELLUMS, and Ms. WATERS.

H.R. 1994: Mrs. MORELLA.

H.R. 1999: Mr. MANZULLO, Ms. LAMBERT, Mr. SUNDQUIST, and Mr. OLVER.

H.R. 2062: Mrs. THURMAN.

H.R. 2095: Mr. MAZZOLI, Mr. NATCHER, Mr. WISE, and Mr. MANN.

H.R. 2119: Mr. KOPETSKI, Mr. WYDEN, and Mr. DELLUMS.

H.R. 2130: Mr. SENSENBRENNER, Mr. BOEHNER, and Mr. POSHARD.

H.R. 2134: Mrs. MALONEY and Mr. RAVENEL.

H.R. 2154: Mr. DARDEN, Mr. RUSH, Mr. BARCIA of Michigan, Ms. BYRNE, Ms. LAMBERT, and Mr. JOHNSON of Georgia.

H.R. 2276: Mr. TUCKER.

H.R. 2346: Mr. OWENS, Mr. TORKILDSEN, Mr. BROWN of California, Mr. HORN, and Mr. DICKEY.

H.R. 2438: Mr. GORDON, Mr. DEUTSCH, Mr. MCCANDLESS, Mr. LIPINSKI, Mr. WAXMAN, Mr. HYDE, and Mr. HOCHBRUECKNER.

H.R. 2449: Mr. REYNOLDS.

H.J. Res. 112: Mr. COSTELLO, Mr. CONYERS, Mr. NEAL of Massachusetts, Mr. PARKER, and Ms. MOLINARI.

H.J. Res. 148: Mr. SCOTT, Ms. SLAUGHTER, Mr. PRICE of North Carolina, Mr. LEVY, Mr. SABO, Mr. PAYNE of New Jersey, Mrs. FOWLER, Mr. LEWIS of Florida, Ms. VELAZQUEZ, Mrs. THURMAN, Mr. PAYNE of Virginia, Mr. YOUNG of Alaska, Mr. POMEROY, Mr. EDWARDS of Texas, Mr. MENENDEZ, Mr. OWENS, and Mr. WELDON.

H.J. Res. 166: Miss COLLINS of Michigan, Mr. NADLER, and Mr. BECERRA.

H.J. Res. 190: Mr. COBLE, Mr. DORNAN, Mr. DREIER, Mr. HASTERT, Mr. MOORHEAD, Mrs. MORELLA, Mr. MYERS of Indiana, Mr. PAYNE of Virginia, Mr. RAVENEL, Mr. ROEMER, Mr. ROHRABACHER, Mr. ROSE, Mr. TAUZIN, Mr. TRAFICANT, Mrs. VUCANOVICH, and Mr. WYNN.

H.J. Res. 194: Mr. THORNTON, Mr. WILSON, Mr. YOUNG of Florida, Miss COLLINS of Michigan, Mr. WAXMAN, Mr. FRANK of Massachusetts, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. EVANS, Mrs. LLOYD, Mr. BATEMAN, Mr. BORSKI, Mr. BRYANT, Mr. CLEMENT, Mr. COBLE, Mr. CRAMER, Mr. HYDE, Mr. KILDEE, Mr. LAUGHLIN, Mr. FORD of Michigan, Mr. PETE GEREN of Texas, and Mr. ACKERMAN.

H.J. Res. 196: Mr. BATEMAN, Mr. DREIER, Mr. GILMAN, Mr. KANJORSKI, Mr. MCHUGH, Mr. MCINNIS, Mr. MCMILLAN, Mr. MILLER of California, Mr. SHAYS, Mr. STENHOLM, Mr. ACKERMAN, Mr. BAESLER, Mr. BAKER of California, Mrs. BENTLEY, Mr. BEVILL, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BISHOP, Mr. BLACKWELL, Mr. BLILEY, Mr. BREWSTER, Mr. BROWDER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BUNNING, Mr. CALLAHAN, Mr. CARDIN, Mr. CARR, Mr. CASTLE, Mr. CHAPMAN, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. COBLE, Mr. COLEMAN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COOPER, Mr. COPPERSMITH, Mr. COSTELLO, Mr. DE LA GARZA, Ms. DELAURO, Mr. DEUTSCH, Mr. DIAZ-BALART, Mr. DICKEY, Mr. DIXON, Mr. EMERSON, Mr. EWING, Mr. FALEOMAVAEGA, Mr. FIELDS of Louisiana, Mr. FIELDS of Texas, Mr. FILNER, Mr. FORD of Tennessee, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GORDON, Mr. GUTIERREZ, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAMBURG, Mr. HAMILTON, Mr.

HASTINGS, Mr. HOAGLAND, Mr. HOEKSTRA, Mr. HUGHES, Mr. HUTCHINSON, Mr. JACOBS, Mr. JEFFERSON, Mr. JOHNSON of Georgia, Mr. JOHNSON of South Dakota, Ms. KAPTUR, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. KING, Mr. KINGSTON, Mr. KLECZKA, Mr. KLEIN, Mr. KOLBE, Mr. KOPETSKI, Mr. KREIDLER, Mr. LAFALCE, Mr. LANTOS, Mr. LAROCCO, Mr. LEACH, Mr. LEVIN, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIVINGSTON, Ms. LOWEY, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCDADE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MACHTLEY, Ms. MALONEY, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mr. MEEHAN, Mr. MENENDEZ, Mrs. MEYERS of Kansas, Mr. MFUME, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. MORAN, Mr. MURPHY, Mr. MURTHA, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Ms. NORTON, Mr. PARKER, Mr. PASTOR, Mr. PAXON, Mr. PAYNE of New Jersey, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. PETERSON of Florida, Mr. PICKETT, Mr. POMEROY, Mr. PORTER, Mr. POSHARD, Mr. PRICE of North Carolina, Mr. QUILLEN, Mr. QUINN, Mr. RAHALL, Mr. RANGEL, Mr. RAVENEL, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROSE, Mr. ROWLAND, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SARPALIUS, Mr. SAXTON, Mr. SAWYER, Mr. SCHIFF, Ms. SCHENK, Mr. SCHUMER, Mr. SERRANO, Mr. SHAW, Ms. SHEPHERD, Mr. SISISKY, Mr. SKEEN, Mr. SLATTERY, Ms. SLAUGHTER, Mr. SMITH of Oregon, Mr. SMITH of Iowa, Ms. SNOWE, Mr. SPENCE, Mr. SPRATT, Mr. STOKES, Mr. STUMP, Mr. SWETT, Mr. SYNAR, Mr. TANNER, Mr. TAYLOR of Mississippi, Mr. THOMPSON, Mr. THORNTON, Mr. TORRICELLI, Mr. TUCKER, Mr. UNDERWOOD, Mr. VALENTINE, Mr. VENTO, Mr. VISCLOSKY, Mrs. VUCANOVICH, Mr. WASHINGTON, Ms. WATERS, Mr. WATT, Mr. WAXMAN, Mr. WHEAT, Mr. WHITTEN, Mr. WILSON, Mr. WISE, Mr. YATES, and Mr. YOUNG of Florida.

H. J. Res. 204: Mr. TORKILDSEN. Mr. SAXTON, Mr. JOHNSTON of Florida, Mr. PAYNE of Virginia, Mr. MILLER of Florida, Mr. ROYCE, Mr. MORAN, Mr. KREIDLER, Mr. BISHOP, Mr. PASTOR, Mr. COOPER, Mr. POSHARD, Mr. BLUTE, Mr. CRANE, Mrs. KENNELLY, Mr. FLAKE, Mr. WALSH, Mr. SOLOMON, Mr. HYDE, Mrs. VUCANOVICH, Mr. MURPHY, Mr. GORDON, Mr. TAUZIN, Mr. SKEEN, Mr. WILSON, Mr. SYNAR, Mr. DE LA GARZA, Mr. BEVILL, Mr. DANNER, and Mr. CALVERT.

H. Con. Res. 47: Mr. WAXMAN.

H. Con. Res. 100: Mr. CLAY, Mr. TAYLOR of North Carolina, and Mr. GALLEGLY.

H. Con. Res. 107: Mr. STOKES, Mr. OLVER, Mr. WISE, Mr. QUINN, Ms. ENGLISH of Arizona, Mr. POSHARD, Mr. PARKER, Mr. FILNER, Mr. OBERSTAR, Mr. VENTO, and Ms. EDDIE BERNICE JOHNSON of Texas.

H. Res. 38: Ms. MARGOLIES-MEZVINSKY.

H. Res. 53: Mr. SHAW and Mr. PAXON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

49. By the SPEAKER: Petition of the Fourth Olbiil Era Kelulau, Republic of Palau, relative to congratulating and commending Ms. Leslis Turner for confirmed as Assistant Secretary of the Interior for Territorial and International Affairs; to the Committee on Natural Resources.

50. Also, petition of the Fourth Olbiil Era Kelulau, Republic of Palau, relative to congratulating and commending Mr. Allen P. Stayman on his appointment to become Deputy Assistant Secretary of the Interior for Territorial and International Affairs; to the Committee on Natural Resources.

SENATE—*Wednesday, June 23, 1993*

(Legislative day of Tuesday, June 22, 1993)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado.

PRAYER

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

Let us pray:

Righteousness exalteth a nation: but sin is a reproach to any people.—Proverbs 14:34.

God of our fathers, during the Presidential campaign last year, Jesse Jackson reminded us that what is morally wrong cannot be politically right. If we separate morality from politics, we imperil our Nation and threaten self-destruction. Imperial Rome was not defeated by an enemy from without; it was destroyed by moral decay from within.

Mighty God, over and over again You warned Your people, Israel, that righteousness is essential to national health. That to depart from righteousness leads to national destruction. Help us to comprehend that there is no substitute for moral health to keep a nation strong, and there is no way to prevent national weakness if moral order is sacrificed for moral anarchy. If we do not play by the rules, there are penalties to be paid; if we make wrong choices, there are negative consequences; if we reject the law of God, we sacrifice freedom.

Gracious Father in Heaven, awaken us to our cultural descent and revive in us the faith of our fathers.

We pray in the name of Jesus and for the sake of our land. 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 bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 23, 1993.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADERSHIP TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Chair, in his capacity as a Senator from the State of Colorado, suggests the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

ROBERT F. BURFORD

Mr. WALLOP. Mr. President, I rise today with some sadness and respect, to pay tribute to Robert F. Burford, an old friend who passed away on June 17, 1993. Bob was a third-generation Colorado rancher, who served as President Reagan's Director of the Bureau of Land Management from 1981 to 1988. His tenure as BLM Director was one of the longest in the Bureau's history. He resigned just about 4 years ago and returned to his home State of Colorado.

Raised on his family's summer and winter ranges in western Colorado, Bob graduated from the Colorado School of Mines, which later named him an outstanding alumnus. He served in the Marine Corps from 1944 to 1946, and was one of the marines who liberated, beach by beach, the islands of the South Pacific. He served in the Colorado House of Representatives from 1974 through 1980, and was speaker of the house during the last 2 years of his service there. Former Colorado Gov. John Vanderhoof, of Grand Junction, said about Bob Burford that he was the "closest thing to a pioneer land man who went to the top of his profession—that I know." I agree.

Bob Burford, laconic, witty, and intelligent, stood as a symbol of the western legacy. He loved the West and its ideals. He had a generosity of spirit belied by his offhand manner. His loyalty, both to his friends and to his ideals, was legendary. He was a wise man, a man of vision, and a great conservative, in the true sense of preserving what is worth preserving in our heritage.

At times a lightning rod on difficult issues—and my friend in the chair will recall those—Bob served President Reagan and three Interior Secretaries loyally. He was a man of strong beliefs, faithful to his President, and a shrewd politician. Bob Burford, who spent most of his life neither in Washington nor in politics, but in the ranching business, said many times, "I always left every piece of land leased from the Federal Government in better shape than it was in when found it." That, surely, is as good an epitaph as any person could hope for.

Today, Mr. President, I know I join a long list of friends and admirers in saying goodbye to a man of significant character. He served his Nation with distinction, and embodied the western spirit of independence and honor. He will be missed.

When Bob took over the Bureau of Land Management in 1981, he was facing a huge challenge. His calm, firm leadership guided the agency, as he said, "from the 19th century into the 20th." In 1988, he said that his proudest achievement as BLM Director was setting the agency back on track, following the Sagebrush Rebellion of the 1970's. The Federal Land Policy and Management Act of 1976 mandates multiple-use management of BLM's 270-plus million acres of western land. Burford said:

> When I first came to Washington our public lands were being managed, not as belonging to all the taxpayers of this Nation, but more along the lines of private playgrounds for a number of special interests. Will multiple use of the public lands survive? It can, and it should, but it will take more work and a renewed commitment from our elected officials. Multiple use, practiced wisely, is good for all Americans. We have come too far to abandon our efforts now.

In life and in death, Bob Burford gave us things to think about and that last thought is one worth remembering him over, and as our obligation.

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

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

The bill clerk proceed to call the the roll.

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

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

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

Mr. CHAFEE. Mr. President, are we in morning business?

The ACTING PRESIDENT pro tempore. We are in morning business. The Senator is recognized to speak for up to 15 minutes under the order.

Mr. CHAFEE. I thank the Chair.

THE PUBLIC HEALTH AND SAFETY ACT

Mr. CHAFEE. Mr. President, as my colleagues know, in May of this year, I reintroduced my legislation called the Public Health and Safety Act.

This legislation bans the sale, the manufacture, and possession of handguns. We are only talking about handguns. We are not talking about rifles or shotguns. This is to ban the manufacture, the sale, and possession of handguns in the United States of America.

This bill is S. 892. It would establish a grace period of 6 months, during which time handgun owners could turn in their firearms and receive the fair market value of that handgun, or $25, whichever is the greater.

After a 6-month period, no one in the United States may possess a handgun except for law enforcement officers; the military; antique gun collectors; and those who belong to target-shooting clubs and security guards with proper storage facilities.

Mr. President, every single day brings home to us the slaughter that is occurring in our Nation as a result of these handguns. I have here today the Washington Post. This is what happened yesterday right in our city: "Gunman Opens Fire at District of Columbia Swimming Pool. Six Children Wounded in Chaotic Scene."

It was a handgun shooting. A youngster, apparently up in a nearby rise—they estimated some youngster 17 years old—had a handgun. It is so easy to obtain. Anybody can get a handgun. As a matter of fact, you can go over to Virginia and you can buy one once a month. There is a handgun-a-month club over there. That is a result of the fact it could be worse in Virginia. Up until just recently, legislation permitted you to back up a truck and buy all the handguns you wanted. Now you only can get one handgun a month. Think of it: One a month. That took terrific effort by the Governor of Virginia, Governor Wilder, to achieve that limitation.

So we have six young children, 5 to 14 years of age; two of them are in the hospital. They were visited yesterday by the Mayor, the two most seriously injured children. How old were they? Harry Herbert, Jr., 5 years old. Antonio Robinson, 14 years old. There they are. Where can you be safer, presumably, than in the city swimming pool? Those youngsters were shot because somebody had a handgun nearby, and they are so easy to obtain.

Mr. President, I have an article here from the New York Times dated June 10, just a few days ago. It tells about the new rules that are being adopted by the Consumer Product Safety Commission. The Consumer Product Safety Commission is getting tough; on what? Cigarette lighters; cigarette lighters that children might ignite and set fires. So because some children in the United States are being injured by cigarette lighters, they have to be childproof now. The Consumer Product Safety Commission is requiring that all cigarette lighters be childproof, as it were, because some youngsters are being injured by them.

That is right to take that stand. But how many youngsters a year are being injured by fires started from cigarette lighters? Is it 500? Is it 300? It is 150 children and adults, total, throughout the country.

You would think that the Consumer Product Safety Commission would say: Look; if we are going to do something about cigarette lighters, keeping them childproof, we must do something about firearms, about handguns.

But, oh, no. Because the gun lobby has successfully written into the law of the Consumer Product Safety Commission that they cannot do anything about handguns, firearms, and ammunition, that is exempt from the powers of the Consumer Product Safety Commission.

So we have this terrible irony. The Consumer Product Safety Commission can move forcefully to help prevent 150 needless deaths of children and parents—it is not all children—150 a year, when in the United States of America, we have 500 needless deaths of children—500, not 150 total, adults and children—500 deaths a year, of children alone, from accidental firearm shootings.

The Centers for Disease Control and Prevention reports that between 1982 and 1988, 6 years, more than 3,600 children in our country died from unintentional gun-related injuries. This averages out to 500 a year.

Most of these shootings occur in the home, when a curious child finds a parent's loaded handgun in the closet or under the couch cushions or in the bedside table drawer, takes it out, and shoots a sibling—a brother or a sister—a friend, or the child itself, accidentally. And horrible deaths result.

I have one here from your home State, Mr. President, Aurora, CO, June 1993, this month. A 13-year-old boy at home with a friend accidentally shot his friend in the head with a .22-caliber magnum pistol, and then killed himself with another gun. The friend survived, in critical condition. Two youngsters lost because of the prevalence of handguns.

Chicago, May 1993: A 4-year-old girl accidentally fatally shot her 6-year-old brother with her father's .38-caliber revolver, which they found in a bag in a bedroom closet while their father slept. Think of this: A 4-year-old girl finds this handgun and accidentally shoots a 6-year-old brother fatally.

April 1993, New York City: A 15-year-old boy accidentally shot and killed one of his best friends with a revolver he found in a park.

December 1992, Miami: A 3-year-old boy—3 years, Mr. President; we are talking 3 years, practically an infant—was seriously wounded after being shot by his 14-year-old brother, who was playing with a .357 magnum.

Shalimar, FL, September 1992: Less than a year ago, an 8-year-old girl found a .22-caliber derringer in the back seat of the car. She thought it was a toy and accidentally killed her brother, age 13—an 8-year-old girl. And so it goes, Mr. President. All of these needless and terrible and senseless deaths could be avoided if we just did not have this prevalence of handguns in our society.

People say, "Well, is that not a radical suggestion you have, Senator?" There is nothing radical about the legislation I have. The situation we have in the United States of America is the radical situation, with handguns all over the place—70 million in our country alone. How many people do we have in our country? There are about 240 million people, and we have 70 million handguns. That is nearly one for every three people.

There are more than 500 accidental shooting deaths of children each year, with no sign of decline. We add 2 million handguns into our society every year. The National Safety Council report on accidental deaths in 1992 notes that while the death rate for virtually every type of accident—automobile, fires, falling out of trees, all of the things children and others get involved with—every one of these in this year declined except the death rate for accidental shootings, which had increased by 8 percent. Of course, it is going to increase with the prevalence of these weapons. But you would think, well, let us have everybody do something about it. Let us have the Consumer Product Safety Commission do something about it. But they cannot. As I pointed out previously, our laws prevent them from having anything to do with firearms and ammunition.

So, Mr. President, we have what I consider to be an insane policy in our Nation where we do not ban these weapons totally.

Am I talking about shotguns or rifles? Of course not. This has nothing to do with the National Rifle Association. I am talking about handguns alone. I think this policy we have in our country with the prevalence of these weapons must be changed.

So, Mr. President, I urge my colleagues to join me in support of S. 892,

the Public Health and Safety Act. Why do we call it the Public Health and Safety Act? We are wrestling with doing something about health care costs in this country. We see the escalating costs. Over $4 billion a year is spent by the taxpayers to care for those who have hospital or doctor costs as a result of the prevalence of handguns and injuries resulting from handguns—$4 billion a year.

So that is the health side of it. If we are serious about doing something about our health bills, we will step up to the mark in this situation and ban these handguns.

I urge my colleagues to join me in support of S. 892, the Public Health and Safety Act.

I thank the Chair, and I suggest the absence of a quorum.

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

The bill 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. WOFFORD). Without objection, it is so ordered.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through June 18, 1993. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $2.1 billion in budget authority and $0.5 billion in outlays. Current level is $0.5 billion above the revenue floor in 1993 and above by $1.4 billion over the 5 years, 1993–97. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $392.4 billion, $28.4 billion below the maximum deficit amount for 1993 of $420.8 billion.

Since the last report, dated June 15, 1993, Congress has approved for the President's signature H.R. 890, the Unclaimed Deposits Amendments Act. This action changed the current level of budget authority and outlays.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 22, 1993.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1993 and is current through June 18, 1993. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 287). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated June 14, 1993, Congress has approved for the President's signature H.R. 890, the Unclaimed Deposits Amendments Act. This action changed the current level of outlays.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 1ST SESS., AS OF CLOSE OF BUSINESS JUNE 18, 1993

[In billions of dollars]

	Budget resolution (H. Con. Res. 287)	Current level [1]	Current level over/under resolution
On-budget:			
Budget authority	1,250.0	1,247.9	−2.1
Outlays	1,242.3	1,241.8	−.5
Revenues:			
1993	848.9	849.4	.5
1993–97	4,818.6	4,820.0	1.4
Maximum deficit amount	420.8	392.4	−28.4
Debt subject to limit	4,461.2	4,200.5	−260.7
Off-budget:			
Social Security outlays:			
1993	260.0	260.0	.....
1993–97	1,415.0	1,415.0	.....
Social Security revenues:			
1993	328.1	328.1	(2)
1993–97	1,865.0	1,865.0	(2)

[1] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] Less than $50,000,000.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG. 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JUNE 18, 1993

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues	0	0	849,425
Permanents and other spending legislation	764,283	737,413	0
Appropriation legislation	732,061	743,943	0
Offsetting receipts	(240,524)	(240,524)	0
Total previously enacted	1,255,820	1,240,833	849,425
ENACTED THIS SESSION			
CIA Voluntary Separation Incentive Act (Public Law 103–36)	1	1	0
PENDING SIGNATURE			
Unclaimed Deposits Amendments Act (H.R. 890)	0	1	0
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	(7,928)	962	0

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG. 1ST SESS., SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1993 AS OF CLOSE OF BUSINESS JUNE 18, 1993—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Total current level [1]	1,247,893	1,241,796	849,425
Total budget resolution [2]	1,249,990	1,242,290	848,890
Amount remaining:			
Under budget resolution	2,097	494	0
Over budget resolution	0	0	535

[1] In accordance with the Budget Enforcement Act, budget authority and outlay totals do not include the following in emergency funding:

[In millions of dollars]

	Budget authority	Outlays
Public Law:		
102–229	0	712
102–266	0	33
102–302	0	380
102–368	960	5,873
102–381	218	13
103–6	3,322	3,322
103–24	4,000	4,000
Offsetting receipts	(4,000)	(4,000)
Total 1993 emergency funding	4,500	10,333

[2] Includes a revision under sec. 9 of the concurrent resolution on the budget.

Note.—Amounts in parentheses are negative. Detail may not add due to rounding.

IN HONOR OF BOB BURFORD

Mr. BROWN. Mr. President, I rise today to honor the memory of a friend, Bob Burford, former Director of the Bureau of Land Management and Speaker of the Colorado House of Representatives. Bob Burford passed away on Thursday, June 17, 1993, of pancreatic cancer. He was 70 years old.

As a fourth-generation rancher and the father of four children, Bob understood the traditions, history, and values of the West. He was born in Grand Junction, CO on February 5, 1923. He graduated from the Colorado School of Mines and served in the U.S. Marine Corps from 1944 to 1946. In 1974 he joined me as a member of the Colorado General Assembly, where he served until 1980. His sharp intellect and strong character earned him respect and appreciation from his colleagues in the Colorado House, which led to his election as Speaker of the House in 1979. President Reagan appointed him as Director of the Bureau of Land Management in 1981, a post he held until 1988.

Bob was known as a quiet man. He was not long winded. His one-word answers and concise speeches may have been brief, but they were long on wisdom and insight. Behind his western demeanor was an astute and intelligent gentleman. Bob Burford played an integral part in formulating policies to improve the management of public lands, while balancing environmental and commercial interests. As a member of the Colorado House Committee on Agriculture, Natural Resources and Water, he worked closely with the State land board. In addition, he served

on the committee that wrote the Colorado Mined Land Reclamation Act. He worked to ensure that the regulations of the act conformed to the intent of the legislation. Bob Burford also chaired the committee that took the lead role in writing Colorado's Coal Mine Reclamation Act. He worked toward developing an equitable and workable compromise that satisfied the interests of industry and environment.

Former Colorado Gov. John Vanderhoof said, upon hearing of his death, "He was probably the last of a Western breed that rose to the top on the State and Federal level. He was down to earth, and lived with the pioneer spirit."

While Director of the Bureau of Land Management, Bob greatly contributed to the development of recommendations for wilderness on BLM lands, improvements in BLM ranges and riparian habitats, as well as the computerization of the Federal Government's land records.

Bob Burford did a great deal to help western Colorado and the Nation. His contributions have been invaluable. My family and I extend our deepest sympathy to his friends and family during this time of sorrow. Colorado has lost a great leader, and those who work to bring forth the bounty of the land in the West have lost a great friend.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,298,022,359,229.61 as of the close of business on Monday, June 21. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $16,733.

CESAR CHAVEZ

Mr. REID. Mr. President, Cesar Chavez once said:

> When we are really honest with ourselves, we must admit that our lives are all that really belong to us. So, it is how we use our lives that determine what kind of men and women we are. It is my deepest belief that only by giving our lives do we find life. I am convinced that the truest act of courage is to sacrifice ourselves for others in a total nonviolent struggle for justice.

This is how Cesar Chavez lived his life. This is how Cesar Chavez gave his life.

Cesar Estrada Chavez was born on March 31, 1927, near Yuma, AZ, one of five children born to Juana and Librado Chavez, themselves the children of Mexican immigrants of the late 19th century.

He grew up on the 160-acre farm his father owned, but, when Cesar was 10, the bank foreclosed. This was the Depression.

His father packed up the Studebaker and, along with thousands of other families who had lost farms in the Dust Bowl, moved to California.

They found work picking carrots, cotton, and other crops, moving place to place and harvest to harvest.

Chavez never graduated high school and once claimed that he had attended 65 elementary schools for a day, a week, or a month.

In 1939, his family settled in San Jose, where his father became active in an effort to organize workers at a dried fruit packing plant. This was his first taste of unionism.

In fact, both his parents played a crucial role in forming the life of Cesar Chavez. He said his mother taught him to be humane while living in often inhumane conditions. He said, "She sent us to invite hobos to share our tortillas and beans."

Chavez spent 2 years serving in the Navy in World War II, and then returned home to work as a migrant farmer. It was in the fields of the San Joaquin Valley he met his wife Helen who bore him eight children.

In 1952, another influential figure entered Cesar Chavez' life; namely, Saul Alinsky, a self-styled professional radical who spent his life helping poor communities throughout the United States.

Alinsky sent Fred Ross to southern California to start the Community Service Organization. It was Ross who recognized Chavez' abilities and recruited him for the organization. Ross found him in an apricot orchard.

Chavez worked for this organization for 10 years in San Jose in a community called Salsipuedes, which means "Get out if you can." At first he worked as an unpaid volunteer, and later as a $325-a-month staff member. He organized an ongoing voter registration drive and helped people in the community to deal with government agencies.

In 1962, he left the CSO, withdrew his savings of $1,200 from the bank, and launched his drive to organize the United Farm Workers.

Finally, in 1965, the union was formed.

While he was building up the union, he took Sunday ditch-digging jobs, and Helen Chavez worked in the fields when she could. The money was not enough to feed them, however, and Chavez began begging food from the workers he visited on his organizing tours.

A follower of Gandhi, Chavez organized his followers in nonviolent marches, strikes, boycotts, and fasts to force the powerful growers to negotiate with them.

When he began his efforts, the average farmworker in California made less than $1.40 an hour with no benefits in a $4 billion industry.

Under his leadership, the workers won pay increases, medical benefits, pensions, and protection from employer abuse.

In 1968, Chavez led the famous California grape boycott. It is estimated that 20 million Americans stopped buying California grapes, and the growers were forced to negotiate.

And Cesar Chavez had many other successes. In 1974, his efforts led to the first collective-bargaining law for farmworkers outside Hawaii.

He also drew attention to the dangers of pesticides used in the fields—dangers not only to farmworkers, but to consumers. The union found clusters of birth defects in farming communities in the San Joaquin Valley and cancer rates among farmworkers' children that were more than a thousand times higher than the national average.

His union's campaign led to an announcement in 1991 by the EPA that it was taking steps to cut the use of parathion, a commonly used crop pesticide.

Like too many Americans, Cesar Chavez grew up poor and experienced the barbs of discrimination. He grew up in a time when one might see signs in diner windows such as: "No Dogs or Mexicans Allowed."

But Cesar Chavez was one of those people who decide to do something about their situation and not just sit back and let it happen.

Right up until his death he fought for workers' rights, civil rights, and human rights. When asked about the farmworkers movement, he stated:

> This is not a movement for farm workers. This is a movement for human justice and dignity and equality, and it's all the more powerful because it's led by the poorest of the poor.

Cesar Chavezs life ended quietly in his sleep on April 22 in San Luis, AZ, 35 miles from his childhood farm in the Gila River Valley. He was there to testify in a hearing, and he was on a 7-day fast.

Chavez was famous for his fasting. In 1988, he went on a 36-day water-only fast which severely affected his health.

His father lived to be 101, and his mother was 99 when she died. When Chavez died at age 66, many believed, and I believe, that he truly gave his life for the cause of the downtrodden as a result of these fasts.

It was Cesar Chavez who showed Mexican-Americans—and all Americans—that they can rise out of poverty and oppression, and that they can take control of their lives.

Despite his success, Chavez maintained an austere lifestyle. As late as the 1980's, he did not own a house or a car and had an income of about $900 a month.

His typical wardrobe included a plaid shirt and scuffed shoes.

He is a man who will be missed. He is a man some have described as a "secular saint," his name often being mentioned in the same breath as "Gandhi, Martin Luther King, Jr., and Robert Kennedy."

Thursday, I, along with Senators SIMON, BINGAMAN, BRADLEY, and KENNEDY, offered a resolution which simply said that the Senate of the United States recognizes the contributions of Cesar Chavez to the evolution of American democracy and human rights.

I was glad to see the resolution pass quickly. I doubt there would have been a single dissenting voice had there been a rollcall vote.

Mr. SIMON. I am pleased to join my friend HARRY REID in this resolution honoring the late Cesar Chavez, a man who was a giant, not only to the tens of thousands of farmworkers he represented, and not only to the 25 million Americans of Hispanic ancestry he inspired, but to all Americans who know that they must right an injustice when they see it.

Cesar Chavez, through his strong resolve and devotion to his cause, won the admiration and respect of men and women from every walk of life. When he died at the age of 66 in April, he was about to visit the State of Illinois and speak at the Quad City Interfaith Convention in Rock Island. His influence carried far beyond the fields of California and will carry on throughout the Nation.

Cesar Chavez and the people he led made immense progress in farm labor reform. In the early 1960's, when others turned down his pleas for assistance in organizing farm workers, Cesar Chavez took the battle on himself. He empowered other farm workers who were otherwise powerless against the major companies that owned and ran California's rich farmland. They were powerless, except for the justness of their cause and the strength of their ideas.

Allied behind the soaring black eagle that was the symbol of the United Farm Workers Union, American consumers joined Cesar Chavez and the farmworkers in one of the greatest consumer boycotts in the history of the United States. At one point in the 1960s, 17 percent of Americans boycotted nonunion table grapes. Ultimately, this effort led to enactment of the second State law—the only other one being in Hawaii—to permit collective bargaining by agricultural workers.

Cesar Chavez appealed to America's better sense of idealism. His simple message and undeniable plea for fairness carried far beyond the fields. To Mexican-Americans in California, the Southwest and Illinois, he was the catalyst for activism for many civil rights causes.

In the 1960's, he marched with Robert Kennedy and Martin Luther King. The three were inspirations not only in the United States but around the globe. Following Cesar Chavez' death, Pope John Paul II issued a message of condolence. In 1990, President Salinas of Mexico awarded Cesar Chavez the Order of the Aztec Eagle for a lifetime of protecting the interests of Mexican-Americans.

For those he struggled for, Cesar Chavez leaves a legacy of improved lives, better working conditions, and brighter futures. But even more, he leaves generations of people inspired to work for a more caring America. That is the mark of a truly great leader—Cesar Chavez.

Again, I am pleased to be a cosponsor of Senator REID's resolution.

AN INSIDER'S CONVERSATION

Mr. DODD. Mr. President, I rise today to share with my colleagues an extraordinary speech recently given by Mary Fisher, whom we all know to be an articulate and passionate spokeswoman on the subject of AIDS. On June 1, I had the opportunity to introduce Mary Fisher before she delivered the keynote speech at the fifth annual awards dinner for the Stewart B. McKinney Foundation. I ask unanimous consent that Mary Fisher's speech, entitled "An Insider's Conversation," be included in the RECORD at this time. I thank the Chair.

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

AN INSIDER'S CONVERSATION

(Speech by Mary D. Fisher, Fifth Annual Awards Dinner, the Stewart B. McKinney Foundation, June 1, 1993, Fairfield, CT)

Good evening and thank you, Senator Dodd, for that most gracious introduction. I'm honored to have a part in this evening's program and in the ongoing work of the Stewart B. McKinney Foundation.

It was just seven months ago, today, that I met Lucie McKinney for the first time—at the urging of our good and mutual friend, June Osborn. We began a conversation over lunch in New York City, a conversation which has not yet ended. As she has so many others, Lucie won my heart with hers in a matter of minutes. Her courage is wrapped in charm, and her energy is endless.

Leaving lunch, it occurred to me what a wonderful contribution to younger women has been made by people like June Osborn and Lucie McKinney.

Charlotte Whitten once wrote that "whatever women do they must do twice as well as men to be thought half as good. Luckily, this is not difficult."

Peter Jennings, Jonathan Mann, and other distinguished men are good evidence that no one gender can stake exclusive claim to courage or accomplishment. Ginger Rogers was great, in part, because of Fred Astaire. But coming off that after-lunch elevator, thinking of Lucie McKinney, I did smile, remembering that "Ginger Rogers did everything Fred Astaire did, but she did it backwards and in high heels."

From time to time I give speeches. Last August I gave a little talk to a politically minded group in Houston; as it turned out, it was actually a minority group known as "Republicans." In a number of respects, this evening is different. The Astrodome is a bit larger than the Hunt Club. Speaking between Senator Dodd and Dr. Osborn feels somehow different than coming between Patrick Buchannan and Marilyn Quayle. But most important, you are an audience of colleagues and peers, of people already informed and concerned for justice and healing in the AIDS community. So I salute you, and I am proud to be with you. And I want to have an insider's conversation with you about what appears to me to be the challenges and the joys set before us.

Before I begin, I bring you both a warning and a comfort. The warning is that I have four points. The comfort is, three of them are brief. Here's the one that's not, the first and by far the longest:

To chart any effective national strategy we must understand the unique history of this epidemic in America. Worldwide, AIDS is a heterosexually transmitted disease. But the American experience of AIDS—since it was first mentioned in a front-page article in the New York Times in July, 1981—has been shaped by the American perspective on its gay-male communities.

For years, beyond the borders of the men's gay communities, Americans felt secure. "I'm straight, not gay," we said, "so this is their disease, not mine." Voices from pulpits thundered the ugly message that this was God's judgment; gentler voices in country clubs whispered rumors just as ugly about who had been stricken and thus proven to be gay.

The nation's glacially slow response to this epidemic is in large measure attributable to an attitude of tolerance toward the death of gay men. Said so starkly, this is an almost intolerable thought. But the evidence of our own history is brutal on this score.

There are those who say the nation's conscience has now been awakened by education. Perhaps. But perhaps what shook us awake was not conscience but fear. It is a remarkable historic coincidence that the nation's slumbering conscience came so fully to life when the virus began leaping all fences, putting us all at risk. For those of us who are women, this chapter of history is laced with irony. Convinced that the disease belonged to gay men, research projects and health priorities had not included us. When the virus moved into our veins, we knew almost nothing of AIDS in women. And we account for this, in part, with history.

Since 1981 the overwhelming majority of Americans who died in this epidemic have been gay men. They were carried to their graves to the sound of political wrangling over the value of their lives and the quality of their morals. In fact, history is likely to ask harder questions of our morals than of theirs. But still today, when the Senate of the United States debates legislation affecting those who are HIV-positive, respectable leaders give regrettable speeches comparing people with AIDS to infected fruit. We account for this, most charitably, with history.

Throughout the life of this epidemic, prejudice has shaped policy. This is brutally apparent when we compare who has been dying and who the nation has accepted as their spokespersons. Against a backdrop of hundreds of thousands of dying gay men, the names America prefers to remember are not theirs. Ryan White, Arthur Ashe, Elizabeth Glaser, Kimberly Bergalis, Magic Johnson * * * and now comes Mary Fisher. We account for this, in part, with history.

In the wake of the holocaust, much was written about history. The great lesson we learned from that experience is that history itself does not shoulder moral responsibility. We do. We who live and die by the choices history merely records, we are responsible. We become the authors of moral confusion and political stigma and scientific paral-

ysis—or we become the heroes who oppose them all. As in all great crises, there is very little room in the middle.

Death is ugly, but inevitable. Evil is uglier, in part because it is not inevitable. The terror families experience when one of their members says, "I am HIV-positive," is a testimony to the inevitable power of death. Given what science knows, and doesn't know, we can do little. But the terror families experience when one of their members says, "I am going public"—this is a testimony to the power of evil. We have enough moral research and ethical weapons to attack this enemy, if we choose.

The nation's funds and priorities, issues of the marketplace and demands of the political system, quiet choices made in the secret councils—each occurs within, not above, our history. And until we take seriously the lessons of evil which continue to be rehearsed in this epidemic, I fear we are condemned to repeat them relentlessly.

This brutal struggle, this painful history, must be faced boldly, or we will never win. The virus has given us the physical struggle between life and death. But we have contributed the moral confusion between good and evil. We have built a history in which the two struggles are one. We need both the cure which comes by science and the compassion which comes by conscience. Neither, alone, will give us a victory.

This long first point—that we have forged a national history which demands clear moral response—is really the stage for three simple conclusions. And they are these:

One, the struggle must become ours. If moral indifference once led many of us to say, referring to the gay community, "This is their struggle, not ours," we're now paying for that indifference with an epidemic which is increasingly at home in all communities.

The million-and-a-half of us already HIV-positive have been drafted into this struggle against out own will; we did not enlist. For us, this is not the cause-of-the-month or a favored year's campaign.

My own convictions in this regard are quite simple. Having discovered that I could not save my own life, I concluded that I would be wise to contribute it. And this is the arena in which I will spend it. This is not a charity in my life, it is a consuming passion—chosen because I would rather burn out with courage than whimper, and lie down.

I regret that my children and I are, given the current state of affairs, unlikely to know each other as adults. This regret can lead me in one of two directions: toward self-pity, or toward action. Self-pity is unattractive, unproductive * * * and extraordinarily boring. Therefore, I've chosen action.

But I am unwilling simply to regret the current state of affairs. I want it changed. And it can be changed—provided more than those who are HIV-positive embrace this epidemic as their own. We need fewer people to be drafted by virtue of infection and a great more to enlist by virtue of conviction.

Physically, this epidemic no longer belongs to the gay community. You know the routes and rates of infection as well as I; we all see the virus having its way in the heterosexual communities. If shameful, moral indifference once led these communities to say, "This is their disease, not ours," common sense and honest statistics can cure that indifference today.

Politically, this epidemic knows no party lines. During the most recent presidential election, most in the AIDS community believed that the Democratic Party offered their best hope for a sympathetic White House. When in October I addressed a Washington gathering of a thousand AIDS community leaders, I observed that our gathering consisted of all kinds of people: gay and straight, Black and White, male and female, young and old, "999 Democrats . . . and me." In truth, the virus doesn't care about human preferences; it merely wants a human host.

Morally, it is no more possible to think of this epidemic as a crisis only for those who are infected than it is to think of slavery as a Black problem, the holocaust as a Jewish problem, or abuse as a child's problem. One cannot be human alone; we cannot live in that kind of isolation. We are bound together, and we break our intrinsic bonds with one another at the price of lonesomeness which turns to alienation which ends in death.

Therefore, I urge you—whether you are HIV-positive or HIV-negative, male or female, Democrat or Republican—I urge you to embrace this issue as your own. Become an ambassador of compassion, a recruiter bringing new people to the cause. Find someone uninvolved and offer them the opportunity to discover new meaning in life.

If one person here tonight still thought of this disease as someone else's, I could promise these gifts: Look into the eyes of a withering young man, and you will see your own soul more clearly. The woman terrified at leaving her children; the child who doesn't understand the meaning of the word "orphan"—it isn't for them that I encourage you to say, "This is our crisis." It is for you. Because when you embrace the epidemic as your own, you will be liberated from your own detachment and lonesomeness.

A second lesson to be drawn from the history of this epidemic is this: Our struggle needs leadership. In the battle against drunk driving, an irate California mother became—and then organized something called—M.A.D.D. Being drunk is no longer funny, and driving drunk will land you in jail. In the battle against smoking, one crusty Surgeon General took on tobacco companies and television ads. C. Everett Koop changed America's mind about the sex appeal of cigarettes. In the battle against breast cancer and alcoholism, Betty Ford opened doors to healing which had long been closed by fear and shame.

In the battle against AIDS, the rank of general is largely vacant. Federal and State governments have been paralyzed by the politics of polarization. The scientific community has been underfunded and overly segmented. Social, cultural and religious communities have been unwilling to go to the front in this war. We are now within a month of the dissolution of the National Commission on AIDS. When the Commissioners fold up their files and go home, does that mean the fight is over? What do we say to those who are HIV-positive then, now that their numbers are vastly greater than when the Commission was first appointed?

We are now one-hundred-and-some days into the new Administration's promises, well beyond the celebration of the Inauguration. And a strange, almost eerie silence has fallen over the AIDS community as a whole. What began as a sense of certainty and optimism has turned to a vague sense of uncertainty and fear. What we hear most from the AIDS community these days is silence.

In part, this can be explained by the gay community which wants no longer to shoulder the burden of this epidemic. They have suffered and died in vast numbers. The rates of infection in their community have declined as rates of infections in other communities shoot upward. With great weariness, and great accuracy, gay community leaders are saying what we all know: though AIDS continues to ravage the gay community, AIDS is not only a disease of those who are gay. The gay community has carried this cross far enough. We must not ask that they continue to do so alone. It would be wise of us to ask that they not leave us, but there is no reason for the gay community to suffer stigma also on our behalf or shoulder responsibility for the health of all our children.

In part, the lack of leadership can be explained by the character of the beast. Those drafted into this fight grow weak and die. Ryan White had no charming smiles last year; Arthur Ashe couldn't be here this evening.

We need leaders, and we need them now. We need them in Congress, but also in congregations; in the great universities and powerful circles of journalism, but also in the Sunday school classrooms and tiny pockets of resistance. We need leadership.

The Foundation's recognition of such heroes as Peter Jennings and Jonathan Mann is important, because it highlights the contributions of leaders. But it is also important to note that many in America would not know why Peter Jennings was selected for this particular honor. Jonathan Mann is a name revered among us, but less recognized nationally than the name of mediocre baseball players with great muscles. And for every American who knows the name of Mary Fisher, there are 312 who confuse it with Amy, the teenaged tabloid terror with the same last name.

We need leadership, which is to say: We need leaders. We have a band of pilgrims who grow weak and die, a set of priorities which has not conquered the political or moral heart of America. We need leaders. Because, in the absence of clear leadership, the nation wonders and the virus wins.

Finally, this conclusion based on real-life experience: The cause can be joyful. One of the problems with AIDS is that it just isn't very funny. But one of the critical tools to living successfully with HIV is humor. Herein lies a great and wonderful lesson.

Earlier this year Paul Rudnick was explaining in The New York Times (January 23, 1993) why gay writers have written comedies about AIDS: "Only money, rage and science can conquer AIDS," he said, "but only laughter can make the nightmare bearable."

If you would like to hear such laughter and see joy, visit one of the housing projects which have been translated from dream to reality by the work of the McKinney Foundation. Talk to a scholarship recipient who is young and eager and full of confidence, now capable of enlisting in this battle with an education which may some day lead to a cure.

Life brings with it an adequate amount of grief. That's true for all of us. HIV has a habit of striking the young more frequently than the old; that tends to create situations of special poignancy. On one extreme, almost nothing is more unhelpful than reading a story about my family which is draped in funeral crepe and decorated with pathos. Those are the moments I'm grateful Max and Zachary, my sons, are too young to read. At the other extreme are the genuine moments of agony and terror which, in common with others who are HIV-positive, I endure. These tend to involve the children, and dying, and these two categories—children and dying—do not mix well under any condition.

But, having said that, I must tell you that my experience within the AIDS community has been one of stunning joy. I don't know another person alive who has received more grace, or more hugs, from teenagers in the past year than I. I've had African-American preachers come out of a crowd to whisper prayers for healing; I've had gay young men find courage to reach for comfort, parents find release to tell the truth of their grief, and moments of unrestrained hilarity.

One reason for joy in the AIDS community is that the virus we hate brings us a gift we love: perspective. One worries a good deal less about the color of one's dress or the texture of one's lawn when this virus is at work. There's something very freeing about knowing what's more and what's less important in life.

Another reason the AIDS community is drenched in joy is that is a community of forgiveness. For each person drafted into the community, all one-and-a-half-million or so folks, there are at least two stories. There is the story of relationship with someone else: an anonymous someone who donated blood knowingly or unknowingly, a lover or spouse who was trusted, a friend or a stranger who wanted to share * * * there is relationship. If we who are HIV-positive cannot conquer the pain or anger or frustration we experience with that relationship, then it is not the virus which ruins our lives. It is our lack of forgiveness.

And the second relationship is with ourselves. We plunge into our own dark night of the soul to rummage through our decisions, especially the one that may cost us our lives. We feel guilt at the pain others suffer on our account. Try as we may to ignore the messages of unworthiness and stigma, they grow loud and shrill in the early morning quiet of our bedrooms. If we who are HIV-positive cannot conquer the guilt or shame or uncertainty we experience within ourselves, the virus will not need to ruin our lives. We will achieve that goal alone.

Proof abounds that these two lessons have been well learned within the AIDS community. In support groups and one-on-one relationships, through prayer meetings and celebrations and festivals; in books that are written and articles that are clipped, plays that are produced and movies now emerging with this theme—in every arena within the AIDS community, the drive to live life forgiven and forgiving is apparent.

And the reason for this is quite simple. At root, the issue is now how we will live life with AIDS; it is how we will live life with meaning.

Lily Tomlin is absolutely right: "The trouble with the rat race is that even if you win, you're still a rat." We work a lifetime to accumulate our millions, and on our deathbed would trade it all for one cooling kiss from a child we no longer know. We grind our way to the top of the ladder and the front of the social section, and we drink ourselves into a stupor so we can fall asleep next to someone who no longer loves us. The question is not, "How do I live life with the virus?" The question is, "How will any of us live life with meaning?"

I can tell you by experience that meaning is rich and thick and available in the AIDS community of this nation. Here is an ambition for life which makes of each day a valued gift, never to be wasted. Here is a community that has tasted the bitterness of discrimination and favors the sweetness of forgiveness. Here is a healing power which outstrips conventional potions, a binding affection and uplifting hope which baffles the casual observer.

You need not be HIV-positive, or wealthy, or powerful to enjoy it. You need only to be committed, to take the vow that this is not "their disease"—or even "my disease"—but that it is "our disease." If we can hug someone whose life is fading, cuddle an infant who cannot understand pain, give a ride to someone now unable to drive—then we can be surprised by joy.

The mad drive to accumulate will leave us impoverished; looking for ways to avoid being vulnerable will leave us weak. But embrace the needs of others, and we watch our own needs fade; lift the burden of someone else, and our burdens grow light. And somewhere in the process, some misty morning, we wake up and notice that there is joy. It finds us when we have found each other.

It's an ancient promise with which to fight a modern epidemic. And with that promise comes an ancient blessing: Grace to you, and peace. Good night.

MANAGED COMPETITION IS SOCIALIZED MEDICINE

Mr. HELMS. Mr. President, 1 year and 20 days ago I had a close encounter with some remarkable medical doctors in Raleigh. That experience prompted me to seek the guidance of these fine physicians in my efforts to make some sense out of health care reform.

A few weeks ago, some of these same physicians—and their colleagues—visited with members of our staff—Elizabeth Seifert and Marilyn Darnell. The message I received was loud and clear: "Get the Government and the lawyers off our backs, so that we can go about doing what we do best—making people healthy." Of course, when it comes to health care reform, "get the Government off our backs" is the same demand we hear from thousands of North Carolinians—from every walk of life.

Mr. President, unfortunately, Hillary Rodham Clinton and her self-appointed health care gurus are proposing to take health care in precisely the opposite direction. The buzz word for their program is managed competition. Mr. President, it's important that everyone understand exactly what this plan is. Managed competition is the first step down the dangerous socialist path traveled by Sweden and Canada, and here are just a few components of this so-called reform.

EMPLOYER MANDATES

Mrs. Rodham Clinton's plan will require every employer to purchase a "minimum package" of health insurance benefits for every employee. All employers must pay "premiums," to State agencies to cover the price of health insurance of each employee. The amount of that premium will, most likely, be set at some percentage of each employee's paycheck. Mrs. Clinton's own staff director, Ira Magaziner, concedes that this premium will mean an added tax burden on businesses of between $100 and $150 billion annually. Employers will have little option but to pass this health care tax on to all of us in the form of higher prices for the goods and services we purchase.

MINIMUM BENEFITS PACKAGE

The Clinton administration plans to establish a "National Health Care Board," which will sit in Washington and decide what benefits should—and should not—be included in the "minimum benefits package." Mr. President, who wants their insurance benefits to be dictated by a gaggle of faceless Washington bureaucrats or Ivy League academics? I don't, nor do the American people.

GLOBAL BUDGETS

To manage or control health care spending on a national level, the President plans to set an annual Federal spending target, called a global budget, for public and private health care spending. Sound familiar? This is exactly what they do in Canada. Under global budgeting each State will be assigned a spending limit. The State must then control its citizens' spending on health care so as to not exceed its established spending limit. Once the State spending limits are reached, no more money can be spent on health care—private or public. What this means, Mr. President, is that if one happens to get sick in November, but the State spending limit was reached in October, he or she would have to wait until the next year for health care.

HEALTH ALLIANCES

The administration's plan also requires each State to set up "health alliances," or super HMO's, that all individuals must join. These alliances would represent individuals in negotiating for the purchase of services from a group of health care providers, or "accountable health partnerships."

ACCOUNTABLE HEALTH PARTNERSHIPS

These will consist of hospitals, doctors, and laboratories that agree to provide the minimum package of health services for a defined premium. The AHP's would be regulated by the National Health Board and in theory would compete with one another to offer the lowest price insurance premiums. Doctors who refuse to join an AHP would effectively go out of business since their patients would be using physicians who do join an AHP.

To ensure the health care system is fully "managed," the National Health Board may also set price controls on insurance companies, doctors, hospitals, dentists, laboratories, prescription drugs—the list goes on and on.

Mr. President, the administration is moving down the wrong path in health care reform because it is focusing on a phantom problem. The Clinton people say that there are 37 million Americans without health insurance. This does not mean—as the media would have you believe—that 37 million Americans are not getting health care. Rather, this is a snap-shot picture—that at any one time, 37 million may have no health insurance. In fact, 50

percent of this 37 million—those actually between jobs—will get insurance within 5 months. Another little known fact—50 percent of the uninsured have household income above $20,000, and 17 percent earn more than $40,000. These are Americans who arguably can afford health insurance but for various reasons choose not to buy it.

Mr. President, to address this phantom problem, Mrs. Rodham Clinton's task force proposes to set up a "Rube Goldberg" arrangement whereby the Government will make health care decisions for you, for me, and every other American.

The answer to health care reform is to keep the Federal Government out of our health care system. The American people need to ponder this question: Do they want the crowd that runs the Post Office telling your doctor what to do? That's precisely what receiving health care will be like if the administration has its way.

There is, however, an old-fashioned alternative to managed competition called consumer choice. It means freedom to choose one's doctor and freedom to choose a health insurance policy without Washington's bureaucratic interference. If the decisions and responsibilities are restored to the American people, they will choose the plans they need, rather than be forced to accept a one-size-fits-all set of benefits that some council dreamed up. Americans would be free to change jobs without the fear of losing health insurance and rest easier knowing they are in control of their own lives.

The centerpiece of the consumer choice reform proposal is the medical savings account [MSA]. Individuals would set up tax-deferred accounts, much like IRA's, to pay for routine medical care and to save for future medical expenses. Employers who currently provide insurance for their employees could deposit into each employee's MSA, funds representing the amount the employer would otherwise have spent on each employee's health insurance. The employee should use this money to buy a high deductible policy to insure against the devastating costs of serious illness. The remainder would be used to: First, spend on other out-of-pocket medical expenses; or second, save for long-term health care needs. Money in these medical savings accounts would roll over from year-to-year.

In addition to establishing the medical savings account option, we must also reform the current medical malpractice system. Today, some doctors have to pay premiums of $100,000 per year, or more, for malpractice insurance. Moreover, in response to the threat of malpractice suits, doctors feel pressure to perform every procedure in the book. Finally, damage awards in medical malpractice suits are sky high. The bottom line is that lawyers are getting rich. Reasonable awards should of course be granted when true negligence exists, but we must not continue a legal system that encourages frivolous lawsuits and encourages our brightest young people to avoid medical careers altogether.

Mr. President, ask yourself this simple question: If you were sick, would you want to go anywhere else in the world for your health care? I would venture to say that your answer is "No." For those who admire Canada's socialist medicine, I ask you why are the best Canadian doctors at work in America, and why do thousands of Canadian patients seek treatment in America?

I'll tell you why, it's because a socialist health care system does not work. Managed competition is the first step to such a socialist system. Mr. President, no one disputes that health care costs are exorbitant; however, increasing the Government's role in health care is not the answer. If we want to retain a health care system that continues to be the envy of the world, we must remain faithful to the principles of free enterprise, not abandon them.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

OMNIBUS BUDGET RECONCILIATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1134, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1134) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994.

The Senate proceeded to consider the bill.

Mr. SASSER. Mr. President, on behalf of the majority leader, I yield myself such time as I may require.

Mr. DOMENICI. Would the chairman yield for a question?

Mr. SASSER. I am pleased to yield to my friend.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is there an agreement with reference to this morning and maybe part of this afternoon already in existence?

The PRESIDING OFFICER. There is an agreement that the first 4 hours shall be equally divided for debate only.

Mr. DOMENICI. For debate only?

The PRESIDING OFFICER. Yes.

Mr. DOMENICI. Could I, then, just say, if the chairman will give me a moment, on our side there are a number of Senators who desire to speak. I have not compiled, in behalf of anyone, a list yet, other than Senator PACKWOOD will obviously follow me for as much time as he wants. Then I told Senator GRAMM of Texas he would proceed next.

But I say to the Republican Senators who are watching, or their chiefs of staff in their offices, I would like to start putting a list together for that first 2 hours on our side in terms of who would like to speak and how much time they would like.

I thank the chairman. That time should come off of my 2 hours.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the distinguished ranking member. We have had a number of requests on our side of the aisle also, from Democratic Senators who wish to speak on this reconciliation bill. I ask them, also, to advise us of their wishes so we could start compiling lists here on our side also.

Mr. President, the Senate today begins consideration of the budget reconciliation bill. The reconciliation bill is really the centerpiece of the President's economic proposal and economic plan. What this reconciliation bill includes is all of the spending cuts that have come from all of the committees stretched across the Senate, the cuts coming from the Committee on Agriculture, the savings coming from the Committee on Commerce, the cuts coming from the Committee on Armed Services, cuts in spending coming from the Committee on Foreign Relations, cuts in spending coming from the Committee on Finance, along with enhanced revenues also coming from the Committee on Finance. All across the Senate the committees and the committee chairmen have done their duties.

I want to express my appreciation to 12 of the Senate committee chairmen for their stalwart work in producing this record reconciliation bill, containing record spending cuts and record revenue increases that we present to the Senate today. I might correct that to say that a record reconciliation bill with regard to the deficit reduction that is included in it would be a more accurate statement.

According to the analysis of the Budget Committee, all but one committee is in compliance. In fact, 9 of the 12 committees of the Senate exceeded their instruction through higher spending cuts than they were charged to do. The Finance Committee came in under their revenue instruction by $23 billion but made up the difference with $27 billion in additional outlay or spending cuts. And the Finance Committee, I think, is to be congratulated for that.

In short, the committees did their duty, and I want to express my appreciation to the committee chairmen, to their committee members who helped craft some of the titles of this bill. This was not an easy task. Deficit re-

duction never is. We hear a lot of talk—and we have heard it for years: "We must reduce the deficit." Everyone is for reducing the deficit in the general sense. But when you get down to the specifics, no one seems to want to do the specifics that are required to actually reduce the deficit.

Someone said, it is like heaven. Everyone wants to go to heaven but no one wants to do the dying to get there.

So, this is all about deficit reduction. It is not an easy thing to do. It always involves spending cuts, cutting programs that people want, cutting programs that actually serve our citizens, cutting programs that are beneficial to literally millions of our citizens. And it involves raising revenues, raising taxes. And that is never, ever, popular with anyone.

So, deficit reduction is something everybody likes to talk about but no one really wants to do much about it. I think literally hundreds of Academy Awards would be in order for some of the posturing and play acting that I have witnessed over the past few years when it comes to discussing the deficit reduction, posturing around the issue of deficit reduction, and trying to convince the body politic that the actor is really serious about making the hard choices that will lead to deficit reduction. Most of it, I say with great sadness, is just that—posturing.

So, the President of the United States and the committees of the U.S. Senate looked the deficit squarely in the eye and they made some very difficult, some very tough, and some very painful choices in developing this reconciliation bill. The fruits of their labor are before us today. We have produced $347 billion in savings over the next 5 years. And a landmark $516 billion—I say to my friends from South Carolina, $516 billion—in deficit reduction in this total bill when we are through with it.

Mr. President, this is the 10th budget reconciliation bill—only the 10th—ever to come before the Senate. I think it merits a special place in budgetary history. It represents a turning point for our Nation and is a defining moment, I think, for our much-maligned legislative process. Passage of this bill represents our best chance, and perhaps our last chance to make meaningful progress against the deficit.

Sometimes the message of deficit reduction gets drowned out in the gusty winds of rhetoric, but it bears repeating: This is the largest deficit reduction plan ever proposed by any President of the United States. Let me repeat that so there can be no misunderstanding. This is the largest deficit reduction package ever proposed by any President of the United States.

I submit that this is the best deficit reduction package ever proposed by a President. This is the fairest deficit reduction plan ever proposed by a President of the United States.

In my judgment, this represents a profoundly important attack on what many consider to be the No. 1 problem facing this country. It is an important attack on the ever-mushrooming and exploding budget deficits that we have seen over the past 12 years.

This is now a $516 billion deficit reduction package, as I said earlier. I submit that our country desperately needs it. When discretionary spending and interest savings are included, spending reductions account for $267 billion of the $516 billion of deficit reduction, and new revenues make up the difference—$249 billion.

The spending cuts include an additional $28 billion—that is right, $28 billion—beyond those originally submitted by the President and adopted in the budget resolution.

Let me say that again so my colleagues understand. This reconciliation bill that is before us today has $28 billion more in spending cuts than the budget resolution that was adopted by this House in March of this year; $50 billion of additional outlay cuts alone in discretionary accounts was added by the Budget Committee. And I remind my colleagues that on these discretionary accounts, this budget imposes a hard outlay freeze over 5 years. For 5 years, the discretionary accounts will not rise above $547 billion in outlays that were contained in the fiscal 1993 appropriations bills. And that represents a real cut, a cut in dollars corrected for inflation, of 12.5 percent in the discretionary accounts over the next 5 years.

By any fair accounting procedure, I think, done by a dispassionate and informed observer, there is $1 in spending cuts for every 93 cents in new revenue in the overall reconciliation bill; $1 in spending cuts for every 93 cents in new revenue in the overall reconciliation bill. That ratio assumes that changes in Social Security are revenue. Those changes were not counted as revenue in the budgets proposed during the Reagan years. They were counted as spending cuts; but we will count them as revenue in this proposal. It even counts the earned income tax credit as an outlay, and that latter classification is questionable, at best.

So giving any kind of fair, dispassionate, unbiased view of this deficit reduction package, you come up with $1 in spending cuts for every 93 cents of new revenue.

When this bill is enacted and implemented, the deficit, as a percent of gross domestic product, will be cut from 5 percent projected in 1993 to a little over 2.5 percent in the outyears. In other words, this deficit reduction package is calculated by the Congressional Budget Office to reduce the deficit in half over the term of the agreement.

Nevertheless, some Members of the minority would have us continue to drift on a sea of red ink that grows deeper and deeper by the year. They are out to kill this bill, despite the transparent fact that there is absolutely nothing to fill the void of this reconciliation bill.

This is the only deficit reduction train leaving the station, and if you have a serious interest in reducing the deficit, then you ought to get on this train. If you want to continue posturing and continue to talk about the deficit and not do anything about it, then you can simply stay around the train station and watch the old deficit reduction choo-choo pull out.

After months of debate and discussion about the deficit, after the endless press conferences and floor statements and the countless, repetitive Sunday morning talk shows, I have not heard one credible alternative to the President's plan. In all of the months, in all of the speeches, in all of the press conferences, in the blizzard of press releases that have gone out from this Capitol, the talk shows that go on ad infinitum—it seems like day and night now you hear these talking heads saying what ought to be done—not one credible alternative to the President's plan has come to the floor of this Chamber. Our friends on the other side of the aisle do not seem to have any alternatives to the President's proposal.

President Ronald Reagan's Budget Director, David Stockman, said—and this is Stockman speaking, Mr. President; it is not me, chairman of the Budget Committee. Mr. Stockman said, and I quote from an article that appeared within the last 6 weeks in a publication:

> The GOP has neither a coherent program nor the political courage to attack anything but the most microscopic spending marginalia.

That is what David Stockman wrote. That was Ronald Reagan's Budget Director. He was present at the conception of these massive budget deficits. Mr. Stockman was there. He wrote a book about what happened, and he knew that the policies were going to lead to what he thought were catastrophic deficits because things were out of control and mistakes were made in 1982.

He was right about one thing: It did lead to the largest peacetime budget deficits in the history of this country. And that period of time, from 1981 through 1990, saw the national debt triple. So Mr. Stockman was right, that miscalculations, misjudgments, and misguided policy did lead to budget deficits that were catastrophic in their proportions. But now we are coming back and trying to do something about it before it is too late.

To borrow a phrase from the cold war, I believe we should pause for a moment and think the unthinkable. We should examine what would happen to this country if we do nothing about

this deficit, if we turn our backs on the only chance for deficit reduction.

You know, the tragedy of it, Mr. President, is some of us on this side of the aisle banded together with some on the other side of the aisle in 1990 because we were genuinely concerned about what these deficits were doing to our country. We were not Republicans and we were not Democrats then, in 1990, when we tried to fashion a concerted and bipartisan approach for dealing with the deficit; we were just simply policymakers concerned about our country and concerned about which direction it was going in. We tried to do it together in 1990, and the deficits would be a lot larger today if it were not for the steps that were taken in a bipartisan way in 1990.

But alas, there has not been much bipartisanship in trying to develop this budget.

We should examine what would happen to our country if we do nothing about the deficit, if we turn our backs on our only chance for deficit reduction. If we do nothing—and we can just do nothing; we should not, but we could—the deficit will rise to $327 billion in 1997 and $400 billion in 1998, and then just continue to grow for as far as the eye can see.

If we do nothing, the national debt will rise by another $1.6 trillion. If we do nothing, the Federal debt will equal 61 percent of the gross domestic product of this country. If we do nothing, the interest on the national debt alone—just the interest—will equal almost 4 percent of the gross domestic product.

If we do nothing, every dollar paid on interest on the accumulated debt is a dollar that cannot be spent on health care; it cannot be spent on highways; it cannot be spent on educating our children; it cannot be spent in modernizing the military as some of our colleagues want to do. No. It will simply be spent paying interest on the exploding deficit. If we do nothing, we are going to lose all of our stature and all of our credibility among our foreign trade partners.

It is interesting to note that when President Clinton and Secretary Bentsen proposed this deficit reduction plan and it was shown to our trading partners in the G-7 nations, they were ecstatic. They were of the view that at long last the U.S. Government, after many, many years, was finally facing up to the hard reality that something had to be done about its exploding deficits because the other governments of the major industrialized countries, the other economies of the major industrialized countries are dependent on our economy to a substantial degree. And they were extraordinarily concerned about what they perceived to be a deterioration taking place in the United States as a result of not having the political will to deal with these exploding budget deficits.

If we do nothing, and we could, we would have failed our fellow citizens who sent us here to Washington to the Nation's Capital, to the Senate, to legislate and to look after their needs. If we do nothing, then we will certainly have failed our children and, indeed, our grandchildren.

I was interested to read an article by one of our former colleagues, the distinguished former U.S. Senator from Arizona, who ran for President in 1964, Senator Barry Goldwater. I remember when Senator Goldwater was referred to as "Mr. Conservative." Barry Goldwater made this striking prediction about what would happen if we do not control the deficit in the next 5 years. Senator Goldwater said, and I quote, "This country won't last 10 years. It will be bankrupt."

So said Senator Goldwater. And what does he have to gain or lose by saying that? He is out of the political arena. He is in the golden years of his life. And his concerns, I am sure, are primarily about his country and about posterity. And he says if we do not do something about the deficit, the country will not last 10 years. It will be bankrupt.

So clearly I say to my colleagues now is the time for action. Something must be done.

Now, luckily for us and luckily for the country, we do not have to just curse the darkness. This bill will address the deficit. The reconciliation bill plus the remainder of the Clinton spending cuts will bring it down to size and reduce this deficit to below $200 billion in 1997, reduce it down to the manageable level of 2.5 percent of gross domestic product. And this is, Mr. President, with no assumption that anything will be done about the exploding cost of health care. If we can pass this deficit reduction package and follow it with a comprehensive health care package that will afford quality affordable health care to the American people with some kind of cost control system, then we stand ready to pass on, in the year 2000, to those who will be here then—and perhaps some of us will still be here—a Federal Government that is fiscally responsible and fiscally solvent.

Health care is an important item. As the distinguished Presiding Officer knows—he is an expert in the field of health care, my friend, Senator WOFFORD, from Pennsylvania—85 percent of the growth in the so-called entitlements is made up of growth in two programs, health care programs, Medicare and Medicaid. Eighty-five percent of the growth in entitlements, I say to my colleagues, is in two programs, health care programs. It is Medicare for our older citizens and Medicaid for our poorer citizens. If we can pass this President's deficit reduction package, that will reduce this deficit by $516 billion over the next 5 years. And if we can follow that with a health program, a health plan that will stabilize the cost of health care, then I say to my colleagues we will have struck a real blow for solvency as far as our National Government is concerned.

Now, this deficit reduction bill that is before us this morning not only addresses the deficit but it puts us back on the road to economic growth. By reducing the deficit, we will keep interest rates down, down lower than they have been in 20 years. That is where they are now. We need to keep them there and get them even lower so that our fellow Americans can once again realize the American dream of buying a new home or realize the American dream of investing in their own business or so they can better afford to send their children to college or even buy a new automobile or a new refrigerator or a new washing machine.

That is what the low-interest rates will do for us. Low-interest rates are vital to economic growth and economic prosperity and job production. This deficit reduction plan will keep interest rates down. Indeed, just in anticipation of this deficit reduction program, we have seen rates come down this year after President Clinton took office and began exhibiting that his administration had the political will and courage to deal with the deficit.

Now, Mr. President, let me make a point about the blunt instrument that we will all be bludgeoned with by the other side over the next 20 hours. I am talking about the tax charge.

Now, reasonable men and reasonable women know that cutting spending alone will not solve the deficit problem. They know that. And again I think David Stockman rightly observed when he wrote just a few weeks ago, and I quote—this is Mr. Stockman now speaking, Ronald Reagan's Director of the Office of Management and Budget. David Stockman wrote, and I quote:

> There is no way out of the elephantine budget deficits which have plagued the Nation since 1981 without major tax increases.

That is what David Stockman said.

Once of the great tragedies of this debate has been an atmosphere that, frankly, I most sadly say has been poisoned by what I perceive to be distortions of the President's economic plan, particularly in the area of taxes.

The minority is fanning the fires of fear. They have been orchestrating a campaign of hysteria. They are playing to insecurities and vulnerabilities born of 12 years of disastrous borrow-and-spend economics and a soaring deficit. Some have been preying upon our fellow citizens' deepest anxieties about their financial and job security. They have been telling our fellow citizens that regardless of your income the new revenues are going to take a big chunk out of your paycheck.

The truth of the matter is, Mr. President, that most Americans, 96 percent

of them, have little to fear from the revenues raised in this reconciliation bill. They have little to fear because the only group of Americans who will see their income taxes raised are those who are the wealthiest among us. And their rates will simply be raised back to where they were, slightly lower than they were, before the so-called Reagan tax revolution of 1981. They cut taxes for the very wealthiest among us and left the working people and those in the great middle body to pick up the slack.

For individuals, for example, over 87 percent of the taxes that are in this bill will fall on households with incomes of over $100,000. Let me just repeat that. Eighty-seven percent of the taxes in this bill will fall on households with incomes of over $100,000. That is the top 6 percent of all families.

Fully 79 percent of the individual taxes will come from households with incomes of over $200,000. Let me repeat that. Fully 79 percent of the individual taxes will come from households with incomes of over $200,000.

For those people with taxable incomes of over $250,000, the bill imposes a 10-percent income surtax. Families whose taxable incomes fall below $140,000 a year are immune from the increase of personal income taxes in this bill.

It has been amusing to see some of our friends—not all of them but some of our friends—on the other side of the aisle casting themselves in the role of protecting the working Americans. All the rhetoric coming from the other side about protecting taxpayers and protecting jobs should be understood in the context of what this bill truly does. My friends on the other side of the aisle know that the tax revenues contained in this bill are not going to have any effect or any significant effect on the overwhelming percentage of Americans because at the core of the President's economic plan is the reinstitution of tax fairness.

The distinguished chairman of the Finance Committee, Senator MOYNIHAN of New York, announced when this bill, the reconciliation portion coming from his committee, emerged that they had produced the most progressive, the fairest, the most equitable tax bill since World War II.

I must say to you, Mr. President, upon examining the way these taxes are spread across income brackets and groups, I think our friend, the distinguished chairman from New York is correct.

My friends on the other side of the aisle know that the tax revenues that are contained in this bill are not going to affect most Americans. Middle-income Americans will not have their personal income taxes raised at all. Let me repeat that. Middle-income Americans will not have their income taxes increased at all. That is the truth. It is only the wealthiest, those making over $140,000, who will pay an increased and just share of their income taxes.

The strategy of the minority, Mr. President, is very simple: to protect the wealthy, those who benefited the most from the 12 years of Reagan-Bush. They have to persuade the other 94 percent of the people that they are threatened by this bill.

That is what all of this hullabaloo about taxes is about. It is trying to leverage the 94 percent who really are not affected to any significant degree, trying to get them outraged so that they can protect the 6 percent, the wealthiest, who do have to pay increased taxes. It is the old fable of a wolf dressing in sheep's clothing. I think that is exactly what it is.

We are going to hear a lot of talk today, as we have heard in times past, about the Clinton economic plan and how it affects subchapter S corporations. I think that would fall in the category of another minority tax fable. If you listen to our friends on the other side, every mom and pop grocery store and gas station in America is going to be taxed out of existence.

It is totally inaccurate, nothing to it. Once again our friends on the other side cannot confess what they are really defending, so they use our small businesses as a stalking horse for America's wealthiest citizens.

The revenue changes in this bill will only affect taxpayers organized under subchapter S with taxable incomes above $140,000 or $250,000. And that is taxable income. That is after all exemptions have been taken. That is after all business deductions and business expenses have been deducted. When they have a remainder of $140,000, then they would be affected, after all deductions and after all business expenses have been deducted.

So by any standard, subchapter S is still a very, very generous deal.

The Wall Street Journal quotes Matthew Kessler, a tax partner in the Chicago accounting firm of Grant, Thornton as saying there is "no way" he would advise a client to desert a subchapter S corporation, even after the alleged draconian changes that our Republican counterparts are alleging that this bill will make on subchapter S corporations. This expert in the Wall Street Journal still says no way I would tell my client to desert a subchapter S corporation.

Finally, of course, we are going to hear the inevitable call for more outlay cuts, more spending cuts. That is what they will say: We have to have more spending cuts, and fewer tax increases. We have heard it for months and months and months. But there has been virtually no specifics on the spending cuts until just a week or so ago.

At that point, we finally found out what the spending cuts mean. It means cutting Medicare, it means cutting Medicaid. The bill before us achieves cuts in Medicare and Medicaid, but it is all concentrated on providers. This bill does not cut Medicare beneficiaries, the old folks who are getting Medicare. It does not cut the Medicaid beneficiaries, the poor who are getting medical care.

Those cuts are tough. There is no question about it. But to go any further would be destructive to the seniors and to our Medicare system that has provided our seniors health insurance for a quarter of a century.

The American people simply do not want additional cuts in Medicare and Medicaid. I have not seen a single poll that shows more than one-quarter of the people supporting cuts in Medicare and Medicaid. A Wall Street Journal-NBC poll, a short time ago, asked this question: How many would prefer more cuts in Medicare and Medicaid in lieu of an energy tax? Stated another way, how many would rather cut Medicare and Medicaid and do away with an energy tax? Only 21 percent of the respondents said they supported that trade; 68 percent of them said they would rather have an energy tax and have no cuts in Medicare and Medicaid, as opposed to 21 percent that said throw the energy tax overboard and pay for it by cutting Medicare and Medicaid. By over 3-to-1 margins, Mr. President, in this NBC-Wall Street Journal poll, the American people are saying we do not want to cut Medicare; we would rather have an energy tax instead.

So that is the case whenever the question is asked. If you are specific about what cuts you are talking about, then the American people simply seem to lose their enthusiasm about that specific cut.

Mr. SARBANES. If the Senator will yield, I want to commend the distinguished Senator from Tennessee for the very able work he has done on this reconciliation bill. As I understand the opposition of our Republican colleagues, they assert that there should be no increase in revenues, no taxes, and we ought to try to do all of this deficit reduction with spending cuts.

Of course, one area in which they would do spending cuts, as I understand it, would be in Medicare and Medicaid. Their proposals take various forms, but the practical effect of their proposals would be cuts in Medicare and Medicaid. It is very important to understand—and I ask the chairman is this not correct—that the revenues that are being raised in this bill come primarily from the people at the very top of the income scale in this country. The other side asserts that this is class warfare. But the fact is that this is the very group that benefited so immensely from the Reagan-Bush policies of the last 12 years.

There has been a very significant concentration of income and wealth at

the upper end of the scale. In effect, the position taken on the other side of the aisle is that, they would rather cut Medicare and Medicaid; which many of our seniors and poor people depend on in order to get health care, rather than levy some additional taxes on the most advantaged people in our society. That is what it comes down to.

This program that the chairman is now bringing forward seeks to do some of the deficit reduction by raising revenues and some by cutting spending.

The other side says: We do not want to raise the revenues, and the revenues come primarily from the very advantaged. We want to make deeper cuts in spending, including Medicare and Medicaid, which would disadvantage the elderly and the poor in our society, the very people in our society who need the most assistance.

So I ask the chairman, is it not in fact the case that the alternative proposition being put forward or asserted by our Republican colleagues in effect says rather than get some revenues to reduce the deficit from the people at the top end of the income scale, let us make even deeper cuts that are already being made in the health care to be provided to the elderly and the poor?

(Mr. DORGAN assumed the chair.)

Mr. SASSER. Well, the Senator from Maryland is entirely correct; that is the rationale, as I understand it, coming from the other side of the aisle. If the Senator from Maryland will bear with me for a moment, let me explain why the proposal that is before the body today deems it preferable to take revenues from upper income, wealthy Americans to use for deficit reduction, as opposed to cutting Medicare and Medicaid for deficit reduction.

I call the attention of my friend from Maryland to a chart entitled "Change in Income and Tax Rates During the Reagan-Bush Years." This is the 12 years President Reagan and President Bush were in office. We have broken down the taxpayers here into really five groups. But when we get to the fifth group, we have broken them down further into four groups. What we have here, we see in the lowest quintile that pretax income during this 12-year period has shrunk by 5.6 percent, while the effective Federal tax rates on the very bottom end have gone up 1.2 percent. So they have been getting whiplashed from both sides. Their income has gone down, but their tax rate has gone up.

Well, let us look and see what happened here in the fourth quintile. That is generally what we call the middle class, I suppose. We see that their pretax income has gone up 8.2 percent; their effective tax rate has gone up 2.3 percent. We see, as we move on down the line, the pretax income, the wealthier—or the more your income grows, your effective tax rate does not grow correspondingly. But when you get right down to the end, this is where you see the difference. The top 96 to 99 percent, their pretax income has gone up 21.2 percent, while at the same time, their effective tax rate, the tax they pay, has gone down 4 percent. I say to my friend from Maryland, look at what happened here to the top 1 percent. Their pretax income, in the 12-year period, has gone up 47.6 percent.

Mr. SARBANES. I ask the Senator this: In other words, the people at the top 1 percent, their pretax income over this period went up almost 50 percent; is that correct?

Mr. SASSER. That is correct. While their pretax income has gone up almost 50 percent, look what happened to their effective Federal tax rate. The tax rate has declined by almost 25 percent.

Mr. SARBANES. Let me ask the Senator this question, because it is not on this chart. I assume this is pretax income; is that correct?

Mr. SASSER. That is correct.

Mr. SARBANES. This is the drop in the effective tax rate. So I assume that the after-tax income of the top 1 percent would show an enormous jump.

Mr. SASSER. I think it does.

Mr. SARBANES. That is because the pretax income has jumped by 50 percent and their tax rate has dropped by 25 percent.

Mr. SASSER. Logically that would be the case. I think the Senator from Maryland is correct on that.

Using that chart, that is the rationale for the thrust here of this reconciliation bill, and that is to try to raise the revenues to decrease the deficit, to decrease the amount of Government borrowing that is necessary to raise those revenues from these people here who benefited so much over the past 12 years, as opposed to cutting Medicare for our older citizens and cutting Medicaid for our poorer citizens. I think that is a fair and equitable way to try to approach this whole deficit reduction problem.

Mr. SARBANES. Mr. President, will the chairman yield further?

Mr. SASSER. I am pleased to yield.

Mr. SARBANES. I say to the chairman—and I put this in the form of a question—is it not the indication that any proposal here which seeks to reduce the revenues that are being raised in the reconciliation bill and increase the spending cuts needs to be measured in terms of its fairness and desirability by taking both of those things into account? In other words, any additional spending cut which is proposed for purposes of reducing the deficit in place of revenue raising that is in this bill has to be judged weighing both into account. We are going to get a proposal to eliminate the tax on wealthy individuals at the upper end of the income scale and then offset these changes by making further spending cut.

You have to ask the question which is the more reasonable, more fair, and the more appropriate thing to do? Should we raise some revenues from those at the top end who have benefited so enormously by these economic programs of the last 12 years in order to reduce the deficit, or should we let them go free from making a contribution toward deficit reduction and load an even heavier burden on people who receive Medicare, Medicaid, childhood immunizations, or reductional programs?

I do not see how you can escape weighing the relative advantages of the two taken together. The additional spending cuts have to be weighed in light of the fact that they are being proposed in place or raising some revenues from the very top end of the income scale. Would that not be correct?

Mr. SASSER. That is correct. In other words, if you are not going to raise these revenues from the very top end of the revenue scale, primarily here, the top 1 percent, if you are not going to raise those revenues there, then that means you are going to have to turn around and make some spending cuts somewhere in Medicare and Medicaid to hit these deficit reduction targets, because there is no secret to it—I mean the Federal budget is just like the family budget. If your revenues go down, if your paycheck goes down, then you are going to have to make some spending cuts in your family budget. If we do not take in the revenues from these folks here who benefited from the tax policies of the past 12 years, if we do not take in from that paycheck revenues for the Federal Treasury, we are seemingly going to have to cut some programs, and it is going to be primarily Medicare and Medicaid the way it is moving.

Mr. SARBANES. So the last judgment has to be made every time they propose to drop the taxes. You have to say where are you going to get the money to sustain the deficit reduction and you have to then weigh the place where the money is going to come from as against getting it by asking the most advantaged to carry some of the burden of this deficit reduction program.

Mr. SASSER. The Senator from Maryland puts his finger on it. What has got us into this problem is that for 10 years, from 1981 to 1991—in fact, you could make the case for 12 years, from 1991 to 1993, that decision was not made. They simply said let us do not make the cuts, let us go ahead and do the spending, let us do not diminish this tax cut we have given to the upper-income people.

So how are we going to make up the difference? We will just borrow. That was the spend-and-borrow policy of the last 12 years that tripled the national debt.

You know it took us 200 years to build up a national indebtedness of slightly under a trillion dollars, and

between 1980 and 1992 we tripled that. We tripled it in 12 years. We tripled the debt that had taken us 200 years to build up prior to 1980, and we did it simply because nobody was willing to make the decisions, gave the upper-income people these massive tax breaks in 1981 that cut Federal revenues by about 20 percent, and the corresponding cuts in programs were not made.

So, the previous administration simply said, well, let us just move along the track we are on and we will make up the difference by borrowing. That is what happened. That is why we have the problem we have now. This deficit reduction program before us today makes the decisions.

Mr. SARBANES. If the chairman will yield, it makes some very tough decisions.

Mr. SASSER. It does.

Mr. SARBANES. This is a deficit reduction program that combines both significant spending cuts which carry pain with them. There is no question about it.

Mr. SASSER. There is no question about that.

Mr. SARBANES. People are being called to make a sacrifice to contribute to addressing this problem, and it raises significant revenues. It is a combination of both. And it tries to do it in a fair and balanced way.

Mr. SASSER. Let me just show the Senator from Maryland, if I may, another chart. He indicated that he thinks we should try to raise the revenues in a fair way in this whole endeavor. Look here. Seventy-nine percent of the taxes in this reconciliation package come from those who make over $200,000 a year. That is 79 percent according to the Congressional Budget Office. Nine percent comes from those who make between $100,000 and $200,000. And look down here. Those who make up to $30,000 get a tax cut. They get a tax cut. Their taxes are not raised at all because those were the ones who really were probably hurt the most by the policies of the past 12 years.

Mr. SARBANES. Is it correct that the medium income in this country is about $30,000 a year?

Mr. SASSER. It is, indeed.

Mr. SARBANES. About half of the American people are at incomes at $30,000 or $35,000 or below; is that not correct?

Mr. SASSER. That is correct. And even those who are above $30,000, $30,000 to $40,000, they are asked to pay 2 percent. They pay 2 percent of the total revenue package which amounts to really in dollars and cents to them a very small amount.

Mr. SARBANES. A few dollars a month, as I understand it.

Mr. SASSER. It is maybe $4 a month or less. I think most would say I am willing to do that if it will guarantee lower interest rates for us so that maybe our children can buy a house or we can buy a house or we can buy a new car or washing machine or refrigerator, or just give us a peace of mind knowing at long last we are doing something about these deficits that they fear are going to destroy the economy not just for themselves but for their children.

Mr. SARBANES. I think it should be understood that this assault on the revenue part of this package is essentially a major effort to protect the people making more than $200,000 a year from carrying a little of the burden to reduce the deficit.

Mr. SASSER. Yes, the Senator is quite right. Lest someone get the idea that the proponents of this package are out to hold up the wealthiest among us, that is not the case.

Let me show this chart here to my friend from Maryland that demonstrates what I am talking about. This chart is the product of the nonpartisan Congressional Budget Office. It shows that the effective tax rate of the top 1 percent in this country—and you recall from the previous chart that the top 1 percent is the group that had benefited the most from the decade of the 1980's—prior to the Reagan years, in 1979, the top 1 percent had an effective tax rate of 33.7 percent. With the present law under which we are operating they have an effective rate of 28 percent. We are simply in this reconciliation bill going to raise their effective rate back up to where it was prior to Ronald Reagan, at 33.6 percent. This top 1 percent represents people that are making over $200,000 a year.

Mr. SARBANES. Am I correct that the national debt in 1979 was not quite $1 trillion?

Mr. SASSER. Not quite $1 trillion in 1979.

Mr. SARBANES. And the national debt at the end of 1992 was about $4 trillion?

Mr. SASSER. That is correct.

Mr. SARBANES. So the national debt grew from $1 trillion to $4 trillion over that period of time.

Of course, that means the interest on the debt has grown enormously as a charge on the budget.

Mr. SASSER. Yes.

If the Senator will let me interrupt just for a moment. The interest charge on the national debt has grown so much over the past 12 years that if you could just take the interest charge and back it out of the whole Federal budget, we would have a budget surplus.

Today, it is the interest charge that is unbalancing the Federal budget. It is the growth of this indebtedness. That is why we must do something about it now.

Mr. SARBANES. I thank the chairman for the opportunity to have this discussion.

Mr. SASSER. I thank the Senator from Maryland. He is always very effective and very helpful in sort of bringing us back down to Earth here and pointing out what are essentially the basics. I think he has done that very, very effectively this morning.

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

The PRESIDING OFFICER. The Chair would advise the Senator from Tennessee that he has 58 minutes and 45 seconds remaining.

The minority has 119 minutes.

Mr. SASSER. Mr. President, I have been going on here at some length. I see my distinguished friend from New Mexico is here and listening patiently, as he always does.

So at this juncture, I yield to my friend from New Mexico for his comments.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, under the leadership designation, I will control the time. I yield myself as much time as I use.

I want to indicate to the Senate that Senator PACKWOOD will be next on our side, and Senator GRAMM, and we have a list that is moving along, and we all will have something to say.

I ask if you will remind me when I use 15 minutes.

First, I want to thank a number of people. Normally, we thank staff people and Senators when the war is over, but I want to thank the Republican Senators, and in particular Senator PACKWOOD, who is the ranking member on the Finance Committee; Senator DOLE, our leader; Senator GRAMM of Texas, for his leadership; and all the other Republicans who have joined with us in a very constructive way.

It actually bodes well, it seems to me, for the country, when we can, on our side, stick together and offer alternatives and try, with all the might we can muster, to prevent the Congress from doing some things that we confidently feel will be bad for America, bad for job production, and will put people out of work. We feel that way about this measure.

Having said that, sometime early this afternoon, we will put before the Senate, hopefully, and before the American people, a Republican budget alternative. There will be ample time to discuss it then. Some of the allegations, bordering on accusations, that have been made here in the last 30 to 40 minutes about what it does and does not do, many of them will be dispelled.

I do not choose, on my first opportunity to address the Senate on this major turning point and critical time in our country, I do not choose to talk about the alternative because, to tell you the truth, there is so much to talk about in the plan that is before us that I choose to discuss mostly it in my opening remarks.

First, let me suggest to the other side—we keep referring to "the other

side" and they refer to "the other side." Maybe I ought to just say, to the majority of Democrats on the other side who will choose to make this deficit partisan and choose to call it ours, not theirs—Republican, not Democrat—for those who choose to say that the tax package that has been discussed here for the last 15 minutes, the so-called Reagan first tax-cut package, or even the total reform package which was managed so marvelously by the then chairman of the Finance Committee, Senator PACKWOOD, for those on the other side who speak of an era when we wasted money on defense, let me suggest, we have their records here, their voting records.

So when they refer to Republicans, we would like to ask them: Did you vote for the tax cuts that Ronald Reagan recommended, that were buoyed up in this body by a bidding war? Much of the bidding was by Democrats, I might say to my good friend, then chairman of the Finance Committee; is that not correct?

Mr. PACKWOOD. Absolutely.

Mr. DOMENICI. How many Democrats voted for that—my recollection is 83 Senators voted for it; either 83 or 87, but an overwhelming majority voted for those cuts—that are up here saying: Help the rich, hurt the poor.

You can put whatever slant you want on this. The truth of the matter is, on income, the poor were helped during the decade more than previous decades, and truthfully we produced more jobs than we have produced in many a decade. Frankly, if we got just a smidgen of those new jobs, we would all be happy today, because this is a jobless economic recovery.

And is it not interesting, the few bright marks, high spots, that are occurring in this economy, a few of the statistics that you can interpret positively, is it not amazing that we have passed no bill doing anything to the deficit? We have not changed taxes one bit. We have not cut the deficit 1 inch, $1. And there are already people saying the good turn of events comes from this President just proposing something.

So I would just like to make that point. If we are going to get partisan about all of this, there will be "plenty of blame to go around." I quote the President of the United States, for he chose, in his address to the people of this country, to do differently than he is doing today. He said that there is plenty of blame to go around. He did not talk about Presidents Reagan and Bush, and Republicans. He said there is plenty of blame to go around.

Now, let us just make sure, if that is what the issue is going to be, the profligate decade of the 1980's, and pin it on us, then we very much would like to make sure that everybody in America understands that none of the Republican Presidents controlled both Houses of Congress—none—neither of those, neither of those. Only one Republican ever did, and that was Eisenhower; but for just a little, tiny piece of time, 2 years.

So who spends the money? Who spends the money? Do Presidents spend money? Who changes tax laws? Presidents?

It seems to me that if we have a problem—and we do—then everybody shares it, and everybody ought to try to solve it.

Having said that, I want to make sure that Senators understand that we have two problems. We do not just have one problem; to wit, the deficit—which this bill here, some say, will help. We do not just have that problem of the deficit. We have the problem of American business—predominantly, American small business—suffering today because the costs of doing business are so high that they cannot hire any new people.

Now you tell me how taxing small businesses more is going to cause them to hire more people, and I will agree that the laws of capitalism and of free enterprise have no real basis; they can be anything.

With health care costs going up and nothing in this bill doing anything to force reform in the health care programs, such that the spiraling costs will come down—nothing in this bill does that. There are some cuts in what we will pay providers under Medicare, and a little reform here and there, but nothing in this measure will control the expenditures of our Government.

Why? Why, I ask Senator GRAMM? Because it does not do anything permanently to the mandatory expenditures of our Government, which are going to bankrupt this country. Even after you put the $250 billion in new taxes plus $15 billion in user fees, after you put that on the people of this country, as provided in this bill, the country will begin to go bankrupt again in about 10 or 12 years, because we desperately need to reform the entitlement programs of this country.

Notice, I used the word "reform." The Democratic leaders are going to use "cuts." Let me tell you, if anybody wants to stand up here and say that in reforming health care costs we are not going to contain costs, if anybody stands up here and says we are going to have health reform but we are really not going to try to get the cost of health care coming down instead of up, then how are we ever going to control the budget? We are going to propose that, with plenty of time to spare for the work of the President, the work of his wife, the work of the Congress, with plenty of time to spare, we are recommending that there be reform that cuts the spiraling costs of health care, without which you will not get any benefit from this tax package.

Having said that, let me suggest that there will be a train. If you wondered what train there was leaving the station, and if the only one was this one in this bill, which I will explain shortly, if that was the only one, then just wait around. Wait around for about 2 hours and we will have improved the Dole-Domenici-Packwood amendment that we offered when the budget resolution was up. We will make it much more effective.

I can tell you one thing about it. There have been people here, alluding, on the floor, that the only way to get the deficit under control is to use a very big piece of taxes to get it under control. We will just tell you one thing. Without any taxes we will get the deficit, in 1998, down to a level that is almost identical with the President's, and with this package's pronouncements, in the neighborhood of $200 billion. And we will not have put any taxes on.

We will explain it to him in great detail. It can be done. It is not going to dramatically cut programs like Medicare and Medicaid. It is going to force, in the next 3 or 4 years, those who write the new laws to reform it so cost controls are in and it does not continue escalating at 6, 8, 10 percent above inflation every year, which is what is going to bankrupt our country.

Having said that, I also want to talk for a minute about contentions that we have some kind of a fable that we are proposing here. Let me tell you, anybody who would look at the last 6 months, including the first pronouncement by this President when he was a candidate in his little booklet that said, "Put People First," and then looked at his "Vision For Change" statement, which was supposedly an outline of his budget, and then look at this—if somebody would not ask, where are we? Is this Alice in Wonderland?

The President said in his "Put People First," "I will cut middle-income taxes." Middle-income taxes are raised in this bill.

The President said unequivocally he did not want any gasoline tax. Does Senator PACKWOOD remember that? There are gas taxes in this bill and there is a 7.6-cent gas tax in the House bill, and guess what, they are even indexed so they are going to keep going up with inflation. That is going to be a whopping gasoline tax from what I can tell.

Mr. PACKWOOD. Will my good friend yield for a moment?

Mr. DOMENICI. Sure.

Mr. PACKWOOD. That is not the only thing. In this case it is reverse indexed. You are aware in this bill for the first time the Democrats—at the highest levels, they say—have eliminated the indexing where you paid more and more taxes as inflation pushed you into a higher bracket. I will make this bet. They say it is temporary. But I bet it will never be relinquished and we will gradually start to

move that elimination of indexing down to the middle-income and poorer classes.

Mr. DOMENICI. The Senator is exactly right. Indexing of tax brackets was a major advance for the American taxpayer because, if inflation was 10 percent, obviously, your real earnings are not 10 percent higher. In fact, they are nothing if you only get 10 percent more. We moved the brackets out to accommodate to inflation. It was about 30 years in coming. In this bill they take credit for $1.6 billion in new revenues—call it a procedural or technical correction, I say to my friend, Senator PACKWOOD—and say it is only temporary. It is such a money-making machine that, for those who think taxes are the answer, it will never go, it will grow.

I thank the Senator for raising that point.

There are a couple of other things. Hopefully, we will get all these out of our system and then we will get on to the difference between the two plans. But there was much allusion, and even kind of direct statements, that somehow or another this side of the aisle bears more blame. I would just like to ask this about the President's proposals and his current posture.

I vividly recall the President saying we are going to end outdated programs. Does Senator GRAMM remember that? And that we were going to reinvent Government. You know, that all ended up in one proposal: The honeybee subsidy program was going to be done away with. The only program that fit that bill of eliminating outdated programs was the poor honeybee.

Mr. GRAMM. Was it eliminated?

Mr. DOMENICI. Lo and behold, the honeybee program has even come back to life in this bill. So now we can say not a single program, out of maybe 2,500 in the kind of litany of American Government expenditures, not a single one was eliminated. And somebody even came to the rescue of the honeybee subsidies.

On defense and defense expenditures in the past decade, again I want to comment, I do believe that was a rather universal, almost bipartisan effort. There may be some who voted against it, but almost everybody thought it was right.

Now, having said that, I want to tell the Senate and those who are interested what I think about the package that is before us from the standpoint of an objective analysis, as best I can.

The PRESIDING OFFICER. The Chair advises the Senator he has consumed 15 minutes.

Mr. DOMENICI. Let us try 7 more minutes and I will be through.

As Chairman MOYNIHAN of the Finance Committee said on Sunday: BOB DOLE's numbers are correct. This bill reduces the deficit by $347 billion over the next 5 years, not $506, not $516.

That would not mean much if it did not have some other qualities about it. The Democratic staff presented yesterday to the committee their analysis of his bill. And it confirms once again that this bill before the committee reduces the deficit by $347 billion over the next 5 years. The Congressional Budget Office, in 12 separate cost estimates, estimate this bill saves $347 billion—this bill.

Taxes—no dispute. There is no dispute. Net taxes: $249 billion. Republicans simply point out that taxes go up by $249 billion, and additional fees for purchasing Government services, park fees and the like, will go up $15 billion. We think those both are revenue raisers, or taxes.

The taxes are front-end loaded compared to the spending cuts; in other words, the opposite of what Americans have indicated they want. They want cuts first, taxes next. This one is the reverse, taxes start up, July 1 they go up. That is not July 1 of next year. It is 8 days from now. They are raised $36.7 billion. And spending is cut in 1994, the sum total of $5.9 billion. That is a pretty healthy ratio, $36 billion in taxes first, $5.9 billion in reducing costs of Government. Even if I use the accounting schemes that the majority party has asked that the people accept, with interest counted as savings and user fees counted as spending, there is an amazing ratio.

And the ratio is $4.42; that is $4.42 in taxes for every $1 in spending. Frankly, I do not use these ratios because in and of themselves they are determinative of anything, but they do seem to, rather vividly, send a message to America that to get the deficit down the majority party thinks you have to put four times as much taxes on as you can cut the growth in Government. In that it even includes cutting defense. Eventually it will be in there, cutting defense, too, and it will be in these figures that we will use.

Let me move on. On the specific tax policy in this bill, which will be addressed, I am certain, by my good friend, Senator PACKWOOD, in short order, the majority party, the Democratic leadership can talk all they want about who gets hit. Let me tell you who gets hit by this income tax increase: $55 billion of the $110 billion in personal income taxes is paid by small businesses who report unincorporated business income on their 1040 tax form. Fifty-five billion dollars will be taken out of the pockets of the small business people and we expect it to do what? To generate jobs and get us out of this mess because without new jobs and new growth, this package of $250 billion in new taxes will be thrown in a sink hole.

You just let the American economy continue to grow at one-tenth of 1 percent and its joblessness continues as it has for the past couple of years—growth without jobs—and the deficit will grow in spite of the taxes, which is what some of our friends are predicting. I think I heard my friend from Oregon say at the end of 5 years, with this plan, he believes the deficit will be up, not down. I am telling you that because I believe if you do not get more jobs and more growth, to run around and say we reduce the deficit with taxes is meaningless.

So this bill before us today does not cut, it does not even hold constant, but actually, on another front, increases capital gains tax rates. I tell you, I do not believe there is an economist around that will tell you now is the time to raise rates on capital gains. But do not worry about it because it is on wealthy capital gainers. It is as if those who exchange assets so they can spend the money and reinvest it in America, which is what we want and we yearn for by way of more capital availability, so we tax some more of that and say "don't worry about it."

This bill eliminates the House bill's provisions even for small business capital gains.

I am going to go on and move over some of these rather quickly. But I do want to say, again, day before yesterday or perhaps yesterday, the President blamed Republicans for the problems of the cities. Just remember that this bill does not even include the empowerment zone included in the House bill, but it did find a way to increase the Presidential election fund checkoff to $3 which will raise $270 million for campaigns.

Finally, the proponents of the Clinton tax increase insist that all of the new taxes will be dedicated to deficit reduction. The House bill went so far as to include language creating—imagine—a deficit reduction trust fund to guarantee the claimed level of deficit. I think that has been deemed by most to be a hoax.

Sixty-five billion dollars of the new taxes in the House and Senate reconciliation bill are already dedicated to other trust funds. The purpose of trust funds is to earmark a tax for a purpose. No one involved in our budget process had figured out a way to dedicate a tax to more than one trust fund. At least $65 billion of these new taxes will not be used to reduce the deficit and, frankly, if the deficit grows, they will not be used at all for that purpose.

So, again, spending cuts, $83.6 billion, spending cut total, excluding user fees, but it is time to move on.

What is most important, 82 percent of the spending cuts come after 1996. Repeat: 82 percent of the spending cuts come after 1996.

Fact: While this bill is somewhat better than the House bill on new spending because we do not have as many increases in spending in this, in fact it still has $19 billion in new program spending while we tax the American people to reduce the deficit.

So of the $83 billion in spending cuts—it is said this is really going to be tough; that people really have to sacrifice—let me give you the truth about it: $30 billion of these cuts comes from nothing more than extending provisions that are already in current law. Of the so-called hard cuts in Medicare, $14 billion come from just extending the current law in place. One of these provisions maintaining the part B premium at 25 percent of the cost, this has been extended six times since 1982 and each time Congress claims savings.

The PRESIDING OFFICER (Mrs. BOXER). The Senator has used up his 2 minutes.

Mr. DOMENICI. Madam President, 1 more minute.

It is almost as if Congress says this: Let us put a 2- or 3-year termination on this increase so that when in 2 or 3 years we can claim that we saved again, it will have been done six times. Forty-five billion dollars in cuts come from delay of benefits, COLA delays, lower inflation increase estimates and shifts in agricultural savings from one year to another.

Frankly, I think that when all is said and done, there is no permanent change in the expenditure pattern of mandatory and entitlement programs. As a result, these taxes will be used to reduce some of the debt during the next 5 years, but when we are finished with them and all their adverse effects, the deficit will still be going up.

Let me just make a couple more comments.

The PRESIDING OFFICER. The Chair advises the Senator he has 93 minutes remaining.

Mr. DOMENICI. First, how much time did the Senator from New Mexico use in total?

The PRESIDING OFFICER. The Senator from New Mexico used 27 minutes.

Mr. DOMENICI. How much time did my good friend, the chairman, use?

The PRESIDING OFFICER. The Senator from Tennessee has consumed 1 hour and 2 minutes.

Mr. DOMENICI. I wonder, since Senator PACKWOOD has been waiting for a long time, if he might proceed for a few moments? I yield as much time as Senator PACKWOOD needs.

The PRESIDING OFFICER (Mr. DORGAN). The Senator is recognized.

Mr. PACKWOOD. Mr. President, I thank my good friend from New Mexico.

After listening to the chairman of the Budget Committee, Senator SASSER, and his good friend Senator SARBANES, from Maryland, I hardly know where to start. But I would like to start with some statistics from the Congressional Budget Office, which is the budget office that advises Congress and on which Senator SASSER and Senator DOMENICI rely for their information.

The argument was made by the majority that during the Reagan years we had a fiscal rape of the poor; that the rich has their taxes lowered and that the poor had their taxes raised. Wrong. I am going to quote from the Congressional Budget Office figures of shares of total Federal taxes paid by all families. Now I am using figures on all Federal taxes because often the argument is made, if you use only income taxes, someone will say, aha, but what about the Social Security tax which went up? There is no exemption for that, every wage earner pays it. What about the cigarette tax? The poor smoke more. What about gasoline taxes? It is a bigger share of the poor's income that the rich. These are all Federal taxes paid.

And to be definitional, tax experts use the word quintile. It means one-fifth. In 1980—this is before President Reagan was inaugurated—the lowest one-fifth of all of the families, in terms of economic income, the lowest one-fifth of the taxpayers in the United Sates were paying 1.6 percent of all of the Federal taxes. Not very much, 1.6 percent. In 1993, after 12 years of Reagan-Bush, they will pay 1.3 percent, not 1.6. And much of what happened in the tax reform bill of 1986 when we took about 6 million low-income Americans off the income tax rolls altogether.

So the lowest fifth, in terms of the percent of total Federal taxes paid by them has gone down during the Reagan-Bush years.

Let us take the second quintile, the second lowest income one-fifth taxpayers. In 1980, the year before President Reagan was inaugurated, they were paying 6.9 percent of all the taxes the Federal Government collected. In 1993, they will pay 6.3 percent—so their share of Federal taxes has gone from 6.9 in 1980 to 6.3 this year.

Let us take the middle quintile, the 40 percent to 60 percent group. In 1980, they were paying 13.2 percent of all the Federal taxes. In 1993, they will pay 12.4.

Let us take the next quintile. Now we are going up toward the upper incomes. This is the next to highest one-fifth income earners. In 1980, they paid 22.2 percent of all the Federal taxes collected. In 1993, they will pay 20.7. Like the lower quintiles, their share of Federal taxes is down.

But now let us come to the rich of the rich. Let us take the upper quintile—the top 20 percent income earners in this country. In 1980, they were paying 56.1 percent of all the taxes the Federal Government collected. In 1993, they will pay 59.1 percent.

But if you really want to get specific, let us take the top 1 percent of income earners. In 1980, they paid 12.9 percent—1 percent of the people paid 12.9 percent of all the taxes collected by the Federal Government. This year they will pay 15.7 percent.

So let us get over this argument that during the Reagan-Bush years somehow the rich escaped and the poor were raped. That is simply not true. Those who dispute those statistics will say that the rate of taxation has dropped, and indeed it has. But the rate of taxation is not the key to how much you collect in taxes.

For example, President Reagan used to refer to the top income tax rate when he first started acting in Hollywood during the World War II years. The rate was 91 percent. Let us round it off to 90 percent. We taxed the very rich 90 percent of all their income, except the rich never paid 90 percent of all their income in taxes. They had tax shelters and dodges and loopholes, and consequently you would see, year after year, a news story that would go something like this: The Internal Revenue Service announced today there were 945 people who made over $500,000 last year who paid no taxes.

They paid no taxes because they made charitable contributions, or they bought tax-free municipal bonds, or they had other loopholes, and their taxable income was zero. So it did not matter that they were in theory in the 90-percent tax bracket; they did not pay it; many did not pay any taxes.

However, if you remove lots of the loopholes that they used, you can lower the rate dramatically and collect more taxes. Take this example: Let us say somebody makes $1 million and the tax rate is 90 percent. And that person has $900,000 in deductions. So they pay 90 percent on $100,000. We collect $90,000 from them on their million dollars of income.

Let us assume we change the tax rate from 90 percent to 20 percent but you allow them no deductions, and they now pay a 20-percent tax rate on $1 million of income—$200,000 we collect. Their taxes go up. Their tax rate went down.

That is the fallacy the majority uses in attempting to show that the rich have escaped taxation. They have not. Their rate has gone down. The total taxes they pay have gone up. The total percent of the total taxes we collect has gone up.

Let us put that aside. I have a way to solve this problem, and I have to thank the chairman of the Budget Committee for calling this to my attention. If, indeed, we want to raise some revenues, then why not raise the top rate on those who make over $200,000 and allow them no deductions to 100 percent? Confiscate all of their income. We just take it all. That will raise us $248 billion—not quite enough to pay off the deficit, but it will make us feel better.

However, my hunch is we will only get that income once because nobody is ever again going to make over $200,000 a year. So we have killed that goose. That is gone.

Now, what do we do next year when the deficit is back up and nobody is making $200,000? We will go back down

to $100,000. We will take all the income over $100,000 next year, 100 percent of it.

People can laugh. They can say, "Well, the rich do not care." In this bill, the top Federal income tax rate is going to go from 31 percent to about 44 percent on incomes above $250,000. I have never made that much. I never expect to make that much. I would love to make that much someday, but I do not ever expect I will. If you live in my State of Oregon or New York or California or any other high income tax State, you will pay well over 50 percent in taxes.

Now, at some stage, you say, "It ain't worth it. I don't think I will work quite as hard. I don't think I'll hire as many people." What do you say to Susan, who owns two hardware stores, or Jim, who owns the local dairy? "Hey, Susan, Hey, Jim, tell you what we got for you. We are going to raise your personal taxes. We are going to raise your personal tax, and you, Jim, because you have to deliver your milk, we are going to raise your gasoline taxes in addition. Oh, by the way, please hire some more people." It is not going to work.

But I have a greater quarrel with this bill than the fraudulent statistics about how much the rich pay. The rich are paying more taxes. My real quarrel with this bill is that it raises taxes at all, and we are given the presumption that those taxes are going to go to reduce the deficit.

Mr. President, I wish to put some more statistics in the RECORD. These are from the Budget Bureau figures over the years as to how much in this country we pay in taxes and how much we spend total, all of the governments of the United States: Federal Government, State governments, local governments, fire districts, water districts, school districts, historically what has happened to taxes and spending in this country.

In 1950, all of the governments of the United States, all of them, taxed 21 percent of the gross national product. Roughly $1 in $5 we took for Government. We spent 23 percent. We had a deficit—collecting 21 percent and spending 23 percent.

Forty years later, 42 years later, 1992, all of these same governments are taking 30 percent of all the money in this country and we are spending 34 percent. We still have a deficit.

What historically happens every time we raise taxes in this country, or every time we raise taxes in a State, or every time we raise taxes at the local level, we spend it. The only difference is that every State and every local government in this country is compelled to balance their budget. And when they have a shortfall and they cannot cover it, they either have to raise taxes to cover it or they have to cut spending.

I was telling my good friend from New Mexico, California, the biggest State in the Union with the biggest budget in the Union, has actually cut their spending in the last 2 years. Their general fund spending has gone from $43 billion to $37 billion over the past 2 years, reducing spending because that is what they have to do because they have to balance the budget.

The Federal Government is not so constrained. If we cannot make our income equal our outgo, we borrow. Whether it is foreign governments or insurance companies, or any of you who buy series E savings bonds, or anybody else, as long as people will loan us money, the income does not have to equal the outgo. But that will not go on forever.

My quarrel with this bill is the argument of the majority that they are going to use these increased taxes to narrow the deficit. Mr. President, that has never happened in the history of this country—never. And I want you to picture the situation that we will face in about a year. If this bill passes, and the Democrats may have the votes to pass it, $250 billion in taxes is coming. That is assured. That is written into this bill, and those taxes are never going to end.

Then there is written into this bill about $82 billion in spending cuts. I am not even going to get into the argument about user fees. I think they are increases in revenue. You go to a national park and pay $5; it is $5 out of your pocket. That is a user fee. If we raise that to $10, we call that a spending cut. I have a feeling Americans think of it as a revenue increase. But forget that. The $250 billion in taxes is coming in, and there is about $80 billion in spending cuts in this bill. That is all that is written into this bill.

Now comes the promise. Here I want to distinguished between what we call entitlements and discretionary spending, because it is a term we use inside the beltway that often people do not understand. An entitlement is a payment you are entitled to from the Federal Government, without any change of law on our part. We do not appropriate money for it each year. Social Security is a classic example. You work all of your life and pay money into Social Security, and you reach 65 and retire. You say, how long did I work, how much did I make, and how old am I; and here is the check. We do not have to pass a law; you just get the check. That is true of Medicare, food stamps, and other programs. Those are called entitlement programs. They make up an overwhelming portion of the budget.

Discretionary programs, sometimes called appropriated programs, are what we, every year, pass a bill on as to how much money we will spend—how much we will spend for education; how much we will spend for the Environmental Protection Agency; how much we will spend for foreign aid; how much we will spend for defense. Every year, we appropriate that money. That is discretionary accounts, or appropriated accounts.

This bill says that we are going to cut appropriated spending by $120 billion. That is a promise in the bill. It does not say where. This bill does not do it. What we say is, later on, the committees in Congress, sort of in cooperation with the President, will decide where to cut this $120 billion.

I can tell you what is going to happen. Here we have this $250 billion coming in, and the President says it is going to apply to the deficit. Now comes, later on this year or next year, when we have promised to cut this spending, in these proposed cuts, $120 billion. And every single interest group says: Do not cut us; you have this $250 billion. Keep us whole; do not cut us. Use that money you have.

And I will bet you a dime to a dollar that that is exactly what this Congress will do, and the President will agree. Because that is what we have done from time immemorial when we had money—spend it.

That is why the Republican amendment that will be offered later this afternoon says no taxes. Let us cut spending in the future. And if the Democrats want to say that we do not say where we are going to cut, I say to them that you do not say where you are going to cut it, either. We simply say: Let us cut it in the future totally by reducing spending instead of increasing taxes.

I want to give you an example of this argument about increasing taxes and going for the deficit. Because, within 1 week, the crawfish died. The President has said in his budget message that he wants to eliminate the deduction for lobbying expenses. Do not think of lobbying as some fat-cat interest group that comes to Washington. This is your garden club that wants to go to the State legislature. This is your teachers association, or anybody who objects to spending in the legislature, or any group that goes before a zoning commission. That is lobbying. The President wants to eliminate that as a deduction. I will not get into the merits of this for the moment. He says that money is going to go to help reduce the deficit.

Last week, in this Senate, we passed a campaign reform bill, so-called, and it is a miserable bill. But we have said, if there is public funding in this bill, we are going to take some of your money and give it to us for our campaigns. The Senator from New Mexico knows where that money will come from. We are taking it from the money to be raised by eliminating the lobbying deduction. The President has already said: Wait; that money is going to go for deficit reduction. We say: Oh, well; that was last week. We are going to take it and spend it on us to run our

campaigns. That is what we will do with the $250 billion. We are going to spend it.

Now, you will say: Well, do we not reach some limit beyond which our spending will not increase? My first set of figures, about our increase in spending, was from our historical budget figures. Nobody quarrels with those figures. The second set of figures is a comparison of the major industrialized countries of the world, the ones we compete with internationally. These figures are compiled by what is known as the Organization for Economic Cooperation and Development. That is a fancy name for a statistical gathering group headquartered in Paris, which all of the major countries in the world support by giving it money. It gathers statistics on wages, taxes, and everything. It is a fine group.

The same thing that has happened in the United States—you raise taxes, you raise spending—has happened in every country in the world, democracy or dictatorship. A few examples: Norway—bear in mind that our Government now spends about 34 percent of our gross national product, including all of the State governments of the United States; we used to spend 23.

Norway, in 1965, spent 34 percent of its gross domestic product; 34 percent of all the money the country had went to the Government. Twenty-five years later, it is spending 55 percent.

The Netherlands spent 39 percent of its gross domestic product 25 years ago. Now it is spending 56 percent.

Denmark spent 30 percent of its gross domestic product 25 years ago; now it is spending 58 percent.

Sweden spent 36 percent of its gross domestic product 25 years ago; now it is spending 61 percent.

The ultimate question is: In 25 years, do we want to look like Sweden?

Here is what happens: If you are going to tax and spend about 60 percent—that is what Sweden does—of all of the money in the country, and if you are going to forgive the poor from paying any taxes, you cannot raise enough money off of the rich if you confiscate all of their income, assuming they would be happy to make that income every year when you took it all. You cannot make enough money to run the country.

So it is no wonder that in those countries, you have 45-, 50-, or 55-percent tax rates on people that are middle-middle-income people. That is what we ought to be debating. In every one of those countries, what happened is, they would raise their taxes, and then the insatiable appetite to spend it consumed all of the taxes. And there is not a shred of historical proof to indicate that we will do other than spend these taxes we are going to collect.

Already four times this year, President Clinton has declared an emergency and indicated that, for whatever particular reasons, we did not need to constrain ourselves by the so-called budget limitations we now have. One, in January of this year, under the law, the President was entitled to waive the so-called Gramm-Rudman-Hollings deficit totals. I am not going to get into the complications of that. But we passed a law years ago that was named after Senators GRAMM, Rudman, and HOLLINGS, which said that the deficits were only to be so big, and if we were to spend more than that, if the deficits are going to be too big, we were to cut spending right across the board until we got down to the deficit level—right across the board. Aha, but if the President thought that was too onerous, he could waive it. He waived it in January. So we do not have to meet those deficit totals. That was the first one.

Then came the stimulus package, which the Republicans, thank God, successfully defeated. It started out as about a $19 billion package. The President said, "This is an emergency stimulus, and I am waiving the budget limitations. We are going to borrow the $19 billion." That is the second time.

The third was unemployment compensation. The law requires that spending increases in mandatory programs, like the unemployment program, must be offset under what we called pay-go, or pay-as-you-go. The President said it was an emergency. It is in the law that he can waive pay-as-you-go, or skip that. So we skipped that.

Then—and this intrigues me the most in this debate; this is really a waiver—there is $44 billion that the Democrats count as spending reductions that are already in the law.

In 1990, we passed a budget. It was a deal that President Bush, the Republicans and the Democrats agreed to. We met at Andrews Air Force Base, we met there for some period of time and we reached a budget agreement.

We said on these so-called appropriated accounts that I made reference to before, we are not going to spend as much as we thought we were going to spend.

For example, let us say in all of those accounts we were going to spend a thousand dollars. In this budget deal we said in these ensuing years we will only spend $900. If it goes over that, there will be this sequester. We will cut unless an emergency is declared. Democrats in Congress several times wanted to declare an emergency. President Bush would not go along with it. So written into the law in 1990 was an agreement that over these next 5 years, 1990–95, we would reduce spending $44 billion unless there is an emergency declared by Congress and agreed to by the President. That is in the law.

In this budget bill, the Democrats take credit for that $44 billion reduction in spending. It is in the law now. The President counts it twice. He says that is a $44 billion deficit reduction. I am entitled to count.

I am not going to pursue this any further other than to say this: If we want to get into the game of who can gouge the rich the most, that is fine so long as you understand that over the last decade, the amount of revenue they paid has gone up, the amount of taxes they paid has gone up, the percent of taxes they paid has gone up, and the percent that the poor has paid has gone down.

Let us not get into this class warfare about the rich have escaped. Their rates have been higher, their taxes have gone up. I hate to see us degenerate into a class warfare argument. But, more importantly, regardless of whether we get less taxes from the rich, or the poor, or the middle income, because the poor are going to pay a lot more of this gasoline tax proportionally than the rich are. You start levying taxes on a couple with outside income of $40,000, a working couple aged 66 or 77—it does not take very much to have $40,000 of income—their taxes are going up. They are not rich.

But regardless of where you get it, once we have this pot full of money, we will spend it. I do not think that is what America wants us to do. I did not hear Americans say to us to take it from the rich or take it from the poor. What I heard America saying was cut spending.

So I would hope enough Democrats would join us in the amendment we offer this afternoon. We will match you on the deficit reduction but we are going to match it totally from spending cuts. The other side is saying they will get there by increasing our taxes rather dramatically and applying that money to the deficit, and we are saying that will never happen. I do not think America believes it is going to happen. If we pass that, that is what will happen. We will spend the money.

I thank the Chair. I thank my good friend from New Mexico.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are about 10 minutes apart. They used about 10 minutes or more than that. I would like to yield 10 minutes to Senator GRAMM. I yield the 10 minutes to make it equal to Senator GRAMM.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, in looking at the President's economic program that is before us, I feel like a mosquito in a nudist colony. The real question is where to strike first. Let me begin with the trust gap. Never in my lifetime, Mr. President, has there been a bigger gulf between what Government says and what Government is doing than there is on the Clinton economic program.

I remind my colleagues and the American people that in the campaign,

then Governor Clinton said he wanted to reinvent Government. He put out a 22-page document outlining all the spending cuts he was going to make and the taxes he was going to cut called "Putting America First." In that document, and in the campaign, then Gov. Bill Clinton said he would cut $3 in spending for every $1 of tax increases.

Then when Leon Panetta, now the OMB Director, came before the Senate for confirmation and was asked what the administration's goal was in spending cuts and tax increases, he said $2 for spending cuts for every $1 of tax increases. Then in that great State of the Union Address—90 percent of which I could have delivered because it had absolutely nothing to do with the President's economic program—the President said $1 of spending cuts for every $1 of taxes.

Then the President's budget came to the Congress, and it had $3.23 in new taxes for every $1 that we cut the growth of Government spending. Then when the bill implementing the President's budget came to the House of Representatives, it had $6 in new taxes for every $1 that we reduced the growth of spending. And the bill before us today has $3.15 of new taxes for every $1 that we cut the growth of spending.

Mr. President, that is a massive gap between what the Clinton administration is telling the American people and what is being done to the American people—and they know it. And as a result, they are reacting to it by feeling that they have been betrayed.

Who can forget in the campaign the rhetoric in the debates when then Governor Clinton was asked who was going to pay more taxes? Only rich people. Only people making $200,000 a year. Those middle-income families, making $60,000 and $70,000 a year would have a tax cut. That was the first promise that the President-elect broke.

Now we have before us a bill that cuts nobody's taxes who is working. It is paying taxes, and raises everybody's taxes—taxes on income, taxes on gasoline—or energy depending on the House or Senate bill—taxes on Social Security benefits, user fees, promises made in the campaign and broken—not unheard of; promises made as President and broken which will no longer be unheard of in the future.

Let me begin my remarks by getting back to the English language. We are having a big debate here about what this budget does, how much spending is cut relative to taxes being increased. Let me begin by explaining that no spending is cut. We have an unusual language we use in Government, in part to confuse. And the language is, if you were going to spend a $1,000 in new spending and you only spend $800, that is a $200 cut.

Here are the figures from the bill before us of the President's program.

Next year, under this budget, total spending will go up by $37 billion. The next year, it will go up by $71 billion. The next year, $51 billion. The next year, $61 billion. And the next year, $75 billion. In no year during the 5 years do we spend less the next year than we did this year.

When Republicans and Democrats are talking about spending cuts, they are talking about spending less than we would have spent, not less than we did spend.

It is sort of like you go out, you buy a shotgun for $800. You come home, your spouse looks at you funny because you already own 20 of them. You say, well, honey, actually, I saved $400. I was going to spend $1,200 but I only spent $800.

Maybe that works in your household. Apparently, it works in this great temple to American democracy. But it does not work in my household, and quite frankly, I believe the American people are on to us.

Another fact that I think is very revealing with all of these tax increases in this bill—and I am going to talk about several of them in a moment—is by the time we get to the last year of the President's budget, Government spending in the last year of this 5-year budget grows by $75 billion and taxes grow by $66 billion, so within the 5 years of the Clinton budget, spending once again is growing faster than taxes are growing.

What is the issue here? The issue here is: Will this bill make things better in America? Will this bill create jobs, growth, and opportunity for our people?

I ask you this: Can we raise taxes on the people who make the investments, that create the jobs, and induce them to invest more? Raising marginal tax rates by over 30 percent—71 percent of all the tax returns filed by the 1 percent of Americans who pay the most in income taxes are filed not by individuals but by proprietorships, partnerships, and subchapter S corporations, small businesses filing as individuals.

When we raise taxes on small businesses and family farms, where their marginal rate is going up by over 30 percent, is this going to induce them to create more jobs?

When we raise taxes on Social Security recipients, people who spent their whole lives building up a nest egg and we come in and, by taxing 85 percent of Social Security benefits, take that nest egg away, will the next generation build up the same nest egg, save tens of billions of dollars a year for their future when they know Government is going to steal it? I think the answer is no.

Tens of billions of dollars of private retirement funds with be lost because of the Social Security taxes and hundreds of thousands of jobs will not be created.

Mr. President, I oppose this bill because you cannot create more investment by taxing investors. You cannot create more savings by taxing savers. You cannot create more jobs by taxing job creators. Hundreds of thousands of Americans will lose their job because of this bill. Bill Clinton will be one of those Americans, but he will deserve to lose his job.

I am opposed to this bill, not because I want to save the President's job, but defeating this bill is a condition necessary to do that. I do not think it is sufficient to do that, but I think it is necessary to do that. But I am opposed to this bill because it will put people in Texas and it will put people in America out of work.

We need to do what the American people want us to do—cut spending first, actually reduce the level of spending in the American economy. That is not being done. Government spending under this bill continues to grow. In the last year of this budget, it grows more rapidly than even the massive taxes we impose will grow.

Finally, let me say something about debt and deficits. Everybody gets confused. The President puts up this chart and people think that we are paying off the debt. If everything that Bill Clinton claims will happen in this budget happens, we will borrow $1.4 billion, because we will be spending that much more than we will be taxing. That will be the largest 5-year increase in Federal borrowing ever promised in any budget in American history. It ought to tell us something.

When the deficit is $290 billion today, at the end of this process, if everything happens exactly as the President says it will happen, the deficit is $250 billion and yet—Mr. President, I ask unanimous consent for 2 additional minutes.

The PRESIDING OFFICER. Does the Senator yield time?

Mr. PACKWOOD. Before I yield, could I ask what the time situation is.

The PRESIDING OFFICER. The Senator from Oregon controls 57 minutes 30 seconds; the Senator from Tennessee 58 minutes.

Mr. SASSER. Mr. President, reserving the right to object, the unanimous-consent request for additional time comes from the minority side, I assume.

The PRESIDING OFFICER. The Senator the Oregon would have a right to yield the time.

Mr. PACKWOOD. I am going to yield only 2 minutes, and we go to their side. We have a lot of speakers on that side. I believe Senator MCCAIN wants to ask the Senator from Texas a question in those 2 minutes.

Mr. GRAMM. Mr. President, let me sum up basically saying this: Under this bill, if adopted, we will raise taxes on the people who make the investments, who create the jobs, who do the work, who drive long distances to

work. And yet every year in this budget, Government spending continues to rise. Every year under the President's budget we borrow more and more money and, if everything happens exactly as the President says it will happen, taxes will go up every year, taxes will be imposed on Social Security recipients, on investors, on workers, and yet the debt will go up more rapidly than in any other 5 years in American history.

So what do we get out of all this? What we get out of all of this is more taxes, more spending, more debt. And what we lose from all of this is job creation.

Mr. McCAIN. Mr. President, will the Senator yield for a question?

Mr. GRAMM. I am happy to yield.

Mr. McCAIN. I know my friend from Texas is familiar with this "Putting People First, National Economy Strategy," by then-Gov. Bill Clinton. I happened to take a look at that last night. I wonder if the Senator from Texas was aware that "Putting People First," on page 50, says:

> We will lower the tax burden on middle-class Americans by asking the very wealthiest to pay their fair share. Middle-class taxpayers have a choice between a children's tax credit or a significant reduction in their income tax rate.

Does the Senator find that in any of this package that we are considering at the moment?

Mr. GRAMM. Mr. President, not only do I not find this in this package, but while the President kept his commitment to those he promised to mandate gay rights in the military, while he has kept his commitment on mandating that we allow AIDS-infected immigrants into the country, while he kept his commitment to the extreme left in his party, he broke that promise to the working men and women of America.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, the Senator from Nebraska has been here for some time. May I inquire as how much time he wishes?

Mr. KERREY. Five minutes.

Mr. SASSER. And the Senator from Arkansas?

Mr. PRYOR. Mr. President, I have no statement. I was just going to ask if the Senator from Texas will be yielding for questions after his speech. Will the Senator from Texas answer questions?

Mr. GRAMM. I would love to answer questions.

Mr. DOMENICI. On the Senator's time.

Mr. GRAMM. I am happy to answer questions.

Mr. SASSER. Suppose I yield to the Senator from Arkansas 2 minutes to ask some questions.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. PRYOR. Mr. President, the Senator from Texas has made a big speech here this morning about this package, and he is talking about needing a lot more spending cuts.

I am wondering if he was aware of the fact that Friday morning in the Finance Committee when the Members on his side of the aisle had an opportunity to present their package and to increase the number of spending cuts, 12 amendments were offered. Here they are. Twelve amendments were offered to the package. Every one of those amendments increased, not decreased the deficit, Was the Senator from Texas aware of that?

Mr. GRAMM. Let me respond by saying on this very floor in the President's budget debate I offered an amendment to freeze spending and shear off add-ons and eliminate the Social Security tax, the Btu tax, and the tax on small business. And I am aware that the Senator from Arkansas voted against that amendment.

Mr. PRYOR. Mr. President, the Senator from Texas basically is talking about an issue that is an issue that is not directly related to this deficit-reduction package.

This is a deficit-reduction package of major magnitude where 78 percent of the revenues paid are going to be paid from those with incomes of over $200,000. This is what we must not lose sight of, and the fact is that we must not lose sight once again of the fact that this is the first President I have seen in a long time around here who has had the courage to even admit there is a deficit, who has had the courage to even try to do something about the deficit, and I think we should support this President. I think we should support this President in this quest to do something about reducing this deficit.

I might say I look forward to the plan that is coming, I understand, this afternoon on the other side of the aisle at long last that we have been waiting for so long to reduce the national deficit.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. PRYOR. I am glad to yield.

Mr. GRAMM. Let me say——

The PRESIDING OFFICER. The Senator from Tennessee controls the time.

Mr. SASSER. Mr. President, the Senator from Nebraska is seeking recognition, and I yield him 5 minutes at the present time.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. KERREY. I thank the Senator from Tennessee.

Mr. President, the distinguished Senator from Texas began by saying that he felt like a mosquito in a nudist colony and did not know exactly where to strike first. I must say that listening to the comments it appeared more as a nudist in a mosquito colony not knowing what to hide first.

The fact of the matter is the problem that the President of the United States is attempting to address comes as a consequence, as the distinguished Senator from New Mexico said, of a considerable amount of borrowing in the 1980's for which there is a sufficient amount of blame to go around.

The essential question for us here, I hope, during this 20-hour debate will not be whether or not President Clinton kept this or that promise, or whether or not this or that policy is going to work, but the central question for us as Senators and as Americans must be, is the deficit a problem? And are we prepared to do something about it?

There is a ghost, Mr. President, in this debate, in my judgment, and that is the 1990 budget deal, during which the President of the United States at the time, President Bush, was unfairly, in my judgment, criticized for having broken a promise that he made, as well, in the 1988 campaign.

Well, what we found ourselves doing in 1990 was something we are trying to do here again in 1993, saying we are going to deal with the deficit, we are going to deal with it straight on, we are prepared to vote both for tax increases and spending reductions because we see the deficit as a significant drain, not on our standard of living, God knows, but upon the standard of living of our children.

Mr. President, I know it is not likely that Members will do it, but at some point during this year and during our deliberations, I would call Members' attention to a study that was done in the winter of 1991 by the Federal Reserve Bank in New York that now is the basis for the General Accounting Office's analysis of the deficit.

Two researchers, Ethan Harris and Charles Steindel, presented in this article the impact of this deficit. They said, in the 1980's, as a consequence of a binge of consumption, the U.S. economy lost about 15 percent of its capital stock and lowered its potential output by 5 percent; and that by the end of this decade, if the status quo continues—which the President of United States is now urging Americans and us, as their representatives, to stop—the accumulated loss in capital will be 28 percent and output will be down 10 percent.

This is significant, Mr. President. Output will determine what our standard of living is. We are talking about doing something that, indeed, might rein in our current standard of living.

Make no mistake about it, if you raised my taxes—and I suspect most of us on this floor are going to have a tax increase this year; it might drive some

of the concern for raising taxes—but the fact of the matter is, if you raise my taxes, it will mean my standard of living, in the short term, will be reduced.

But make no mistake about it, Mr. President, if you reduce spending, the same thing happens.

I have heard a lot of people say that we ought to cut spending, but then appear before the Base Closing Commission and say, "Don't close my base." I have heard a lot of people stand on this floor of the Senate saying, "We have to cut spending," but I will guarantee you, they will be down here in spades, saying, "Don't cut the space station," "Don't cut the super collider," "Don't cut something that is in my State, my congressional district," because they understand, correctly, that reductions in spending will have an impact, a negative impact, on someone's standard of living.

But we have to believe, Mr. President, if we accept this constraint, this reduction in current consumption, that the standard of living of our children out there 10 or 15 years from now will be higher, otherwise we will not muster the requisite political courage. And it does take courage.

I believe the distinguished Senator from New Mexico, citing the President's State of the Union Message where he said there is enough blame to go around, is absolutely correct.

I stand here, as one Democrat, and say I do not like the idea that we have moved away from the central idea of economic growth and now are finding that progressivity is the most important thing. I do not believe that raising taxes on people with over 200,000 dollars' worth of income is doing what some have described, Mr. President; that we are somehow going out and getting money from people who enjoy the benefits of the economic policies of 1980's.

These are the success stories in America, Mr. President; the success stories. If we conclude that we need to raise their taxes, let them participate in deficit reduction as patriots and do not penalize success in some fashion here that might, as a consequence of their small numbers, enjoy some political success.

Mr. President, I thank the distinguished Senator from Tennessee for yielding me time.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I wonder if I might yield to Senator GORTON.

Let me, from our side, state to Senators, I have an order, and frankly I do not think we can use 10 minutes each, so, if you can, try 6.

The Senator from Washington was here a long time, so I am not going to hold him to it. But Senator GRASSLEY is next, then Senators NICKLES, DURENBERGER, COCHRAN, CRAIG, SHELBY, and GREGG. And we have about enough time for each to have 6 minutes.

And Senator BURNS. That is a mistake. You are right after Senator GORTON, I say to Senator BURNS.

So in the order, for up to 6 minutes, after we leave Senator GORTON, after he is finished.

I will leave the floor for about 30 or 40 minutes, but this is the order that they would be recognized. I give them the authority to designate their own amount of time, and that goes for the occupant of the chair, also.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, from election day last November until February 17, President-elect and then President Bill Clinton possessed what I would consider to be a once-in-a-generation opportunity to deal with the terrible fiscal challenge represented by the budget deficit and our increasing debt.

He was able to tell the American people that he had no part in creating the situation with which he was faced when he became President. He had, from the American people, a vast outpouring of good will and of wishes for a tremendous amount of success, far more than the 43 percent of the American voters who voted for him in November.

He had a great chance to appeal across party lines because of the centrist nature of his Presidential campaign. He had only to keep his own campaign promises that he would reduce the deficit by cutting spending roughly $3 for every $1 in tax increases.

Unfortunately, Mr. President, on the 17th of February, President Clinton blinked. It was just too tough to cut spending. It was just too difficult to be bipartisan.

And as a consequence, President Clinton made the same mistake for which he attacked President Bush. He decided that real deficit reduction could wait until some other time. He appealed only to members of his own party. He proposed, for all practical purposes, only higher taxes on a vast majority of Americans and reductions in spending only for national defense. And, at the same time, he called for massive new spending programs. The result this tax and spend program by his own figures, will be a deficit at the end of this decade larger than the deficit is today.

Early on, the majority party in this body ratified that choice in the budget resolution. Now, fortunately, we can say, partly due to the drumbeat of criticism from this side, that the Senate majority party has seen the error of its ways. It has removed from this program much of the new spending for which President Clinton asked and which the budget resolution authorized. It has actually reduced the tax increases by a modest 10 percent, a reluctant few baby steps on the way toward reality and responsibility.

Clinton ducked. The Senate Democrats have attempted to recover something. But it is too little too late. There is still a good $3 in tax increases for every $1 in spending cuts, and again almost all of those spending cuts are in defense.

Unless of course, Mr. President, unless we accept the bizarre proposition that $44 billion in spending cuts—which are in the law as a result of statutes passed during the Presidency of George Bush—are counted in favor of President Clinton. Unless spending cuts after the end of the Clinton Presidency are counted, 83 percent of the spending cuts in this proposal—more than $100 billion—will not take place until after the Clinton Presidency is over.

Thirty billion dollars will take place during the Clinton Presidency. In fact, this Senator suggests that if $44 billion in spending cuts passed under the Bush Presidency are to be counted, we ought to add $62 billion in tax increases over the next 2 years passed during the Bush Presidency and add them on top of those proposed in this bill.

What of these taxes, of which $55 billion of them, roughly half of all the new income taxes, are on small businesses, the very small businesses that we asked to create new jobs for the American people? These are the taxes which will be imposed on businesses organized as partnerships, as sole proprietorships, or as subchapter S corporations, small corporations in which the participants are taxed as individuals; $55 billion of these taxes will come out of the pockets of the very Americans who have created, net, 100 percent of all of the new jobs in the United States during the course of the last decade.

The Senator from Tennessee and the groups which he leads have shown great faith. They have faith in the proposition that raising taxes on employers will induce them to grow and to employ more people. That is a great leap of faith, a leap of faith without any evidence in reality whatsoever. This faith, the faith that higher taxes will create economic growth and new jobs, has never shown a reality, has never become a truth in the past. It will never become truth in the future.

The one possible course of action that can get us back to where we were between November and February is a rejection of this bill, a request to the President to reread his own campaign promises, to present a balanced proposal to us which does in fact cut spending. The American people do not want this proposal. It will not lead to prosperity. It will not lead to increased employment. It should be rejected.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, on behalf of the manager on this side I yield 10 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. DASCHLE. Mr. President, I begin simply by calling attention to the reason we are here in the first place. The reason we, Republicans and Democrats alike, are here is because we simply cannot go on as we have. We recognize the consequences of doing nothing. We recognize the consequences of a debt that has exploded in the last 12 years. We recognize that if we do nothing, the cost to the average American family in the year 2000 just to pay off interest on the debt could be more than $150,000, were they to pay it off in 1 year. That is what we are talking about.

So everyone understands the consequences of doing nothing. The question is, how do we resolve the problem we find ourselves in today? The Congressional Budget Office lays it out fairly well. The 1993 budget deficit for this year will exceed $300 billion if we do nothing. That is going to increase year after year after year. Why? Because during the past 12 years, we have simply not had the ability, whether because of a lack of courage, or a lack of consensus, to address the deficit. Whatever the problem may have been—and I have been here during this time and I fully accept my share of the responsibility—whatever it was, the fact of the matter is that for that period of time we have seen this deficit explode.

We all recognize that period is over, that we have to find ways to deal with the deficit a lot more effectively than we have in the past.

That is what the President said. The President said let us get real here. You cannot continue to look at those numbers and project them out and not realize that we have only a year or two before this thing is so out of control that there is absolutely no hope of bringing it back. So for good reason he has proposed a deficit reduction plan far beyond anything that has been proposed before.

I might say, the $516 billion in deficit reduction proposed in this budget exceeds that proposed by President Bush by 64 times. I am told President Bush's last two budgets reduced the deficit by about $8 billion. This plan reduces it by $516 billion, 64 times what President Bush had proposed during the last 2 years of his Presidency.

The reason for this is pretty obvious. If we do nothing, as I said, this red here, the inherited debt, takes us to an annual deficit of something over $350 billion by 1998; $350 billion in a 4-year period of time exceeds $1 trillion, which means that, by the year 2000, we could easily see total gross debt of over $6 trillion.

We talk a lot about cuts and whether cuts are adequately represented in this budget plan. This chart, I think, depicts as graphically as any chart can, what we are talking about with regard to spending cuts. In 1993, discretionary spending is approximately $550 billion; we see a reduction over the next 5 years depicted here by white, coming up again but below the freeze level all the way out through 1998. With this budget we are getting below a freeze in real dollars.

Real discretionary cuts tell the story perhaps as well as any can. This is what has happened. This is where we start in 1993 at $550 billion. We see a 12.5-percent real cut in discretionary spending over 5 years—a real cut. So we are not talking about an increase in the aggregate, but we are talking about a huge 12.5-percent cut in discretionary spending over that period of time.

So, to add it up, here is what we get. Here is where we are. I think it is very important to set the record straight. There has been a lot of rhetoric today about cuts and spending, about the effect on the budget, about whether or not this is real. We have $1.93 in spending cuts for every $1 in revenue increases. It scores the discretionary cuts from traditional current services baseline; it counts EITC as a tax credit and Social Security changes as a benefit cut.

The ratio of $1.07 in spending cuts to $1 in revenue scores discretionary cuts from the administration baseline, which assumed the Bush defense cut of $88 billion.

Here is where we are, with the Republican ratio. Zero in spending cuts, not one spending cut was proposed during the Finance Committee deliberations, as my distinguished colleague, the Senator from Arkansas, indicated; zero in revenue increases. So you have zero in cuts, zero in revenue increases, compared to $1.93 in spending cuts to $1 in revenue increases.

The discretionary spending ought to be put in perspective as well. We have talked a lot about the increases in spending and the difficulties we have had in coping with the dramatic decline in discretionary spending. We are talking here about education, we are talking about the programs directly affecting real people in South Dakota, and Kentucky, and Montana—throughout the country. People are affected most by what we see in discretionary spending.

As a percent of gross domestic product, discretionary spending will have gone from approximately 10.5 percent in 1980 down to 6.9 percent, if nothing changes, in 1998—a dramatic decline over that period of time. That is 18 years of virtual constant decline in discretionary spending, affecting those programs that directly affect our people.

We talked as well about tax increases, and the ratio between tax increases and spending cuts. There has been a lot of talk about what effect this has on the middle class. Taking what I have just shown in the last chart in discretionary cuts, and the cuts we have proposed over the next 5 years, and comparing that to what we anticipate to be the middle-class tax increase, you have a 6-to-1 ratio: $267 billion in cuts, $45 billion in increases in taxes on the middle class.

There are those on the other side who have argued that we should not count interest; that the interest is somehow a phony number; that interest, in and of itself, is not necessarily a bona fide budget determinant. I remind my colleagues that we have used interest effect on the debt in virtually every calculation in budget debates in the past.

But just let us assume for the moment that we eliminate interest as a relevant factor in any budgetary consideration. If we eliminated interest completely as a budgetary consideration, the Reagan-Bush era deficit would not be the $2.5 trillion plus that we have seen over the last 12 years. It would instead be $716 billion. That is the accumulated debt, eliminating the interest.

But let us look at what happens using those rules. If we are going to use those rules and ignore the interest on the debt from the last 12 years, let us use those rules for the next 4. If we eliminated the interest from consideration of this budget, it would mean that, for the first time, we would actually have a budget surplus, $127 billion in surplus, under the plan proposed by the President.

So we can do it either way. We can calculate interest in or out. But we should be consistent.

Let us talk about the tax changes because that certainly is a big source of the controversy here. I was interested in a report just issued by Price Waterhouse yesterday. A spokesman for Price Waterhouse, the director of the Federal Budget Analysis, called Clinton's budget presentation the most honest of any budget that he has seen in a decade. Let me repeat that. Price Waterhouse, as reputable an organization as we know in the country, announced yesterday, having reviewed proposals made over the last decade, that this budget is the most honest of any budget Price Waterhouse has seen in the last decade. That says a good deal. We do not have to rely upon the Congressional Budget Office. We do not have to rely upon Democratic Senators. We can turn to the private sector and ask them to analyze this budget plan. And the private sector tells us that this is the most honest, the most realistic, the most effective budget-reducing plan that they have seen in the last decade.

The PRESIDING OFFICER (Mr. KERREY). The Senator's 10 minutes have expired.

Mr. FORD. Mr. President, I yield an additional 5 minutes to the Senator from South Dakota.

Mr. DASCHLE. I thank the Senator for yielding me additional time.

It is important to make a point, Mr. President, of emphasizing that 78 percent of all the taxes paid will be paid by those making more than $200,000. So we hear a lot of cries and a lot of expressions of concern on the other side with regard to the effect of taxes. Virtually 80 percent of all of the taxes to be accumulated over this period of time will fall upon those making more than $200,000—$200,000.

This chart depicts it as well as any can. If you are making less than $30,000, you actually see a tax cut. The vast majority of people in this country make less than $30,000, and, for them, it actually means a tax cut. It is a slight increase for those in that $30,000 to $40,000 category.

We hear a lot of discussion and concern expressed about the motor fuel tax. If that motor fuel tax is implemented, and if you are making $10,000, the amount of that tax on a monthly basis will be about $1. The effect of that tax for those making more than $200,000, according to the Congressional Budget Office, will be about $13 monthly. That is the effect of the motor fuel tax.

We hear a lot about Ross Perot and Ross Perot's budgets, his proposals, his admonition for Congress to come up with yet more effective and progressive and successful ways of reducing the deficit. Our 4.3-cents-per-gallon increase looks pretty small compared to what Mr. Perot has offered, 50-cent-per-gallon tax increase.

So, Mr. President, we really have an opportunity here, and I emphasize that it is an opportunity. There is a good deal of concern about whether or not this bill can reverse the trend for the last 12 years. I do not know whether we can, frankly, given the difficult economic situation the country faces. But, if we do not make this downpayment on the debt and come to grips with the deficit in an effective way with cuts and with revenue, recognizing the need for progressivity and the need for equal sacrifice geographically then, frankly, Mr. President, I do not think we have any chance of strengthening this economy. We must turn the debt around, and do what we know we must to ensure that the American people and all future generations are not saddled with this economic situation. We must not fail in this most important task before us.

I am sure many of us will have a lot more to say as amendments are offered.

I thank the chairman for yielding, and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, the Senator from Montana has been on the floor for a long period of time, as I think the other Senator has been here for some time, too. We have been alternating back and forth.

Mr. BAUCUS. That is fine; I will yield to my colleague.

Mr. SASSER. Before yielding, the senior Senator from Montana desires how much time?

Mr. BAUCUS. About 10 minutes.

Mr. SASSER. I thank the Senator.

Mr. PACKWOOD. I yield 6 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, I thank my ranking member and thank my colleague from Montana.

It is funny what people do with figures, and as we discuss this whole package, I guess my outrage is the ignorance of some people. When they take a look at this package, and we call it anything other than a tax-and-spend bill that has been put before the Senate to deal with really a deficit and to create jobs, let us not lose sight of the ball here.

This is not a $500 billion deficit reduction package; it is a $348 billion deficit package, $249 billion in new taxes, $15 billion in user fees. Some folks would call that spending cuts, as explained awhile ago, but they are really new taxes and $84 billion in spending reductions, reductions in the planned rate of growth in various Federal programs

The thing that is most upsetting to me is the fact that this tax-and-spend plan relies on the largest tax increases in the Nation's history to reduce the Federal deficit instead of attacking the root of the problem, which is Federal spending.

President Clinton first promised to support a $1 in tax increase for $2 in spending cuts. Then it was a 1-to-1 ratio. Package it anyway you want to, but when you take the wrapper off it, this bill is $3 of new taxes for every $1 in spending cuts.

Raising taxes will not reduce the deficit but will instead weaken a fragile economic recovery. It is a faulty premise that higher taxes will lead to more revenue for the Federal Government and lower the Federal deficit and create new jobs.

I have not heard one economist proclaim that. Instead, these new taxes in this bill will penalize small business owners, the very group that created all the new jobs between 1988 and 1990. Large business, big corporations are downsizing.

According to the Small Business Administration, small businesses with fewer than 20 employees created 4.1 million new jobs between 1988 and 1990. During the same period, businesses employing more than 500 employees had a net loss of 500,000 jobs. Now those are pretty hard figures. Yet this tax-and-spend bill penalizes small businesses for succeeding in creating jobs.

Two out of every three Americans get their first job from small business, but in Montana, three out of every four jobs are provided by small businesses. And in Montana, 98 percent of our businesses are considered small businesses and they supply 76 percent of our total employment in our State. In Montana, most jobs are created by those small businesses. There is no doubt that Montana small businessmen and women are the essential part of our economy.

The bill takes away any incentive that small businesses have to create new jobs or to even give an excuse to expand. Not very smart for the sector of our economy that creates all the new jobs.

This bill represents a pink slip to hundreds of Montana men and women who go to work every day, support their families, and pay their fair share of taxes in quest of the American dream.

Before we begin to talk about taxes on small businesses owners and all Americans, we should talk about cutting new and existing spending. If we just eliminate the new programs or the increased funding for 54 of the 100 programs included in President Clinton's budget, we could knock over $100 million off the tax increase right now.

Time after time, spending cut opportunities have come to the floor of the Senate and time after time the majority party votes the party line to stop offering amendments that provide the way to pay for programs and necessary services.

I guess I just do not get it. Have we not figured out it is time to cut up Uncle Sam's credit card? Have we not figured out we cannot tax our way to creating new jobs for our country, unless you think all jobs are in the Government.

I oppose this bill because it increases taxes too much; spending is not cut enough. I oppose the bill because tax increases on small business owners and the transportation tax are bad for our Nation, and I know they are bad for Montana's economy. So we should be cutting the spending first before we talk about any kind of tax increases and work toward reduction.

We should be cutting spending first, and encouraging small business to create jobs nationwide and in Montana. It is the private sector which creates long-term jobs. It is not Government.

Quite simply, the problem is this. The problem with low job creation in our country is Government. We cannot slow it down. It keeps growing, and Government is not the solution. So we should let people keep and invest their money at home as they see fit, and to do that we should not raise taxes but take a long look at the cuts.

I thank the Chair and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Mr. President, I yield 10 minutes to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank the chairman for yielding time.

Mr. President, I rise today in strong support of the 1993 revenue reconciliation legislation.

This legislation is the largest deficit reduction effort in history. Let me repeat that point, Mr. President. It is the largest deficit reduction proposal in history.

The bill reflects the courage of a President who was willing to begin his tenure by attacking an out-of-control budget deficit that jeopardizes the future of this Nation.

Less than a month after being sworn in, President Clinton unveiled a comprehensive deficit reduction plan that served as the catalyst for this entire process. Without his leadership, we would not be in a position to pass a bill that will result in over $500 billion of deficit reduction. Once enacted, this plan will cut the annual deficit in half.

President Clinton is taking meaningful steps to deal with a deficit that his predecessors chose to ignore.

BALANCE

In addition to reducing the deficit, the budget reconciliation package should be supported because it is balanced and fair.

It is balanced because its sources of deficit reduction are a blend of $267 billion in spending cuts and $249 billion in tax increases. For every $1 in deficit reduction, 52 cents comes from cuts in spending, and 48 cents from new taxes.

FAIRNESS

It is fair because all Americans are asked to sacrifice to get our economy back on the right track. Working people and senior citizens are asked to contribute, but they are not saddled with corporate America's share too. As a result, the combination of an expanded earned income tax credit and an increase in income tax rates on the wealthiest Americans, this reconciliation bill is the most progressive in recent history.

On average, the tax burden on individuals earning up to $50,000 annually will increase by less than $12 per month. In fact, a recent Wall Street Journal table provides that under this package taxpayers earning $100,000 and over will pay 97 percent of the projected annual tax increases.

THE ENERGY TAX

In my opinion, some of the proposals being considered by the Finance Committee earlier were grossly unfair. They would have altered the President's plan to lift the burden of deficit reduction off of corporate America and put it squarely on middle America and senior citizens. But the Finance Committee rejected these proposals.

Could the package be improved? Of course it could. I would like to see the gas tax eliminated entirely. It is a highly regressive tax that is unfair to many regions of the country. Also, it has none of the positive environmental benefits of previous energy tax proposals.

That is why I fought to lower this tax in the Finance Committee deliberations. But we must now make those hard choices we have talked about for so long. And that means reducing the deficit. I would rather not saddle taxpayers with a 4-cent-per-gallon gas tax. But I feel much better about that than I do about saddling their children with a skyrocketing national debt that is projected to reach $5 trillion within a few years.

It is not enough to just oppose taxes. Without an alternative, that represents just avoiding a decision.

In conference, I hope to work toward the principle of everybody pays or nobody pays on the energy tax. By that I mean we adopt either a broad based energy tax that is fair to all income levels and all regions—an energy tax that captures the environmental benefits of the President's original proposal. Or, we could drop the gas tax entirely and offset the revenue through other means.

CONCLUSION

And there are other changes I would like to see in a perfect world. I am not sure corporate America is paying their full share, and I would rather not cut Medicare in this way. But, Mr. President, this is not a perfect world. And I do not intend to let perfection be the enemy of the good.

All the Members of this body are independent thinkers. We all have our differences. But to a person, the one thing we are united in is our zeal to see this Nation grow and prosper. The legislation before us today gives us an opportunity to participate in something that will put the country back on the right course.

Support for this legislation is support for the future of our children and grandchildren. I urge my colleagues to rise to the challenge of investing in America's long-term economic growth. After 12 years of uncontrolled borrowing, give the country a victory it sorely needs.

In closing, Mr. President, I would like to note that I welcome the proposal that will apparently be forthcoming from the other side of the aisle to replace the bill currently before us. Assuming it meets the deficit reduction targets, it will be a positive addition to the debate.

Some of the finest Members of this body—JACK DANFORTH, JOHN CHAFEE, and BOB DOLE—did not fully participate in the Finance Committee's deliberations on this legislation because the ranking minority member of the committee announced early on that no Republicans would vote for the proposal being considered. I hope this is a sign that they will be participating in the process fully from this point on.

I yield my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SASSER. Mr. President, we have been alternating back and forth here today. I was discussing this with the Senator from Oregon. The Senator from California [Mrs. BOXER] was here this morning at 10:15. She has been in here for a considerable period of time. I know the Senator from Iowa has been here also. The Senator from California advises me that she has an appointment. I was wondering if I could impose upon the good nature my friends from Oregon and Iowa to allow the Senator to proceed for perhaps 10 minutes.

Mr. PACKWOOD. I will have to leave that up to the Senator from Iowa because we have been going back and forth. He has been siting here for a hour waiting to speak.

Mr. SASSER. I know he has.

I thank the Senator from Iowa.

Mr. PACKWOOD. We can be assured he will go after the Senator from California.

Mr. SASSER. Absolutely.

I yield 10 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I thank my chairman for yielding to me. I thank my colleague and friend, the Senator from Iowa, [Mr. GRASSLEY] for his understanding, and I thank Senator PACKWOOD as well.

Mr. President, today we face a great national crisis. It is a crisis of governance. Can we govern? That is the question before this Senate today after the more than a decade of what I consider to be economic abandonment. The American people are discouraged. They are looking for leadership. They have lost faith in the ability of this Government to manage our economic affairs.

In order to restore this faith that we can govern, we need to address the most pressing and nagging and difficult problem of our time, a problem that developed in the eighties, an era of raging deficits and tax giveaways to the millionaires and the billionaires. We need to fix the problem, and now is the time to do it. It is the moment. Will it be easy? No. Will it take courage? Yes. But I believe that if we deserve to be Members of the U.S. Senate, then we must do what is the hardest thing to do: We must support this bill and we must support limits on Government spending that will be required to bring this deficit down.

The cuts in spending and the taxes on the very wealthiest among us will result in lower interest payments on the debt and it will put us on a path to solvency after a decade of trickle down economics that led us to insolvency. You remember trickle down, do you not? Give it to the millionaires and maybe they will drop their used Gucci shoes for a homeless person to wear. We went through that decade.

And then the other part of trickle down was that the wealthiest citizens were going to invest in job creation. And then, when we lost all of the dollars because we lowered their tax rates, they were going to create all kinds of jobs, and then the coffers of the Federal Government would be overflowing and we would be in the black.

Well, today, we have to face facts. It did not happen that way. And we must pick up the pieces. Yes, it will take courage, Mr. President. Just look at today's New York Times. Headline: "Senators Bracing for Fight on Plan To Increase Taxes; Political Fallout Feared. Democrats Are Sure To Prevail But Republicans Are Hoping To Score Points for 1994."

Republicans are hoping to score points. How are they going to do it, Mr. President? By saying that we should do all this deficit reduction by cuts in spending. They are saying the Democrats are not cutting enough spending, and, frankly, they hate the tax on the millionaires and they want us to get rid of that.

I want to tell you, if you look at the spending cuts that we are making in this program, every program is taking a big hit. Military spending will be cut by $109 billion over the 5-year period, discretionary spending by $101 billion, mandatory spending by $106 billion, interest payments will be reduced by $58 billion. It is a very fair package of cuts. Everyone is taking a hit.

Now the Republicans say cut spending more. Cancel the taxes on the wealthiest, the millionaires and the billionaires. Cancel those taxes. We hear the same trickle down. Do not hurt the richest. Do not hurt the richest, because they will not invest and create jobs. We had that decade, and it did not work.

Republicans want to protect those people who got break after break in the 1980's, those who cashed in big. Well, let me tell you, I know a lot of those people. Their kids have trust funds; their grand kids have trust funds; their grand kids' grand kids have trust funds. Fine for them. But enough is enough. They have to do their fair share, Mr. President—not more than their fair share, but their fair share. Everybody has to do something to get our Nation back on track.

If you look at this tax proposal, it is the most progressive that I have ever seen. Tax cuts for the working poor, those making $20,000 and less, and even a tax cut for those in the $20,000 to $30,000 bracket. Yes, when you get up to $200,000 or more, there is a hit. I might say that the people in that category will benefit when this Government is on track.

So the Republicans want to cancel those tax increases on the wealthiest among us. It is wrong to do that. It would be a continuation of the giveaways of the 1980's. It is also wrong because it would lead to job loss and reduction in the gross domestic product.

I would like to cite a study done by the Wharton Econometrics Group that shows if the tax cuts on the wealthiest are canceled and spending cuts are put in their place, we would lose 200,000 jobs, and the gross domestic product would be reduced by $8 billion.

I ask unanimous consent that this written report of the Wharton Econometrics Group be printed in the RECORD.

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

THE WEFA GROUP,
Bala Cynwyd, PA, June 15, 1993.

REDUCING THE BUDGET DEFICIT WITH MORE RELIANCE ON SPENDING CUTS WOULD COST JOBS

A recent WEFA Group analysis shows that if the Clinton plan's personal tax increases on the wealthy over the period 1993 to 1997 were scrapped, and cuts in nondefense spending of the same magnitude were substituted, U.S. economic growth would be weaker and more jobs would be lost. By 1996, the level of real GDP would be about $8 billion lower, and the number of workers on nonagricultural payrolls would be about 200,000 lower.

WEFA Group is a leading econometric modeling and economic forecasting firm based in Bala Cynwyd, PA. Founded in 1963 by 1980 Economics Nobel Prize winner Lawrence Klein, the firm employs about 300 economists, working in offices in Bala Cynwyd, Washington, London, Frankfurt, Toronto, Mexico City, Paris, Milan, and other cities around the world.

Mrs. BOXER. So the Republicans look like they are getting off the sideline. But what are they coming into the game with? Trickle down economics—the very economics that brought us to the situation in the first place.

So let us be clear, Mr. President. We have three choices:

One, we can do nothing and see the deficit eat away at our future even more.

Two, we can do what the Republicans want, which I think is—we have not seen it yet, but we expect to see it—a plan that is all spending cuts, canceling the taxes on the wealthiest and going back to the days of helping the Donald Trumps of the world and kill this fragile economy with 200,000 jobs lost and an $8 billion reduction in the GDP.

Third, we can support the basic premise of this program which I think has been, frankly, improved as it moved through the House and Senate. It brings us spending cuts and tax increases in an equal proportion, resulting in lower interest on the debt, which is important for this economy; it will get our economy back on track; and, as a Nation, we can hold our heads high and move forward.

In closing, let me quote from two newspaper articles. One is the Philadelphia Inquirer.

Clinton's budget presentation is "more honest than any other budget I have seen in a decade," said Stan Colander, director of Federal Budget Analysis for Price Waterhouse, the big accounting firm and author of a book on the Federal budget process. DOLE's attack is "very misleading," said Colander, who believes Clinton's program will achieve $500 billion in deficit reduction by striking a rough 1-to-1 balance between tax increases and spending cuts.

This is not JIM SASSER, the chairman of the Budget Committee, saying this, or BARBARA BOXER; this is a leading expert in this Nation saying it.

Yesterday's Washington Post, I also felt, said it well.

Mr. Clinton has put forward, and the Democratic Congress has thus far largely adopted over Republican opposition, a plan that would reduce the deficit about as much as a weak economy can withstand over the next 5 years, would do it by progressive means, and would spread the burden as it ought to. It is designed to sweep up the debris left by the 12 years of rule by Mr. Dole's own party.

So, Mr. President, I invite my Republican colleagues to join with us today, not to polarize themselves by going back to the decade of the 1980's, where we lifted up the wealthiest in the country and said if we give them more and more tax breaks, somehow the rest of us will get a crumb.

Let me tell you what we got. We got an unfair tax system. We got one of the worst recession we have ever seen. We are just pulling out of it. We have a system that needs help, Mr. President. I think that today we can take this step. I hope my Republican colleagues will join us in this. I respect their point of view, but I have to say this: We cannot continue what was begun in the 1980's. It is a time for change. It is a time for fiscal responsibility. It is a time for fairness. And we have the path set out for us today.

I am very proud to be in this U.S. Senate. The leadership is not about popularity in the polls. This is a tough, tough vote. The easiest thing to do is sit and jeer on the sidelines, and we are going to hear that hour after hour. Let us stop the jeering; let us get together, and may be we can start cheering for America again, Mr. President. Thank you very much.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Senator GRASSLEY wishes to speak. I yield him 6 minutes.

Mr. GRASSLEY. Mr. President, there is no class in class warfare. There is no

future for our country, for our society, for our political system if it is built on political envy.

Through 3 months of this sort of discussion, I notice that the other side has stopped accusing this side of gridlock. So there is some progress. I think that is because their message about gridlock has backfired—probably because when Democrats use the term gridlock, the public now translates that into Republicans stopping irresponsible fiscal policy by the Democratic majority. And the people like that irresponsible fiscal policy being stopped because the people of this country do not believe it is good for the country.

Mr. President, now comes along a new problem. This bill we are debating has $3 of tax increases for each $1 of spending cuts. But the sales pitch by the Democrats say that it is not 3 to 1, but 1 to 1. The bickering about the ratio has, of course, reached fever pitch. It is like two kids on a playground getting in an argument. One kid accuses the other of pushing. The other says, "Did not." The first kid says, "Did, too," and then back and forth they go, "Did not," "Did, too."

In our case, nobody is pushing anybody. It is a bit different. One side is saying 3 to 1. The other one is saying, "Is not," it is 1 to 1. The other side is saying, "No, it is 3 to 1." The other side is saying, "No, it is 1 to 1."

And then, of course, along comes the Congressional Budget Office, supposedly a nonpolitical operative here, to settle the argument. In yesterday's paper, CBO Director Reischauer says, "You are both right; it is 3 to 1, and it is 1 to 1.

Mr. President, that can only be true inside the beltway, inside this place that is not reality that we call Washington, DC. That is exactly what people in this country are revolting against. They are not revolting against gridlock; it is "jawlock" that they are revolting against.

It is doublespeak. Somehow everyone is right, and then somehow no one is right.

Everything is up, and nothing is up. It is a tax increase. The next time it is a spending cut. It is 3 to 1. It is 1 to 1.

And people out in the vast spaces of America watch this debate and they get angry. No wonder the citizens of this country are cynical, cynical about our institutions of Government, cynical about politicians.

The moral of the story is, if you want a straight answer, you will not get that straight answer inside the beltway. The only true litmus test is the people. You ask the people, the people of this great country, if they will raise their taxes and make real spending cuts. They will tell you it is 3 to 1. Period. End of story.

The problem with the other side is that they are not leveling with the American people. The sure-fire way to make people know you are trying to sell them a lemon and pass it off as a new car is to bend the truth. That is what we have here, Mr. President. They are bending the truth. It is also called smoke and mirrors.

My friends on that side of the aisle used to criticize the previous two administrations for using smoke and mirrors. Sometimes I joined them. In fact, I was among the first to do so, back in 1981 during my first budget markup. And for the next 12 years my Democrat colleagues joined me in criticizing smoke and mirrors in the budget process.

But now, for some reason, it is OK on the other side of the aisle to use smoke and mirrors. I feel I have sufficient moral authority to make that critique of the other side, Mr. President, because I was willing to criticize my own Republican Presidents for using smoke and mirrors. And the Democrats joined in.

Now that they on the other side of the aisle control the executive branch, all of a sudden smoke and mirrors are OK. You cannot have it both ways. It is 3-to-1 taxes-to-spending cuts. Period. If you are trying to sell a used car as a brandnew one, the people will see right through it.

There has been a lot of talk about Alice in Wonderland today. This bill resides through the looking glass. The people ask for spending cuts first, and taxes later. And they look through the looking glass, see this bill, and see that it raises taxes first and cuts spending mañana, a mañana that never comes. How is that for being in touch with America.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. Mr. President, the Senator from New Mexico yields 6 minutes to me by previous agreement.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, I would like to speak for a few minutes about how appropriate the term reconciliation is for what the Senate is doing here today. Indeed, those of us who disagree with the basic economic philosophy embodied in this bill are forced to reconcile ourselves with the reality of $263 billion of net new taxes. In recent days there has been a concerted effort to sell this bill as an economic plan of balanced spending cuts and tax increases. Indeed there are tax increases, but the spending cuts are far less than the promised 1 to 1 ratio. This is not an economic plan, Mr. President. This is a tax bill. If we discount the claim that debt service savings and user fees are cuts, then the entire budget plan has $1.98 in taxes for every dollar in spending cuts.

In particular, this reconciliation bill has $3.15 of taxes for every dollar in spending cuts. In addition, in 1994 the weight of taxes to cuts in the budget plan is 9 to 1. In 1995 that ratio will be 7 to 1. In 1996, that ratio is 2½ to 1. Not until 1998 will we have a 1 to 1 ratio of taxes to cuts in this plan.

This tells us two things, Mr. President. First, we will begin paying these taxes immediately. Nearly all of these tax provisions will be effective in July of this year, or are retroactive to January 1 of this year. Second, in contrast to the immediacy of the tax provisions, promised spending cuts will not occur until after the next Presidential election—82 percent of the spending cuts are to occur after 1996. Mr. President, we have been down this road before.

Every major budget plan or budget agreement has failed to yield any reduction in Government spending. In 1982, 1984, 1987, 1989, and 1990 we had budget deals. Each one of these plans gave us higher taxes. However, as you can see by the chart that I have here, these taxes did nothing to restrain the growth of spending or eliminate deficits. In 1990, the American taxpayer paid $160 billion in new taxes in return for the promise of spending cuts. Now, 3 years later, with an even larger deficit, we are promising them the same thing. And, I might add, we are counting some $40 billion in cuts that we made in the 1990 deal as part of the current package of cuts.

Mr. President, there is a myth about budget deals and summits that holds that tax increases will eventually cover the growth of Government spending and that taxes can be combined with budget cuts to curb the growth of Government spending. As illustrated by the chart that I have here, we can see that increasing taxes does absolutely nothing to restrain the growth of Government spending at any level. We keep paying more taxes, but spending continues to rise. The taxpayer pays but the budget cutter never shows up. Taxes feed the growth of Government spending. Eighty-two percent of the cuts in this budget will occur after 1996. If history is any indicator, that 82 percent will never materialize. More than likely, those cuts will be made irrelevant by the work of our next budget plan or deal.

Now that we are clear that this bill is about taxes and not spending cuts, I would like to talk about the effects that these taxes will have on our economy, and most importantly, on the hard-working individuals who will be paying them.

The idea that this tax plan is balanced or equitable or fair rests on the assumption that industrious, productive members of society, those business people who generate and create this Nation's economic wealth, should be punished for even marginal economic success. This bill, in large part, creates disincentives for and a penalty upon private initiative and productivity.

And I am not talking about millionaires or large corporations. Rather, the brunt of these taxes will all on subchapter S corporations, sole proprietorships, and partnerships which are the backbone of economic growth in this country.

These are the small businesses that provide 80 percent of all new jobs. Yet, this bill targets these businesses for higher tax treatment. In the aggregate, 50 percent of this bill's revenues will come from new taxes on small businesses. This chart shows the cumulative effect that many of the new taxes will have on subchapter S corporations and other small business taxpayers. Add these new taxes up and you see these small businesses are subject to close to a 45-percent effective tax rate. This percentage doesn't even take into account the impact that the meals and entertainment deduction provision will have or the burden of State and local taxes and other fees.

This bill penalizes the largest supplier of new jobs and one of the most productive sectors of the economy. This bill is not balanced, and it is certainly not taxing millionaires.

Small businesses organized as subchapter S corporations, sole proprietorships and partnerships, file their taxes as individual taxpayers. So all of the provisions affecting individual taxpayers will fall upon small businesses. Additionally, those businesses are taxed on their profits and not on the actual income of the business owner. Therefore, businesses will be taxed as millionaires and as high salary individuals even when their business is barely breaking even. Under current law, if a business has a slow year and has a good deal of inventory on hand, the owner's income reflects the value of the unsold inventory. So, a bad year may well inflate the owner's income because of excess unsold inventory. Under the bill, the 10-percent surtax on millionaires will exacerbate this illusion. We will be taxing businesses at a greater rate when their business is slower than when it is more profitable.

These businesses will lose personal exemptions and will pay higher health insurance taxes under this bill. Furthermore, equipment purchases are currently counted as income for these owners. Thus, the bill's higher tax rates will similarly create disincentives to new investments in productivity and efficiency.

Small businesses will be encouraged by these provisions to minimize their taxable income. Their options will include shrinking inventories, foregoing new equipment purchases, and cutting back on labor expenses to offset the costs of these new taxes. These cut backs will no doubt ripple though all levels of the economy. Small businesses operate on a thin line between profits and losses. The taxes contained in this bill will certainly place many of their businesses into a competitive disadvantage and more tenuous economic position.

Mr. President, this bill will put the brakes on the engine of America's economic growth. This is not a jobs bill. This is a job loss bill. So when we talk about progressivity, about fairness, Mr. President, what we really seem to be talking about is punishing the small business owner for attempting to provide for himself and others an income and for making a contribution to the growth and prosperity of this country.

We should not forget that this bill also raises the capital gains tax rate for small business and other individuals. Once again, this bill says that if you invest your money in a manner that will stimulate growth for the entire economy, you should be punished, not rewarded, for your risk.

Finally, we hear about raising the taxes on wealthy Social Security recipients by taxing 85 percent of Social Security benefits for household incomes of $40,000 or $32,000 for single individuals. Mr. President, I submit to you that $40,000 in income does not constitute a wealthy retired couple. These are people who have saved enough money through a pension plan or retirement investments to make their retirement moderately comfortable. This bill sends the message that if a person works hard and saves for their retirement that they should be punished with higher taxes. It does not pay to supplement your Social Security with a retirement plan. Again, this bill provides a disincentive for work and investment.

And lest we forget, in the midst of the talk about fairness, that we have a 4.3-cent transportation fuels tax in this bill.

A tax that falls on every American with equal force, but falls hardest on individuals with lower incomes. This $25 billion tax will bring the total Federal and State taxes on a gallon of gas to one-third of the price of a gallon of gas. Forty cents of every gallon of gas will go to pay taxes. This amounts to a regressive 33-percent sales tax on the people who can least afford it. In addition, the tax will be another burden on business and industry as they will incur higher transportation costs, further eroding their profitability and viability.

Mr. President, this bill sends the wrong message to the enterprising American citizen. These taxes punish productivity and investment at every level of society, from the working small businessman to the retiree who draws a private pension.

I would ask, Mr. President, do we truly believe that the taxpayer is not paying enough already? Unfortunately, as these charts illustrate, the American taxpayer is already at the breaking point with regard to taxes at every level. Yet, the budget is never balanced and spending growth never slows down. Federal, State, and local taxes now absorb 43.7 percent of the average worker's wages. I would suggest that this is enough money being removed from the pockets of the people who earn it. Yet, this bill says that this is not enough. This year the average American worked until May 3, 123 days, to pay his or her taxes. Next year, we can slide this date back a little further. And as Government spending continues to expand, we can be assured that this date will move closer and closer to June as we raise more taxes to cover spending growth.

What we have before us then is a bill that does the following. First, it kills jobs and economic growth by taxing most heavily the most productive sector of the economy, small business. Second, it discourages at every level any initiative that contributes to the economic growth and prosperity of this Nation. And third, it fails to achieve any real spending reductions while raising $263 billion in net new taxes, taxes that will only cover further increases in Government spending. This is indeed a reconciliation bill, Mr. President. It is a bill that attempts to reconcile the incompatibility of taxation and Government spending with economic growth and prosperity. I contend, Mr. President, that this difference is irreconcilable and that this contradiction will cost jobs and will, like past budget fixes, fail to in any way restrain Government spending and reduce budget deficits.

We tried this approach in 1990 with the largest single year tax increase in American history. We were rewarded with a recession. Mr. President, I truly hope that this is not the result of this reconciliation bill. I have every desire to come back here to the floor in 3 years and say that I was wrong. However, history gives me every indication that I am correct in being suspicious about the benefits of taxing productivity and the ability of the Government to restrain spending. I urge my colleagues to approach these taxes with equal caution and skepticism because indeed we will live with the results of this bill for many years to come.

I ask my colleagues to vote against this huge tax bill.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield 6 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, first I compliment the Senator from New Mexico for his leadership and also his statement as well as Senator PACKWOOD from Oregon, Senator GRAMM, and Senator SHELBY, and others, who spoke on this package, because I think by the cumulative impact that maybe people will get the facts out on the package, and I think the facts are vitally important. There have been distortions.

I heard the President say the other day that there are in this package $250 billion of spending cuts. I do not believe that is the case. I will go over the figures. The figures we have before us in the reconciliation package is kind of heavy and kind of thick.

If you look at the package that was reported out of the Budget Committee, and I serve on the Budget Committee, it says that total deficit reduction is $247 billion; that is not $500 billion. It does not have spending caps, and I understand maybe there is going to be an amendment to add spending caps, and I will talk about that, and I know they are talking about interest expense. I will talk about that for a second. It falls short of $500 billion in deficit reduction.

I heard the chairman of the committee say this is the largest deficit reduction package in history. It is not if compared to 1990, and certainly not if you take out the $44 billion that was agreed to in spending cuts in 1990 that they are counting again.

So if you just look at a couple of facts I think that would be very helpful.

I heard some of my colleagues say there is a dollar in spending cuts for 93 cents in revenue. That is not the case.

The facts are the bill that we have before us right now has $3.15 in tax increases for every dollar of spending cuts, in real spending cuts. So I think again putting the facts in the RECORD is vitally important, and I will do that. I will put in several charts that hopefully will help explain that.

I might mention, where are these extra spending cuts? This bill assumes about $70 billion in so-called discretionary spending cuts through caps. I might mention over two-thirds of that happens after the next Presidential election. Forty-four billion dollars is counted because it says, well, we are going to count the caps that were imposed in 1990. Well, that does not make any sense.

In other words, they move the baseline up. I have a letter from CBO that mentions that.

If you use present law baselines, you have $44 billion less savings than in this package. If you take the $44 billion out—and again that is present law—you will find that this package is not as much as the package that was agreed to in 1990.

And let me just touch on the package in 1990. It did not reduce the deficit by $492 billion, as it proclaimed it would. The interest savings that were in the package in 1990 did not come down as it claimed that it would.

The 1990 package said that interest expenses were going to be reduced by $64 billion. That did happen. This package says it is going to reduce interest expense by $56 billion. And I will tell the Presiding Officer, I do not think that is going to happen either. In other words, I think those are bogus savings.

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Some people are claiming that is real spending cuts. It is not. It is a wish, it is a hope, but it is not a real spending cut.

I might also mention—and this has been mentioned before—this bill claims $15 billion in user fees and says that is a spending cut. It is not. It is a tax increase and we should count it as a tax increase.

Actually, this bill falls $177 billion short in real spending cuts, $177 billion short, if you add the $70 billion in so-called discretionary caps.

And one of the reasons I say that is because already this administration has four times said, "Let's waive the caps." We have caps in existing law. But in the first 5 months of this year, this administration says, "Let's waive the caps. We don't have to count them."

They did that early in January, they did it on the unemployment bill, they did it on the so-called emergency supplemental. The emergency supplemental was $19.5 billion and they said, "Let's declare an emergency so we will not have to count it against the caps."

So if they could not show any self-control in the first 5 months of this year, why in the world should we give them credit for $70 billion in savings, most of which will not happen until after the next Presidential election? So I do not think we can count those as real savings either.

So, Mr. President, I think if you look at the facts, this bill is very heavily weighted toward tax increases and very light on spending cuts. It is a very unbalanced package. It is not 1 for 1. Actually, it is $3.15 in tax increases for every $1 of real spending cuts.

Mr. President, what will this do? What is the net impact of this package? The net impact is, it is going to put a lot of people out of work. It will not raise the revenues some people have anticipated, because a lot of people really think they are going to sock it to the so-called wealthy people. They are going to change their behavior. They are not going to make the investments. They are not going to generate the income. Therefore, they are not going to pay the taxes. So this package will not raise the taxes that many people anticipate. And yet some of the tax increases are going to put people out of work.

There is a gasoline tax increase, for example, that is going to cost the airlines hundreds of millions. I will have an amendment, as well as with my colleagues Senator SHELBY, Senator KOHL, Senator GRASSLEY, and others to delete the gasoline tax increase.

But if we do not delete it, it is going to put a lot of people out of work—people in agriculture, people in the airlines, people that are really dependent on energy use.

I also heard my colleagues say that this bill has no personal income tax increase for anybody that makes less than $140,000. Mr. President, that is not the truth.

Mr. President, I ask unanimous consent for an additional minute.

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

Mr. NICKLES. I have a father-in-law who has retired who has income that is well below $140,000 but yet, because of the Social Security tax increases, his tax bill will go up by over $100 a month. He is angry about it and he lets me know. He says, "Wait a minute. I thought President Clinton said he wasn't going to increase taxes on middle incomes." He said he is middle income, retired, living on Social Security and a small retirement, and yet his tax bill is going to go up by over $1,000 a year as a result of this tax bill.

What about the people who are driving to work for some distance? Their taxes will go up, as well.

Mr. President, this is not a balanced package. This is a package that is going to put people out of work. The net result is you are not going to see the deficit coming down, I say to the Senator from South Carolina, you are going to see the deficit go up in the outyears because we really did not fix the problem. We really did not contain the growth of suspending which in some cases is exploding like Medicaid exploding at 29 percent last year rate of growth.

Mr. President, we need to contain spending. We cannot afford this kind of tax increase which will surely mean that more people will be out of work.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DURENBERGER. Mr. President, by prior agreement, the ranking member of the committee yields me 6 minutes.

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

The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I rise today in opposition to this reconciliation package. I do so because it represents a breach of faith with the American people—the voters who last November took a chance for change.

April Fool, Mr. President. There is not any change in this bill. There is no reinventing government. With the exception of the direct income dependent loans to college students, there is very little creative thinking in this bill. It is nothing but a cruel, practical joke against the 57 percent of America's voters who really believed a vote for change would result in change.

A number of my colleagues have made an excellent case against the broader economic policy this bill imposes on America. Clearly, it is a budget buster and a job killer. I would like to address one specific area in which this bill disappoints the hopes of the

American people and this Senator. I am referring to the so-called health care savings.

These savings are nothing more than short-sighted, budget-motivated quick fixes that will not fix anything. They do not save money—and they do not improve the productivity of our public policies.

If they are any indication of this administration's version of health reform, then I say forget it.

To begin with, they are inequitable. The cuts will penalize the best of our health care providers in this country, some of whom work in States like Minnesota.

There is considerable variance, Mr. President, across States in terms of the level of Medicare expenditures per person. And using Medicare is one indication of the actual cost of health care.

There is considerable variation across the States in terms of the per person expenditures and this chart indicates the rate of growth in Medicare spending.

What the chart indicates is the Medicare hospital costs of a patient when discharged. The national average costs for all Medicare patients is $4,515. But look where the most efficient States come out. This chart is designed to take out geographic disparities, the cost of living, and designed to take out case complexities, so you are just talking about the people who know what they are doing.

The most efficient States is like Utah, most efficient, $3,773; Oregon, $3,786; Minnesota, $3,986.

Contrast those numbers with the high rollers, including Hawaii, $6,043; New Jersey, Louisiana, all ranking in the top six.

This bill has nearly $75 billion in across-the-board health care payment reductions. Whether they be in physician payments or hospital payments, these cuts of reimbursements penalize procedures in States like Minnesota and Oregon and Utah, where people are getting a high value in health care for a very low price.

The party line around this budget—or maybe it is better said the Democratic Party line—is that the cuts hurt providers only, the doctors and hospitals, and will not touch the beneficiaries.

Mr. President, do not believe that for a minute. This package will harm beneficiaries, particularly those in rural areas.

And it will also harm rural residents who have private insurance. The impact is like throwing a stone in a pond and the effect ripples outward to everybody in the community.

And we are going to use a couple of Minnesota examples, so we do not pick on anybody else's community.

On the left side of this chart is Wadena County, a typical rural county in Minnesota, with 20,000 people. Certainly typical of many of the rural counties across our Nation.

The per capita income in Wadena County in 1989 was $8,640. That is what people had to spend on the average. About 22 percent—or one out of every five residents—falls below the poverty line. About 20 percent of the residents are Medicare eligible, and close to 30 percent are eligible for Medicaid.

But 57 percent of the hospital admissions are paid for by Medicare—that is the red on this chart in this county—and another 13 percent are paid for by Medicaid.

So you have 70 percent of the users of the medical care system in that county paying, on the average, only about 82 percent of the total cost of that care.

So you have 70 percent of the users of the medical care system in that county paying on the average only about 82 percent of the cost of that care. Who pays the difference? The costs are shifted, or you attempt to shift all of these cuts onto what is left, the 27 percent with private insurance in a little county like Wadena County, MN. Those are the people who pick up the difference, all the small businesses in Wadena.

Now let us take a bigger city, St. Paul, MN: Medicaid, 10.1 percent; Medicare, 32.1 percent; 57.8 percent is private insurance, so it is a little easier to try to shift it onto private patients.

If I had a third wheel here, which I will get to someday, I would put in Fairfax County, VA, or Montgomery County, MD, where the yellow area here with the private insurers would probably be 85 or 90 percent. And when you cut back Medicare or Medicaid in Fairfax County, VA, nothing happens. When you cut it back in Wadena, MN, or even in St. Paul, the people hurt, the beneficiaries hurt, the private payers hurt, and the small businesses hurt.

Mr. President, this is just simply an effort to say if we are making a 5- or 6-year commitment to health care reform, and we are doing that in this reconciliation bill, then I say forget it. If savings provisions were designed with appropriate provisions for efficient care delivery, if you were going to reward Utah and Oregon and Minnesota, then I would be all for it. I would be all for it. That is what we could do and what we should do.

But in this particular bill, we are doing none of the above. If health care costs are like the city of Rome on fire, this bill is nothing more than 101 strings. It might sound nice, if you have a taste for that kind of music, but it is sure not going to put out the fire.

Last November, the American people demanded we stop playing the old tunes; they demanded we start putting out the fires. Let us do it, and vote against this bill.

Mr. PACKWOOD. Mr. President, I yield 6 minutes to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished ranking member of the Senate Finance Committee for yielding time to me.

This bill is advertised by the Democrats as a deficit-reduction plan, but when you read the fine print on these 880 pages, it turns out to be the largest tax increase in history. It includes a promise to cut spending, but it adds $1.5 trillion to our national debt over the next 5 years.

There are less than $5 billion in spending cuts for fiscal year 1994, the first year of the plan. Incidentally, the taxes in this plan, which were proposed to take effect in January, will be implemented on July 1. Even though the Finance Committee worked it out so these taxes are not retroactive, they will certainly start soon. Interestingly enough, the spending cuts are put off to the distant future.

The logic behind this plan is as follows: Raise taxes, increase spending for some Government programs, and cut others. But as a whole, it makes you wonder whether we are going to stop the recovery in its tracks or finally do something constructive about deficit reduction.

I do not think this bill is going to influence, in any positive way, the prospects for future economic growth. As a matter of fact, I think it is going to slow down business activity. We are already seeing businesses begin to stop and reassess their plans to buy new plants and equipment, to develop new products, and to create new jobs. Why? Because they are uncertain what this tax bill will mean to the day-to-day operation of a business.

So the threat and the fear of new taxes, new regulations, and new paperwork requirements are undermining the economic recovery that has been taking place.

It is important to note that a recovery has been taking place. The President even acknowledges now that 755,000 new jobs have been created in America this year. These jobs have been created without the passage of an economic stimulus package, without the passage of the so-called economic recovery plan and even without the passage of the administration's deficit-reduction plan.

One point is clear: The economy is moving along very nicely, but in terms of expanding the number of jobs and opening markets overseas. But we are going to stop this recovery in its tracks with all these new taxes—taxes which are being piled on businesses, on individual taxpayers and on farmers who also have to endure deep cuts in farm programs.

Let's look at how this program affects education. Consider the new direct-lending program in this package. It purports to save money, but in effect, will cost more because of the new overhead requirements that will be im-

posed on the Department of Education for administering the program. The new outlays from the Federal Treasury, which directly lends money to students under this plan, will also cost an enormous sum, especially considering that the Federal Treasury does not have any money to borrow.

Does that make good economic sense? Is that a cost-effective way to manage the responsibilities of this Federal Government? I say it is not.

When you boil it all down and go through all the provisions—the new taxes, the spending changes, and the additional programs—you have to ask yourself four simple questions:

Will this bill promote economic growth and investment? No.

Will this bill create new jobs? No.

Will this bill make our Nation more competitive internationally? No.

Will this bill reduce the deficit? Not much.

Take a look at agriculture. I know the current occupant of the chair is interested in agriculture programs. In our Agriculture Committee, we were confronted with the challenge of cutting back the expensive programs under the jurisdiction of the Agriculture Committee. What did we do? We cut programs that will adversely affect farm income. As a result of the passage of this bill, farm income will go down. And when farm income goes down, our exports drop, our production for export potential in the agriculture sector suffers, and jobs are lost. These developments undermine the economic recovery in rural America.

Or what about the proposal to implement a 32-percent cut in the market promotion program in this bill. The market promotion program is targeted to help us sell more of what we produce in the international marketplace by breaking down unfair trade practices and barriers to U.S. agriculture trade. Value-added products are targeted with 80 percent of this money, and those are the ones that create the most jobs in our economy.

Mr. President, this is a bad bill. It does not promote economic growth, and it does not prepare our economy for the challenges that lie ahead. I believe it should be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 6 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 6 minutes.

Mr. CRAIG. Mr. President, I stand today in opposition to the Budget Reconciliation Act that has been brought to this floor by the Senate Finance Committee. I do so for a lot of reasons.

First of all, the largest tax increase in the history of our country would be enough to drive most sane people away from this approach. I would be attracted to it, if it truly brought down the deficit in a meaningful and responsible way. But it does that in the latter years, the third or fourth or fifth year out, giving this Senate and this Congress the kinds of options that it has always had to walk away from the commitment that it has made during times of tax-increase arguments to the American people. That commitment was that for every dollar of taxes we raised, we were going to reduce spending by a certain amount. And, of course, those promises in 1986 and 1990, were never met.

The American people today cannot believe, nor should they believe, that this Congress and the President will hold to their word. We have no track record to demonstrate that. So why, at this time, should we begin once again to ask the American people to open their pocketbooks and to give of their own effort in behalf of a larger, more inclusive Government?

Let me talk for a few moments about an area in this Budget Reconciliation Act that I think is really the most egregious, and I say that because I cannot believe that at any time we would take any part of our economy and suggest about a 30-percent tax increase on that segment of our economy and expect it to survive. I am going to talk about Main Street, small business, Rupert, ID, or Nezperce, ID, or Grangeville, ID, or any other small rural agricultural community in our Nation that is made up of small businessmen and women who provide goods and services to the local community, who file as individuals or subchapter S's but are truly small business people, who hire four or five or six and if they make a little more money, they might expand their business and hire another two or three.

Mr. President, you know who I am talking about because your State, as all other rural agricultural States of our Nation, are filled with those small business people. How do they operate? They operate because mom and dad run the front desk. They do the bookkeeping and they take from that business just enough to stay alive, to provide for their home and their family, to pay their taxes, and to expand their business and pay their debt. Do you know what? Many of those small businesses gross $200,000 a year, $250,000 a year, but I doubt that they take $25,000 or $30,000 out of that business to put food on their table and drapes on their windows, to pay their local school taxes, and to buy a car for the family because they are usually busy trying to keep their business alive.

And yet this President, and a Democrat Senate, said we are going to tax you 30 percent more. That is reality. That is what we are dealing with in this package. Strip away the fluff, start adding up all of the things that we begin to take away, and that clock ticks very loudly on those small communities and that Main Street of America that provide the goods and services and the vitality of economic energy to my State.

I am not talking about the Hewlett Packards, and I am not talking about the Exxons. I am talking about the hundreds of thousands of jobs that have been created over the last decade by small businessmen, mothers and fathers, husbands and wives, partners who come together with $10,000 or $15,000 and were smart enough and worked 20 hours a day to make something happen in this economy and put people to work and drive this country ahead.

That is not what this President campaigned on, but that is what this President is advocating today. Why? He says he wants to reduce the deficit by that kind of a conclusion. And yet he is proposing that in 1994, he will spend $37 billion more to cause Government to get larger. In 1995, he will spend $71 billion more in new programs to cause Government to get larger. In 1996, he will spend $51 billion. In 1997, $61 billion; in 1998, $75 billion more. And as Government gets larger, these small businesses that fuel the Main Street of rural America and Main Street America see greater rule and regulation that makes it more and more impossible for them to operate.

This is not deficit reduction. This is a grand old scheme that we have heard here for decades.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CRAIG. And that is to tax more and spend more and expect that out of it we will get more. It has not worked and it will not work.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, might I have a word with the chairman? I have Senator GREGG, who wants 6 minutes, and Senator D'AMATO, who wants 4. To my knowledge, that is the extent of ours on the opening round. What is the chairman's pleasure? I would like to add 10 minutes to our time, but I can take it off the bill.

Mr. SASSER. Why do we not just add 10 minutes to a side to the original 4 hours?

Mr. DOMENICI. I request that the original 4 hours for discussion without amendment be extended 20 minutes, with 10 minutes on each side.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

Mr. DOMENICI. I yield 6 minutes to Senator GREGG.

Mr. GREGG. Madam President, I rise to join with the Senator from New Mexico and others on the other side of the aisle who have raised very serious concerns about the direction and implications of this reconciliation bill, specifically the weight of taxes which it brings upon the American people.

The object, obviously, on our side of the aisle is to reduce the deficit. The object of many folks on the other side of the aisle is to reduce the deficit, that being what many of us believe to be the primary problem of this country and for our future generations. The fact is that we have run up over $4 trillion in debt and are running up each year hundreds of billions of dollars in additional debt, which debt must be borne by future generations.

It is totally inappropriate, as many have said on this floor, that we should be borrowing today for the purpose of spending today and passing the costs on to the next generation to pay. It is wrong for us to take a binge of dollars spent today on programs which are transitory and which benefit us for the moment and end up passing the bills for those programs on to the next generation. We should obviously have a government which runs at least fairly close to a surplus and clearly does not run up such a large deficit.

The question, of course, which is raised by this piece of legislation is: Is this the proper way to try to address the deficit, the way that is proposed by the President in his package? As has been mentioned innumerable times today and accurately pointed out, especially by the Senator from New Mexico, this is essentially a tax bill. The deficit reduction which occurs in this bill is primarily done by raising taxes.

There have been a variety of numbers presented today, but CBO numbers make it fairly clear that the increased taxes to the amount of spending cuts represents about $4 to $1. We have about $250 billion in new taxes in this package and, at best, we have about $80 billion in spending reduction, and that is a very generous number.

The practical side of this budget is that what you are seeing is an attempt to address the deficit by dramatically increasing taxes. And if you look at any government at any level in a democracy, you will find that the raising of taxes never leads to a reduction in the size of the government; it leads to an expansion of the government, and that, once again, is occurring here.

If you look through the numbers which have been floated today, you see the amount and the size of Government spending does not go down, it does not even flatten out. It rather increases, and increases rather dramatically, over the next 5 years. I submit, as I think others have submitted, that because of this tax increase, we are going to see an increase even at a greater rate than is proposed in this legislation. The dollars raised in new revenue in this proposal will be spent; it will not go to deficit reduction.

We need to only look at a couple figures to understand this problem. In 1978, the Federal Government was raising about 19 percent of GDP in taxes. It was also spending about 19 percent of gross domestic product on Federal programs. Today, the Federal Government is raising about 19 percent of GDP in taxes, but it is spending 23.5 percent in Federal programs. The problem of the deficit has not been that we have failed to raise revenues enough over the last 12 years, as has been alleged. It is not that there have been tax cuts or tax increases over the last 12 years because the rate of money collected by the Federal Government has remained fairly constant, about 19-percent gross domestic product.

The problem we have as a country and a government is that we have allowed ourselves as a nation and as a government over these last 20 years, or so, to see a dramatic expansion in the size of the spending of the Federal Government. The 4.5-percent increase in spending as a percentage of gross domestic product on a $6 trillion national gross domestic product represents a huge amount of money and its represents the deficit and the debt that has been run up over this period.

We have a spending problem. We are not a fundamentally undertaxed society. We are a society that is spending too much. This reconciliation bill does virtually nothing to address that concern. The alternative that will be offered by the Republicans, by the folks on our side of the aisle, will be to try to address the spending side of the ledger. I think most people understand that that is where we should start. Most folks who run a household account recognize that when they are spending more money than they are taking in, the first place you look is to try to reduce your spending, to try to get your household accounts in order. Certainly State governments understand that. Certainly county governments understand that. Certainly city and town governments understand that.

All these levels of government understand that you must live within your revenues; you cannot always be expanding your revenues; and that you must control your spending if you are going to control the size of your government and the size of your debt.

However, the Federal Government, and specifically the U.S. Government, does not seem to understand.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GREGG. I thank the Chair. I simply make this closing comments.

If we are going to get this deficit under control, if we are not going to be back here in another year or another 5 years addressing the exact same problem, which will be the huge deficit, only it will have been added to by another trillion dollars of debt, we need to address the spending side of the ledger and make the tough decisions on controlling spending. That is where we should be doing it, and that is what the Republican alternative will attempt to do.

I yield back the time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, I yield 10 minutes to the distinguished Senator from North Dakota and additional time should he require it.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 10 minutes.

Mr. CONRAD. I thank the Chair. I thank the chairman of the Budget Committee for this time.

Madam President, why is it that we are meeting here talking about a deficit reduction package? We are here because we have a crisis: The Federal debt is exploding out of control and threatens the economic health of our country.

I have a series of charts that I think shows clearly the problem at hand. If we look at the growth in the Federal debt since 1950, we see that the debt was very small until around 1980. Since then it has been growing on an ever steeper path. Madam President, if this does not scare our colleagues and if this does not scare our constituents and if this does not scare all of us, I do not know what it would take. The debt in this country has been skyrocketing ever since Reaganomics, when we had the great dream that you could cut taxes, increase spending, and somehow it would all add up. It did not add up. It is not going to add up. So we have to take action.

I am one of those on the Democratic side who insisted on more spending cuts and insisted on doing away with the Btu tax. I did so because I believed very strongly we had to have more spending cuts to have balance in this program. I also believed the Btu tax did not make good economic sense; it would have hurt our competitive position.

Madam President, we succeeded. We got rid of the Btu tax, we also got rid of the barge tax levy, and we got more spending cuts.

For example, let me just show the difference between what was proposed originally and what we have now in terms of the energy tax component of this package.

Many people will recall that, in the last Presidential campaign, Ross Perot said we ought to levy a 50-cent-a-gallon gasoline tax. That would have meant $325 in taxes each year for every man, woman, and child in this country. The House Btu tax proposal would have levied a tax of $113 per person. The alternative that we have devised in the Finance Committee is $28 per person, a dramatic reduction in tax impact. And I might say to my colleagues on the other side of the aisle, a dramatic reduction in taxes on the business community. This change relieves the business community of some $20 billion of tax obligation.

Madam President, the actions we have taken in the budget resolution and in this reconciliation bill produce a dramatic change with respect to the budget deficit, which is really the challenge before us. As this chart shows, starting in fiscal year 1989, we experienced a tremendous increase in budget deficits. In fact, we had record deficits under the Bush administration. Without action, if we just had business as usual, these deficits would continue to increase.

But, if we adopt the Senate package instead, we will see a sharp reduction in the annual operating deficits. This package will not solve the problem. I do not think anyone should be under any illusion about that. More is required. But we will have made a significant start—over $500 billion in deficit reduction.

Madam President, I also want to show what the spending trends have been because I think in order to understand where we are today and where we are going, we also need to understand how we got here. If we look at the major spending categories, I think it is very instructive.

Let's start with defense spending. In 1963, some 30 years ago, we spent about 9 percent of our gross domestic product on defense. Under this plan, in 1998, we will be down to about 3 percent of our gross domestic product on defense.

Next let's look at domestic discretionary spending, another major component of our Federal budget. We can see that 30 years ago we were spending just over 3 percent of gross domestic product on discretionary spending. Under this proposal, we will be back in that same range after fluctuations during the 30-year period. We will be near a 30-year low in terms of domestic discretionary spending at the end of this budget period.

The next area is one that is totally out of control. When we talk about there being too much spending, when we talk about the Federal budget being out of control, Medicare and Medicaid are part of the explanation. In the early 1960's, these programs were at very low levels. They had just been enacted. But the trend has been straight up. Medicare and Medicaid, even with the reductions, the reductions in the increase proposed in the Senate package, keep going straight up.

Next let's look at another major component of our spending, Social Security spending. Over the past 30 years, Social Security spending has increased steadily, although we can see that during the life of this proposal Social Security spending is about flat, just under 4 percent of our gross domestic product.

Another area of spending that has seen significant growth from 1963 to today is interest spending. Interest spending was just over 1 percent of gross domestic product in the early 1960's. Now we see it at almost 3.5 percent of our gross domestic product. Interest on the debt has tripled.

Mr. SASSER. Will the Senator from North Dakota yield at that point for a question and comment?

Mr. CONRAD. I will be happy to yield.

Mr. SASSER. I find the Senator's chart there, tracking the increase in interest spending as a percent of the gross domestic product very interesting. It seems to take a sharp turn up there sometime beginning in the early 1980's, it appears from this angle. I wonder if the Senate was aware that if you disregarded the interest payments that the Federal Government presently has to pay on its national indebtedness, under the Clinton proposal we would be running a $127 billion budget surplus in the out years?

Mr. CONRAD. The Senator makes a very good point. I was not aware of that specific number. But I was aware that if you look, in this 30-year period, at the places where there has been an increase in spending as a percentage of our economy, four areas stand out: Medicaid, Medicare, Social Security, and interest on the debt. That is where there has been an increase in spending. All of the other areas of Federal Government spending have been reduced——

Mr. SASSER. That is correct.

Mr. CONRAD. As a percentage of our gross domestic product—in fact, sharply reduced.

Mr. SASSER. If I may interject, the Senator makes an excellent point. The problem is the interest payment is now starting to eat us alive. As I say, over the period of the Clinton budget proposal, if you backed out the interest payments, we would have a $127 billion surplus. If you look at what would have happened under the same conditions or what actually happened in the Reagan-Bush era, when you back the interest payments out in this 12-year period, you still have a $716 billion deficit.

Mr. CONRAD. I appreciate that information. I think it is significant.

I would like to turn for a moment to the tax increases, because indeed there are tax increases in this package. Those of us who advocate the package ought to be able to stand and defend our decision to recommend tax increases as well as spending cuts. I think again it helps to put some historical perspective on what is happening.

The corporate tax rates in this country from 1960 to 1990 help to provide some context—some perspective. In 1960, we had a corporate rate of 52 percent. Since then, the rate has come down sharply until we reached a rate of 34 percent, which is the current rate. This proposal says we should go up 1 percentage point to 35 percent, far below the earlier rates.

Individual income tax rates illustrate the same point: yes, an increase has been proposed, but it needs to be put in perspective. Where did we come from? Thirty years ago, the top rate in this country was 91 percent. In the mid-1970's and 1980's, we had a rate of 70 percent. That rate was brought down very dramatically during the 1980's to a top rate of 31 percent. And now, under this proposal, it will be adjusted up slightly to 39.6 percent.

Mr. SASSER. May I just inquire of the Senator. If I may, that chart is very interesting, which the Senator is indicating that the top individual tax rates have been coming down over the past 30 years. When we say top individual tax rates, I assume we are talking about, what? The top 1 percent?

Mr. CONRAD. That would be correct, the top 1 percent.

Mr. SASSER. That top 1 percent would be equivalent to what? An income of $200,000 a year or more?

Mr. CONRAD. Under the committee proposal this top rate of 39.6 percent will only apply to those earning over $250,000 a year. That is where the surtax takes effect.

PRIVILEGE OF THE FLOOR

Mr. KERREY. Mr. President, will the distinguished Senator yield? I need to get a staff person on the floor and I need to ask unanimous consent to do that.

I ask unanimous consent that Karen Finley Davenport, a Senate fellow, be allowed on the floor at this time.

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

While the Senator has stopped, Senator SASSER asked to be notified when 12 minutes was left. That is the case.

Mr. SASSER. How much time do we have left remaining?

The PRESIDING OFFICER. You have 10 minutes 44 seconds.

Mr. SASSER. I yield the distinguished Senator an additional 2 minutes.

Mr. CONRAD. I thank the Chair. I can sum up very quickly.

It is true we have asked for higher taxes in this proposal. Let me try to put that into some perspective by illustrating the distribution of revenue under the Senate package.

Those who are earning below $30,000 a year are going to experience a tax reduction. That is true primarily because of the earned income tax provisions in this bill. They do not get any attention. But they are very important because they say to working families in this country, you do not have to be in poverty if you work. If you work, you should be able to support yourself and your family. So we are going to give you a tax reduction.

But in order to lift this country out of these massive deficits we are going to ask the rest of our population to pay somewhat more. Those earning $30,000 to $40,000, will pay 2 percent more or about $59. Those earning from $40,000 to $75,000 a year will pay just 3 percent

more. Those earning $75,000 to $100,000 a year, 5 percent; $100,000 to $200,000, 9 percent. The vast majority, 79 percent of the increased burden, comes from those earning over $200,000 a year.

Madam President, if I might just close with a final point, which I hope will put this debate into greater perspective. We have heard a great deal from the Republican side about how antibusiness these tax increases are. I do not believe that. And I do not think the other side really believes that. That is what they are saying now, but it is not what they did when they faced a similar circumstance in 1982.

If we look back on the tax increase that the other side advocated in 1982, and we do so on a fair comparison basis, by expressing both tax increases in constant 1993 dollars, the tax increase that our friends on the other side proposed in 1982 was $298 billion. That compares with an increase of $227 billion in 1993 dollars in the Senate Finance Committee package.

So when the other side now says it is antibusiness to increase taxes, I just want the record to reflect that it was not antibusiness when they did it in 1982. It was probusiness then. It was probusiness because it was going to reduce the deficits, and reduce interest rates, and take the debt burden off of our society. We believe that is what our package does now. We believe it deserves support.

I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. I have been assigned the time by the Republican manager on this bill. I yield 4 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MITCHELL. Madam President would the Senator yield for a minute to get a unanimous-consent agreement on which the Republican leader and I talked and which we believe is agreeable?

Mr. D'AMATO. Certainly.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that the first amendment offered to this bill be an amendment by the majority leader relative to small business, and that following the disposition of that amendment Senator DOLE, the Republican leader, be recognized to offer a Republican substitute amendment, with no other amendments in order prior to the disposition of these two amendments.

Mr. DOLE. Madam president, reserving the right to object, I shall not object, I assume that amendment would be offered following Senator D'AMATO's. I guess there are only 4 minutes left on this side. That would be the next order of business?

Mr. MITCHELL. That is my intention. As soon as the initial debate is completed, I will be prepared to offer the amendment. That will proceed of course under the agreement.

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

The Senator from New York has the floor.

Mr. D'AMATO. Madam President, this budget reconciliation package should be called promises made and promises broken, because the real message being sent today is that Bill Clinton did not keep his promise. He is raising taxes and he is not cutting spending. It is taking place under the Democratic control of the Senate. We are breaking faith with the people. We are increasing spending, we are raising taxes, and that is wrong.

Madam President, Al Smith, the famous Governor from our State, candidate for President, made a famous statement, he said "Let us look at the record." So I say, let us look at the record.

In his book "Putting People First," candidate Clinton wrote:

> A Clinton-Gore administration will encourage small business and enterprise to take risk and reward in the determination to create new jobs.

On the campaign trail, candidate Clinton said:

> My plan will not add new taxes on small businesses, I know that 65 percent of the new jobs in this country are generated by small businesses and I am committed to helping them prosper. (September 8, 1992, USA Today.)

That is the record. That is the record.

Let us take a look at the record in terms of what it contains here in this reconciliation package. I will tell you. Promises made, promises broken. Fifty-five billion dollars' worth of tax increases on small business. That breaks faith. That is not the change the American people asked for. The fact of the matter is, if we are talking about a sluggish economy, it is because the business community has the message. If we are talking about creating jobs, this is not the way to do it. Almost half, 49.8 percent, of the tax rate increases come on small businesses. Promises made, promises broken.

Let us set the record straight. If this bill passes, it is going to pass because of the Democratic control of the Senate. They are going to be voting to raise spending, to raise taxes, and that is wrong. I am going to be fighting against this spending and tax increases, because I want to help President Clinton keep his promises. I am sure he would want nothing less.

The Republicans will propose a plan to freeze taxes, to cut spending, so that Mr. Clinton can continue to keep his word as a President and put forth a program that will help create jobs and not pit one class against the other—a program that will be good for growth and for America.

AMENDMENT NO. 502

(Purpose: To encourage small business)

Mr. MITCHELL. Mr. President, I send an amendment to the desk, pursuant to the previous order, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Maine [Mr. MITCHELL], for himself and Mr. BUMPERS, proposes an amendment numbered 502.

Mr. MITCHELL. 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 422, line 24, strike "$15,000" and insert "$18,500".

On page 474, after line 15, insert:

PART VII—CAPITAL GAIN PROVISIONS

SEC. 8181. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

"(a) 50-PERCENT EXCLUSION.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(b) PER-ISSUER LIMITATION ON TAXPAYER'S ELIGIBLE GAIN.—

"(1) IN GENERAL.—If the taxpayer has eligible gain for the taxable year from 1 or more dispositions of stock issued by any corporation, the aggregate amount of such gain from dispositions of stock issued by such corporation which may be taken into account under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $10,000,000 reduced by the aggregate amount of eligible gain taken into account under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation, or

"(B) 10 times the aggregate adjusted bases of qualified small business stock issued by such corporation and disposed of by the taxpayer during the taxable year.

For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which such stock was originally issued.

"(2) ELIGIBLE GAIN.—For purposes of this subsection, the term 'eligible gain' means any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(3) TREATMENT OF MARRIED INDIVIDUALS.—

"(A) SEPARATE RETURNS.—In the case of a separate return by a married individual, paragraph (1)(A) shall be applied by substituting '$5,000,000' for '$10,000,000'.

"(B) ALLOCATION OF EXCLUSION.—In the case of any joint return, the amount of gain taken into account under subsection (a) shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

"(C) MARITAL STATUS.—For purposes of this subsection, marital status shall be determined under section 7703.

"(c) QUALIFIED SMALL BUSINESS STOCK.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'qualified small business stock' means any stock in a C corporation which is originally issued after December 31, 1992, if—

"(A) as of the date of issuance, such corporation is a qualified small business, and

"(B) except as provided in subsections (f) and (h), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

"(i) in exchange for money or other property (not including stock), or

"(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

"(2) ACTIVE BUSINESS REQUIREMENT; ETC.—

"(A) IN GENERAL.—Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation.

"(B) SPECIAL RULE FOR CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—

"(i) WAIVER OF ACTIVE BUSINESS REQUIREMENT.—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a small business investment company.

"(ii) SMALL BUSINESS INVESTMENT COMPANY.—For purposes of clause (i), the term 'small business investment company' means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301 of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

"(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

"(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated as qualified business stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

"(C) ACQUISITIONS BY RELATED PERSONS.—For purposes of this paragraph, the purchase by any person related (within the meaning of section 267(b) or 707(b)) to the issuing corporation of any stock in the issuing corporation shall be treated as a purchase by the issuing corporation.

"(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business' means any domestic corporation which is a C corporation if—

"(A) the aggregate capitalization of such corporation (or any predecessor thereof) at all times on or after January 1, 1993, and before the issuance did not exceed $50,000,000,

"(B) the aggregate capitalization of such corporation immediately after the issuance (determined by taking into account amounts received in the issuance) does not exceed $50,000,000, and

"(C) such corporation agrees to submit such reports to the Secretary and to shareholders as the Secretary may require to carry out the purposes of this section.

"(2) AGGREGATE CAPITALIZATION.—For purposes of paragraph (1), the term 'aggregate capitalization' means the excess of—

"(A) the amount of cash and the aggregate adjusted bases of other property held by the corporation, over

"(B) the aggregate amount of the short-term indebtedness of the corporation.

For purposes of the preceding sentence, the term 'short-term indebtedness' means any indebtedness which, when incurred, did not have a term in excess of 1 year.

"(3) LOOK-THRU IN CASE OF SUBSIDIARIES.—In determining whether a corporation meets the requirements of this subsection—

"(A) stock and debt of any subsidiary (as defined in subsection (e)(5)(C)) held by such corporation shall be disregarded, and

"(B) such corporation shall be treated as holding its ratable share of the assets of such subsidiary and as being liable for its ratable share of the indebtedness of such subsidiary.

"(e) ACTIVE BUSINESS REQUIREMENT.—

"(1) IN GENERAL.—For purposes of subsection (c)(2), the requirements of this subsection are met by a corporation for any period if during such period—

"(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of a qualified trade or business, and

"(B) such corporation is an eligible corporation.

"(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

"(A) start-up activities described in section 195(c)(1)(A),

"(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

"(C) activities with respect to in-house research expenses described in section 41(b)(4),

assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

"(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term 'qualified trade or business' means any trade or business other than—

"(A) any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any other trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees,

"(B) any banking, insurance, financing, leasing, investing, or similar business,

"(C) any farming business (including the business of raising or harvesting trees),

"(D) any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A, and

"(E) any business of operating a hotel, motel, restaurant, or similar business.

"(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term 'eligible corporation' means any domestic corporation; except that such term shall not include—

"(A) a DISC or former DISC,

"(B) a corporation with respect to which an election under section 936 is in effect,

"(C) a regulated investment company, real estate investment trust, or REMIC, and

"(D) a cooperative.

"(5) STOCK IN OTHER CORPORATIONS.—

"(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

"(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

"(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

"(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

"(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

"(B) are held foich more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

"(C) SUBSIDIARY.—For purposes of this paragraph, a corporation sor periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

"(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

"(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

"(f) STOCK ACQUIRED ON CONVERSION OF PREFERRED STOCK.—If any stock in a corporation is acquired solely through the conversion of other stock in such corporation which is qualified small business stock in the hands of the taxpayer—

"(1) the stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer, and

"(2) the stock so acquired shall be treated as having been held during the period during which the converted stock was held.

"(g) TREATMENT OF PASS-THRU ENTITIES.—

"(1) IN GENERAL.—If any amount included in gross income by reason of holding an interest in a pass-thru entity meets the requirements of paragraph (2)—

"(A) such amount shall be treated as gain described in subsection (a), and

"(B) for purposes of applying subsection (b), such amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-thru entity and the taxpayer's proportionate share of the adjusted basis of the pass-thru entity in such stock shall be taken into account.

"(2) REQUIREMENTS.—An amount meets the requirements of this paragraph if—

"(A) such amount is attributable to gain on the sale or exchange by the pass-thru entity of stock which is qualified small business stock in the hands of such entity (determined by treating such entity as an individual) and which was held by such entity for more than 5 years, and

"(B) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such stock and at all times thereafter before the disposition of such stock by such pass-thru entity.

"(3) LIMITATION BASED ON INTEREST ORIGINALLY HELD BY TAXPAYER.—Paragraph (1) shall not apply to any amount to the extent such amount exceeds the amount to which paragraph (1) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified small business stock was acquired.

"(4) PASS-THRU ENTITY.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) any partnership,

"(B) any S corporation,

"(C) any regulated investment company, and

"(D) any common trust fund.

"(h) CERTAIN TAX-FREE AND OTHER TRANSFERS.—For purposes of this section—

"(1) IN GENERAL.—In the case of a transfer described in paragraph (2), the transferee shall be treated as—

"(A) having acquired such stock in the same manner as the transferor, and

"(B) having held such stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

"(2) DESCRIPTION OF TRANSFERS.—A transfer is described in this subsection if such transfer is—

"(A) by gift,

"(B) at death, or

"(C) from a partnership to a partner of stock with respect to which requirements similar to the requirements of subsection (g) are met at the time of the transfer (without regard to the 5-year holding period requirement).

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

"(4) INCORPORATIONS AND REORGANIZATIONS INVOLVING NONQUALIFIED STOCK.—

"(A) IN GENERAL.—In the case of a transaction described in section 351 or a reorganization described in section 368, if qualified small business stock is exchanged for other stock which would not qualify as qualified small business stock but for this subparagraph, such other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

"(B) LIMITATION.—This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain which would have been recognized at the time of the transfer described in subparagraph (A) if section 351 or 368 had not applied at such time.

"(C) SUCCESSIVE APPLICATION.—For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which subparagraph (A) applied.

"(D) CONTROL TEST.—Except in the case of a transaction described in section 368, this paragraph shall apply only if, immediately after the transaction, the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of section 368(c)) of the corporation whose stock was exchanged.

"(i) BASIS RULES.—For purposes of this section—

"(1) STOCK EXCHANGED FOR PROPERTY.—In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in such corporation—

"(A) such stock shall be treated as having been acquired by the taxpayer on the date of such exchange, and

"(B) the basis of such stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

"(2) TREATMENT OF CONTRIBUTIONS TO CAPITAL.—If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which such stock was originally issued, in determining the amount of the adjustment by reason of such contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

"(j) TREATMENT OF CERTAIN SHORT POSITIONS.—

"(1) IN GENERAL.—If the taxpayer has an offsetting short position with respect to any qualified small business stock, subsection (a) shall not apply to any gain from the sale or exchange of such stock unless—

"(A) such stock was held by the taxpayer for more than 5 years as of the first day on which there was such a short position, and

"(B) the taxpayer elects to recognize gain as if such stock were sold on such first day for its fair market value.

"(2) OFFSETTING SHORT POSITION.—For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if—

"(A) the taxpayer has made a short sale of substantially identical property,

"(B) the taxpayer has acquired an option to sell substantially identical property at a fixed price, or

"(C) to the extent provided in regulations, the taxpayer has entered into any other transaction which substantially reduces the risk of loss from holding such qualified small business stock.

For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through split-ups, shell corporations, partnerships, or otherwise."

(b) ONE-HALF OF EXCLUSION TREATED AS PREFERENCE FOR MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 57 (relating to items of tax preference), as amended by section 8171, is amended by adding at the end thereof the following new paragraph:

"(7) EXCLUSION FOR GAINS ON SALE OF CERTAIN SMALL BUSINESS STOCK.—An amount equal to one-half of the amount excluded from gross income for the taxable year under section 1202."

(2) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii), as amended by section 8171, is amended by inserting "and (7)" after "(5)".

(c) PENALTY FOR FAILURE TO COMPLY WITH REPORTING REQUIREMENTS.—Section 6652 is amended by inserting before the last subsection thereof the following new subsection:

"(k) FAILURE TO MAKE REPORTS REQUIRED UNDER SECTION 1202.—In the case of a failure to make a report required under section 1202(d)(1)(C) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to make such report, an amount equal to $50 for each report with respect to which there was such a failure. In the case of any failure due to negligence or intentional disregard, the preceding sentence shall be applied by substituting '$100' for '$50'. In the case of a report covering periods in 2 or more years, the penalty determined under preceding provisions of this subsection shall be multiplied by the number of such years."

(d) CONFORMING AMENDMENTS.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(3) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account.".

(4) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such

gains and losses shall be determined without regard to section 1202 and" after "except that".

(6) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from certain small business stock."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to stock issued after December 31, 1992.

On page 504, between lines 6 and 7, insert:

(c) SPECIAL RULE FOR PERFORMING ARTS.—Section 274(n) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR PERFORMING ARTS.—In the case of any amount paid or incurred for a ticket to a live performance of the performing arts, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'.".

Mr. DOMENICI. Madam President, obviously, from looking at what was sent up, there is a lot of language in this amendment. Does the majority leader have a summary we can see? Obviously, we need to read it. May we have a copy as soon as possible?

Mr. MITCHELL. Yes. Let me just describe it in brief outline, and then other speakers will fill in the details.

If I could have the attention of the Senator from New Mexico, the principal provisions are two. The first is that it takes the targeted capital gains provision that was proposed by the President and included in the House bill and will place it in this bill. That is based upon and similar to, although not precisely identical, a proposal previously made in the Senate by Senator BUMPERS. I am advised that he will be here shortly to describe that in some detail.

Second, it increases the amount of expensing to which small businesses would be entitled from the current level in law, which is $10,000 a year. The House bill is $25,000. The Senate Finance Committee bill is $15,000. This would increase it to $18,500.

So those are the two principal provisions providing a targeted capital gains mechanism and increasing expensing from the committee bill level of $15,000 to $18,500.

Madam President, might I ask in exchange—and we will do this when convenient for the Republican leader and Senator DOMENICI, if we could have a summary also of what we anticipate will be offered as the principal substitute, at whatever time you are able to do that so we can review it.

Mr. DOMENICI. We will do that rather soon.

Mr. PACKWOOD. Mr. President, if the majority leader will yield for a question. Is this the $3.4 billion extra left over from the bill that came out of the Finance Committee?

Mr. MITCHELL. I believe it is $3.6 billion.

Mr. PACKWOOD. Refresh my memory. Was this the money we said we were going to use for deficit reduction?

Mr. MITCHELL. This will go to the—I do not know what anybody said about it. But the bill, as coming out of the committee, has $516 billion in deficit reduction.

Mr. PACKWOOD. It does? I recall in committee the Republicans wanted to offer amendments to spend this $3.6 billion, and we were told it was going to go for deficit reduction. It seems that just in a day or two we are going to spend this money instead of using it for deficit reduction. I fear that will also happen to other presumed deficit reductions that we have in the bill.

Mr. MITCHELL. Since Senator BUMPERS was one of the principal advocates of capital gains tax reduction and stood on the floor and argued how it would raise money and not spend money, I guess it depends upon which perspective one takes as to whether it is spending. But the answer is that the money will go to provide a targeted capital gains tax cut and increase expensing allowances on small businesses.

Mr. PACKWOOD. I want to get the priorities straight. We took the money we were going to save for deficit reduction for eliminating the deduction for lobbyists, and we are going to spend it on public financing of campaigns. Now we are going to take this money we were going to use for deficit reduction and spend it for other purposes. The purposes may be worthy, but I think it is a harbinger of what we are going to do with the other extra money left over after we pass the tax bill. We are going to spend it and not save it. We are starting down that road.

Mr. MITCHELL. All I can say is, if the Senator joins us in voting for the bill, it will produce $516 billion more in deficit reduction than would otherwise be the case.

I yield to the chairman of the Finance Committee.

Mr. DOMENICI. Mr. President, I ask one additional question. Whose amendment is this? Is this the amendment by Senator BUMPERS?

Mr. MITCHELL. He is going to address the capital gains provision.

Mr. DOMENICI. It is sort of like his, but is this a committee amendment?

Mr. MITCHELL. It is my amendment. No; it is not a committee amendment.

Mr. DOMENICI. I wonder, have you added substantive language in this amendment?

Mr. MITCHELL. I think the amendment speaks for itself.

Mr. DOMENICI. I wonder if it is germane, but I do not know whether it is or not at this point.

Mr. MITCHELL. Madam President, I yield to the distinguished chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the majority leader.

To my friend, the ranking member of the Committee on Finance, a simple clarification. It was necessary to leave a certain amount of looseness in our own calculations of costs and consequences in order that we would receive, this morning, from the CBO, the estimate, which binds us, of how much money we have reduced outlays by cutting spending, and how much revenue we have gained by increasing taxes. And, as I am sure the distinguished committee chairman of the Budget Committee would agree, we were informed this morning, and not until this morning, that this was the amount.

Mr. PACKWOOD. I know my good friend is right. I make the same point here. Now that we have this extra money, let us spend it.

Mr. MOYNIHAN. On useful investment purposes.

Mr. PACKWOOD. I understand, and I think that is going to happen to the other $120 billion in this bill. It is going to be spent on useful investments. One of them is not paying off the deficit.

The PRESIDING OFFICER. Who yields time on the amendment?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. If I could have 10 minutes.

Mr. DOMENICI. I yield whatever time the distinguished leader needs.

Mr. DOLE. Madam President, I am not going to address the amendment. I understand Senator BUMPERS is going to discuss that. It was an amendment he had an interest in.

I wanted to discuss, generally, what we are in the process of doing here. We have a fundamental difference here in the philosophy of the two parties. I think we ought to lay it out there.

Everybody wants to reduce the deficit. President Clinton wants to reduce the deficit, and I think everybody on this floor wants to reduce the deficit. I guess the question is: What approach will we use? Some of us have been through deficit reduction battles before, and we have scars to prove it. We have made tough votes and did things people thought we should not have done. I guess that is about where we are starting off today.

I think that if you ask the American people—I do not care whether they are Democrats, Republicans, Independents, Perot supporters, Clinton supporters, or Bush supporters, whatever—they will say to you: Why do you not cut spending first?

I do not believe they are cynical. I think the American people are good. They want to make it work. They want to cut the deficit. They want President Clinton to succeed. We can only have one President at a time. I think what we are seeing now, the more they look at this package—and, again, I commend my colleagues on the other side for pushing this package. It is pretty tough to push a good package. Think of

the work they did on this terrible package. They deserve a lot of credit. I commend my colleagues for their great effort.

I am afraid the American people are not going to be as charitable as some of us in the Senate, because we respect each other. We do not agree with each other all the time, but we respect each other and never question anybody's motives. But the American people are looking at us. The last time I checked, the American people did not have a great deal of confidence in the Congress—Democrats or Republicans—and did not have confidence in Government, generally, or in this administration, or the last administration, or whatever.

So they are looking at this debate or watching this debate, listening to this debate. And we are out here arguing about taxes.

The first amendment we have is to spend more money. Maybe it is a good amendment. It is certainly good to help small business a bit because, as the Senator from New York pointed out, they are going to get to pay about 50 percent; 50 percent of the increased tax rates are going to come out of the hides of small business men and women.

What we are talking about calling our plan which is going to be offered, is tax free in 1993—and also 1994, 1995, 1996, and 1997; it is a tax-free plan. We believe it is the taxpayers alternative. No doubt about it, the choice could not be clearer between the President's tax-and-spend package or the taxpayers alternative.

As the Senator from New Mexico pointed out earlier and will point out again later, we are going to get even below the President's deficit number in 1998 without any new taxes.

I want to make certain everybody understands. It is not going to be an easy vote. We have a very tough package. If you like to cut spending, this is the vote to cast. If you are a little weak-kneed about it, you had better vote the other way and say: I would rather vote for taxes than vote to cut spending.

It seems to me that we have heard a lot of talk about this move called "Jurassic Park." I have not seen it, but I heard about it. I think what, in effect, the Democrat plan does is sort of leads the American people into Jurassic Park and feeds their hard-earned money to the dreaded taxasaurus, which is the Clinton plan. I do not know how may people taxasaurus is going to eat up, or how much income it is going to eat, but it has gone wild. Every time we turn around, it is wanting more taxes.

The American people do not like taxes. It seems to me we have to help the President keep his campaign promises. The Senator from New York just pointed out that back in the campaign, the President said he wanted to cut the deficit with $3 of spending cuts for every dollar in tax increases. That was his statement, not mine. Just reverse it: $3.18 in new taxes for every dollar in spending cuts. That is hard for the American people to understand, because they all watched the campaign very carefully, and they cannot understand why it has changed so much in the last 6 months.

So we have had this go through the Senate Finance Committee. The Senator from New York, my colleague, did an outstanding job. He is a great chairman of the Senate Finance Committee, and I predicted even before he took that position that he would do a good job. And, again, he did the best he could with a bad, bad product. So I commend him for getting it to the floor. It is going to pass the Senate, no question about it. There will be a conference. Then it will come back, and we will see what happens.

I though I would take up a couple more of the President's promises. Last September, candidate Clinton said:

> Under my economic plan, middle-class families will get the tax relief you deserve. The only people who will pay more taxes are the wealthiest 2 percent, those living in households that earn more than $200,000 a year.

That was a quote in USA Today, September 8, 1992, before the election. Something happened since then.

President Clinton has changed his definition of rich, dropping it by $60,000, to households earning $140,000 a year. On top of that, he now thinks that middle-income Americans deserve a broad-based energy tax and higher prices at the gas pump and the checkout counter.

In his book, "Putting People First," candidate Clinton wrote, and I quote:

> A Clinton-Gore administration will encourage small business people and entrepreneurs to take risks and reward those with the patience, the courage, and the determination to create new jobs.

That was in the book. On the campaign trail, candidate Clinton said:

> My plan will not add new taxes on small business. I know that 65 percent of the new jobs in this country are generated by small businesses, and I am committed to helping them prosper.

Again, USA Today, September 8, 1992.

President Clinton and Senate Democrats now plan to "encourage small business people and entrepreneurs" to create jobs by raising tax rates on sole proprietors—that is the American out there all by himself, trying to make a little living in a little business, a man or woman or family—partnerships, and what we call subchapter S corporations. They now face a tax increase, not from 3 to 5 percent, but probably from 31 to 45 percent, and maybe a little bit more.

The sad fact is that it is the employees of these small businesses who will suffer the most. They are the ones who are going to suffer.

I brought along just some clips from people around the country. These are small businessmen and women. These are people like Ron Bullock, the president of a corporation in Downers Grove, IL. He has a family-owned business that has 150 employees. They have $24 million in sales. According to President Clinton, they are rich. They cannot plow the money back into the corporation. They are going to get to owe all these new taxes. The President must think all these people are clipping coupons and making millions and millions of dollars a year. It is not true.

Take the case of Earlyn Church, the vice president of Superior Ceramics Corp. in Vermont. It is a 150-year-old family-owned business with 90 employees. Superior invested $160 million last year for employees. With the tax increase, it is not going to be able to do that.

These are facts. This is not Bob Dole, some Republican partisan, dreaming up something about business men and women. These are facts.

Then take the case of Dan McGregor, president of Rose City Manufacturing Corp., Springfield, OH. He primarily is in the stamping business, making, stamping bicycle spokes; $23 million in sales, 180 employees, three plants. The proposed tax increase will reduce his cash-flow by 67 percent, and when he reinvests about 86 percent of cash-flow in plants and equipment, the lost dollars are also not reinvested.

Jobs and opportunities are lost for people trying to get off welfare, trying to find a job in the private sector. Up it goes, because someone wanted to raise taxes.

There are millions—I will say hundreds of thousands—of examples just like the three I read; maybe as many as a million, because there are 1.5 million, I think, subchapter S corporations in America. I do not know how many million sole proprietors and partnerships there are, but a lot.

Mr. DOMENICI. Twenty-two million.

Mr. DOLE. Twenty-two million. So a total of about 12½ million.

These are real people. These are Democrats, these are Republicans, these are independents out there, trying to meet a payroll, trying to make a living, trying to create jobs in the private sector. I think the more they learn about it, the less they like it.

So next April 15, some of these people, if you add on State taxes, will pay more than half of all they earn for taxes; much more than half of all they earn, in some cases. I think there is so much distress, is why the economy is slowing down. Nobody is investing, nobody is buying anything, nobody is hiring anybody, because most employees know and most employers know that after this huge tax increase, next comes health care reform.

I picked up the Los Angeles Times 2 weeks ago, I think, on a Thursday, and

the headline was "12 Percent Payroll Tax for Health Care." You put a 12-percent payroll tax on top of all these taxes, and then what do you tell Ron Bullock and Earlyn Church and Dan McGregor? "Go find something else to do, or get on food stamps or do something else." That is not the way it is supposed to work in America.

For all the reasons I can think of, it seems to me we are off on the wrong track. We have had some opportunities. We have had big jumps in productivity. In the last quarter of 1992, we had the economy grow at a 4.7 percent rate. Productivity rose 2.7 percent in 1992, the largest jump in 20 years. Consumer confidence was up; now it is down. Unemployment was moving down. But since that time, with all this talk about taxes and more taxes, and health care reform, it is beginning to affect business decisions.

Do not take my word for it. Read the paper every day, where some business analyst is saying: We are not hiring anybody. Nothing is going to happen because of all the taxes that are coming in this administration.

Nobody has been able to convince me that a record tax increase is good medicine for the economy. And as I heard my colleague from Oregon point out time after time, he cannot find a single instance in any country in the world where a major tax increase has stimulated the economy.

So I guess my point is, we want to reduce the deficit. Some of us have tried in the past and some of us have tried to make it work. It works better when it is bipartisan.

It does not work very well behind closed doors where we shut one party out and tell the other party, "Well, why don't you be bipartisan?"

And today President Clinton is hammering the Republicans. Every time he gets an opportunity in the White House, he tells reporters, "The Republicans are protecting the richest of the rich."

These 23.55 million American business people, these are the rich people. Half of the tax, 49 percent of the tax increases, because of rate increases, are going to be paid by small business. And they are not rich. They are trying to create jobs and make it work in America.

And that is what this is all about. The President can be partisan if he wishes. That is his role.

I am glad to see some recognize this is not a $516 billion package. It is a $347 billion package over 5 years, and only $83 billion in spending cuts, and only $15 billion in spending cuts before the 1996 election. Nobody can make it sound any different. I welcome that opportunity.

Let me just close by saying we have a new spin doctor down at the White House. And he has been spinning and spinning and spinning.

I noticed today they published a four-page document, sort of attacking BOB DOLE. You know, I am flattered I am getting all this attention from the White House. I never got four pages from any other White House, either Bush or Reagan or any other. So I get four pages from this White House, saying I voted for the 1990 budget agreement. Well, I did. But there is a rather major difference between that budget agreement and this one.

They say, since you voted for that, you should not criticize this plan.

First of all, it was a bipartisan effort. Many here participated in it. Some of my Republican colleagues did not like it; some of our Democratic colleagues did not like it. But some of us went out to Andrews Air Force Base. We were there for 2 or 3 weeks, I cannot remember how long. We had President Bush and we had the Democratic leadership trying to come together, and we had a bipartisan agreement. But in that agreement, it was $2.05 in spending cuts for every $1 in taxes over the 5 years. We also had spending caps we could not break.

So I just suggest that this is going to be an exercise and we hope the American people have tuned in. If anybody out there who may be viewing this program wants their taxes raised, stay tuned, because it is going to happen.

But if you are worried about the tax increase, try to find something else on TV. Do not keep C-SPAN tuned in because you are not going to feel good, you are not going to feel good today or tomorrow, because there is going to be a big, big tax increase and you are going to be told it is only the rich. You are also going to be told you are the rich. You may not realize it until this came along.

My colleagues are going to try to accommodate everybody, so everybody is going to be included in some way or another. Everybody is going to pay increased taxes.

We are going to make the best case for our package. It is a tough package. No tax increases. It is spending cuts. And we believe that America wants to cut spending first.

I understand Ross Perot may be coming to town tomorrow to bring in signatures from 1.5 million people saying, "Cut spending first." Well, Ross Perot's package had a lot of taxes in it, too—a 50-cent gas tax, among others. Ross Perot has been out there where the real people are, and he has been listening. Now he is saying, "Cut spending first." He has gotten the message.

I hope my colleagues on the other side will join us when we offer our plan and it will be a unanimous vote to cut spending first.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Madam President, before my esteemed and long-time colleague leaves the floor, may I say that it is a painful fact for both sides that the Finance Committee was not able to work in its usual bipartisan manner with respect to the measures we bring to you today.

But just as a late note and perhaps a note of things to come, this morning, on legislation of great importance, the President's request to extend, to be given fast-track authority so that the epochally important Uruguay round of trade negotiations can be concluded by December 15 of this year so that our President can go to the Tokyo summit of the G-7 with Congress behind him. That bill passed out of the Finance Committee, as the Senator knows, 18 to 2. The Republican support was unanimous. There were Democratic votes against.

The distinguished Senator from Oregon, the ranking member, and I had introduced the bill.

I look forward to this as being the moment at which we all approach the issue of health care when it comes, and shortly it will do. And I want to thank him and all Members on both sides for that fact.

We have not heard from the President yet, but I do not doubt we will. Perhaps we will get a note in that regard.

Mr. DOLE. I think the Senator is correct. It is not very often we do not have bipartisanship. I think some people who may be watching or viewing this think we fight all the time. It does not happen that often. More often than not, it is totally nonpartisan or bipartisan, whichever word you chose.

In this case, I told the President when it comes to fast track on the North American Free-Trade Agreement, there will be as many Republican Senators with him as there may be Democrats.

Mr. MOYNIHAN. As was the case this morning.

Madam President, on behalf of the manager of the bill, I yield 15 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Arkansas is recognized for 15 minutes.

Mr. BUMPERS. Madam President, first I want to thank my good friend, the distinguished acting floor manager, Senator DASCHLE, for yielding to me.

A good, big portion of this amendment deals with what has been known in this body as the Bumpers amendment.

Madam President, before I say that and before I describe what the Bumpers bill did and what it does, I would like to say this about this whole bill and some of the rhetoric I have heard here today.

Sometimes I wish I were a Republican, because I would divinely like to vote against this bill. I would like to be able to say to the American people,

"Oh, it is a big tax bill. Your taxes are going up. The sky is going to fall," and not offer an alternative, not offer anything about deficit reduction.

I remember hearing George Bush one night in a State of the Union Address say, "The problem with Democrats is that they lie awake at night thinking that somewhere, someplace out there somebody is having a good time, and it worries them."

I would counter that, Madam President, by saying to the other side of the aisle, I wish I could believe that in their more reflective moments at night, just before they go to bed, that somehow or other the deficit actually crosses their mind, that they really worry about the future of my grandchildren—indeed, my own future. I am getting on up there. But I can tell you, Madam President—I am in reasonably good health—that unless this bill passes and more spending cuts go with it later on, I, myself, will pay a very heavy price for the most irresponsible tax and economic policies in the history of the world for the past 12 years.

No, I do not want to vote for this bill. I have said many times to some of my cynical friends who distrust politicians specifically and Government in general, "In your cynicism, what is it that you think about politicians? What do you think politicians want more than anything else in the world?"

"To be reelected."

And they are dead right, I say to the Senator. The Members of this body are consumed—and I do not exclude myself—with being reelected.

And what is the one thing, Madam President, what is the one thing that will almost guarantee you a strong opponent and probably defeat? Voting for a tax increase.

So, I ask everybody within earshot of my voice, when you lie down tonight, do not worry about whether somebody is going to have a good time, or have a fleeting thought about the deficit. You think about people on this side of the aisle who are going to vote for this bill with 250 billion dollars' worth of tax increases in it, and ask yourself do you think they are doing that so they can get defeated next time they run? Do you think they are doing that to see how many people they can alienate and how many enemies they can make?

I tell you why they are doing it. You can call it self-serving, you can call it whatever you want. They are doing it because time is running out on this Nation. A lot of people said, Senator, if they do not put your capital gains provision in there, threaten to vote against the bill. Tell them you are not going to vote for it. That is the only way you get anything around here.

I would like to do that, Madam President. But I can tell you the reason I am not going to is because it would be the height of irresponsibility. You are looking at a person who voted against every bit of it. Eleven of us stood on this floor in 1981 and voted "no." If you want to read a brilliant speech, you write my office and I will send you a copy of a speech I made just before we voted. I said you pass this bill you are going to create deficits big enough to choke a mule. We passed the bill and we created deficits big enough to choke a mule. My colleague from New Jersey is here nodding because he was one of those 11, too.

Now we come to the point where we will separate—I hate to say this—the men from the boys—with a female presiding over the Senate. So the Mitchell amendment, which will, hopefully, pass and become a part of this package, embraces about 60 percent of the Bumpers bill, which is designed to provide an incentive for people to invest in small business.

I wanted to make the limit $100 million. That does not sound like small business, but if you are in California and you are starting a biotech business, $100 million is not very much money. It simply says, if you will invest in a small business and hang onto that investment for 5 years, if you make a profit, you can exclude 50 percent of that profit from payment of capital gains. It is an effective reduction of the capital gains rate to 14 percent from 28 percent.

Madam President, the banks in this country are not loaning money to small business. Venture capitalists have a very difficult time trusting small business. We even let the Small Business Administration principal loan program shut down, from April 26 to today. It is still shut down. And it is essentially the only thing open to small business.

This amendment is going to pass because the primary objection of the Senators from Louisiana and South Dakota and Connecticut and all of us is, it did not do anything for small business. This amendment is designed to rectify that. I can tell you, small business loves the expensing part of this where if they buy a piece of equipment that costs $25,000, instead of depreciating it, they can charge it all off. I can tell you small business people love that. Better than going to heaven. That is a big incentive for small business. And the majority leader is taking some of the money, excess money in this bill, to accommodate all the concerns on this side of the aisle about doing something for small business.

The President of the United States, then candidate Clinton, went from one end of this country to the other, north, south, east, and west, saying I favor the Bumpers small business capital gains provision. It has passed the Senate twice. The House put essentially the same version that we have here on the floor today, in their bill. And, while, as I said, it is not everything I want, I am going to try to get the rest of it later on with another amendment.

Madam President, if I were just standing up here as a former small businessman, as chairman of the Small Business Committee, paying tribute to small business—because they do not traditionally vote Democratic, you know that, do you not, Senator? The shopkeepers of America, as a lot of small business, do not vote heavily Democratic, but that has nothing to do with our obligation to try to help them. And I am not saying this because I am chairman of the Small Business Committee. I am saying this because from 1988 to 1990, small business in this country created 4,016,000 new jobs. While the companies of this country who employ over 500 employees were laying off 500,000 people.

Let me repeat that. You say things around here that are very dramatic and everybody looks at you, you know; it does not seem to soak in. From 1988 to 1990, small business employers who employed 1 to 20 people—1 to 20 people—created 4,016,000 new jobs; and employers who hire 500 or more people laid off 500,000 workers. That is the reason we are trying to help small business.

Federal Express started out in my State; Compaq Computer, Cray Research, Intel, Apple Computer—every one of them started out with a small business investment loan. Small business. You cannot become big until you start off small.

So I am pleased to come over here and say we are going to try to put money in the treasuries of small businesses. Under this provision, the Bumpers bill, the money cannot go through a broker. It has to be paid directly into the treasury of the corporation. We have more language in there than you can shake a fist at to make sure nobody rips this system off. It is unique. It is new. And in my opinion it will work.

I would not invest. I am not a patient investor. I want to be able to get my money out. In order to invest in these things you have to leave your money there for 5 years. That takes a lot of patience.

So, Madam President, I am honored to be here to say these things. I think this amendment is extremely important to the passage of this entire bill.

Finally, on a much greater, macro concept, I am glad to see a President who says the deficit really does matter. It is a threat to all of us, and I am willing to take a lot of political heat—which Lord knows he has done—to try to come up with this proposal. Look at the pie charts about who is going to pay it. I have nothing against the rich, been trying to join them all my life. But if you look at that, you will find that people who make over $200,000—which represents about 1 percent of the people in this country—are going to be paying about 75 percent of the bill.

You want to drop it down to $100,000, you get everybody.

The people who make $30,000 or less under this bill are actually going to be held harmless under this bill. But we have to do something about the deficit. And for the first time in 12 long, agonizing, tedious, suffering years we have an opportunity to prove to the American people that even though they do not like it—you saw that cartoon in the New York Times Sunday—everybody wants to go to heaven but nobody wants to die. That is where we are on this bill.

I yield the floor and I yield the remainder of my time to the distinguished floor manager.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Madam President, I thank the manger of the bill. I intend to use no more than 10 minutes.

Mr. DASCHLE. I yield the Senator from New Jersey 10 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 10 minutes.

Mr. BRADLEY. Madam President, I have looked at the amendment that is being offered by the leadership on the Democratic side. I must say I am disappointed by the amendment. I think the Finance Committee reported out a bill that was balanced. This goes in the direction of imbalancing the bill. I would like to explain why.

Back in 1986 when we did tax reform, we cut tax rates, and we gave up various loopholes. One of them was capital gains. We had people come to the Finance Committee and half of them said, if you get the rate down to about 28, we do not want a capital gains differential.

The other half said that even if you get the rate down to 12, we still want a capital gains differential. So the pragmatists won, the ideologues lost. We got the rate down to 28 percent and we eliminated the differential between capital gains and ordinary income, no difference between wages or capital income.

The first thing that happened before the ink was yet to dry was that people started coming in saying, "Well, we want to create a differential for capital gains. We want to lower it, the capital gains rate. Twenty-eight percent is not enough. We want a lower rate on capital gains."

When they would come in, I would say to them: "Well, you know you keep going down this road and what is going to happen is, rates are going to go back up, rates are going to go back up."

They kept going down this road and this Congress spent from 1988 to 1992 debating the question of whether we should have a capital gains differential or not. Instead of leaving the rates low and not having a differential, the people who wanted to special capital gains rate came in and pushed, pushed, pushed, pushed, pushed. And what we are seeing today is the inevitable result of that: Rates going up, up, up, up, up until we are almost back to the old system. Not yet, not yet, but at least this is in the wrong direction.

I could respect somebody who would come in and say, "I like 70 percent rates, or 60 percent rates, or 50 percent rates, and very low capital gains." I can respect somebody who said that. I might not agree with them. I prefer lower rates and no capital gains differential, but I can respect somebody who had that position.

But, of course, when politicians go out to speak to audiences, what they want, above all, is an answer to a question. And when Democratic politicians would go to speak to audiences where the capital gains issue was important to them, they would say, "Well, I'm for capital gains. I'm for capital gains." But then they would ask their staff to take a look at it, and they would see that roughly 80 percent of all capital gains go to people with more than $200,000 of income, and then they begin to get a little indigestion and, therefore, they would have to find a way to finesse the issue.

And the issue has been finessed by the so-called small business capital gains which is, above all, the answer to the question at the Rotary Club: "Are you for capital gains?" "Why, yes, I'm for capital gains; I'm for a small business capital gains." So you have escaped that bullet. You are for capital gains but you are not really for capital gains.

Let us take a look at this amendment because in order to try to get something that is reasonable or that you can stand up and defend, it become more and more absurd. This is a small business capital gains, but this does not apply to any corporation of more than $50 million. In other words, you can get a 14-percent rate if you are pretty good and small, but if you succeed and get bigger, you do not get a 14-percent rate. What is the logic?

Also, this only applies to C corporations. So 40 percent of the corporations in America, the subchapter S corporations, the real small businesses that are out there working as individual proprietors, they do not get the benefit of it. They get nothing. They do not get the benefit of a 14-percent capital gains.

And then, of course, what industries are specifically excluded from this? Which are these small businesses that this is supposed to be aimed at? If you are in any services—retail, the drugstore, the hardware store, you have a good insurance business, you have a good real estate business—no, you are not included in this. If you are a farmer, no, you are not included in this. If you are involved in some kind of mining or mineral extraction, no, you are not included in this. If you are in hotels or motels or restaurants, no, you are not included in this. No, you do not get this 14-percent rate, even though you are small business.

So this does not go to small business, this goes to some small business, a very small number of small businesses.

What are we about? This is supposed to be a deficit reduction package. My goodness, we had $3.6 billion—$3.6 billion—above what we needed for deficit reduction. Oh, my gosh, we cannot have that for deficit reduction, we need to spend it. And so here we are, we are spending it, instead of putting the $3.6 billion more in deficit reduction. After all, it is the major aspect of this enterprise. We are going to give it away, we are going to fritter it away, fritter it away.

So, Madam President, this is supposed to be big for venture capital. When people invest in venture capital, they have in mind hitting it big like Microsoft, or hitting it like Sun Microsystems, or hitting it like any other number of companies that have had an incredible idea, got early financing, succeeded, and essentially changed the way we think about our lives. And those individuals are the innovators that this amendment is supposedly aimed at, but they do not get the benefit of this amendment.

I am sorry, they get some benefit. They get the 14 percent on only $10 million. You say only. Well, $10 million is not bad, but if you are Microsoft and you hit it and get it right, you make a lot of money. Why is $10 million OK but $12 million not OK? In terms of incentive for venture capital, I would argue that this is minimal.

Then the last point on deficit reduction. This amendment is crafted so you have to hold this stock for at least 5 years. This amendment says that it costs $952 million but, of course, that is over a 5-year period. But if the amendment says you have to hold if for 5 years, what do we expect to happen in the sixth year? Everybody is going to be cashing in. So it is a budget gimmick because in the sixth year everybody is going to be cashing in at the 14-percent rate. Then you are going to have an incredible increase in the budget deficit.

This does not apply to some of the larger corporations; it is supposed to be small business. What we are going to find is some of the larger corporations are suddenly going to become a lot of smaller corporations. And some of those big corporate executives that this bill is supposedly aiming at preventing from getting over $1 million in compensation, and that this bill is trying to tax at a 36-percent rate plus a surtax, are going to find a nice little loophole in this amendment—in this amendment. A very nice little loophole in this amendment.

If I am a big corporation, I can spin off my plant, 80 percent owned as a subsidiary and give 20 percent to the executives in some form of compensa-

tion, which I have an agreement with them to buy back at a specific rate in that instance, they then get a 14-percent rate. So the bulk of their income will not come from salaries, which are limited, supposedly, under this bill, but will come in capital gains at the 14-percent rate as a small business capital gain.

I know major corporations today that are salivating with this amendment. They already have their lawyers planning how they are going to evade the intention here.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PACKWOOD. On my time, will the Senator respond to a question?

Mr. BRADLEY. I will be pleased.

The PRESIDING OFFICER. Is this on the Senator's time?

Mr. PACKWOOD. On my time.

There is nobody more expert to answer this. In his amendment, in addition to what the Senator has referred to, there is a provision exempting the performing arts from the 50-percent limitation on meals and expenses. I do not like the 50-percent idea to begin with, but I am curious about the term "performing arts," as to whether or not that would or would not cover basketball players.

Mr. BRADLEY. Well, that is another good reason for me being against the amendment, I will tell the Senator that.

Mr. PACKWOOD. If it does not, we certainly should defeat that.

Mr. BRADLEY. I would say to the Senator that I am not aware of this element of the amendment, but I do not think this amendment is wise because of the capital gains and because of the expensing. As to what is live performing arts, I think somebody might argue that a U.S. Senator is part of the live performing arts. Somebody might argue that politicians generally are part of the performing arts.

I do not know what the definition is, to be quite frank with the Senator.

Mr. PACKWOOD. I thank my good friend.

Mr. MOYNIHAN. I think it best to keep out of this, but sporting events are not included.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Madam President, I yield the floor.

Mr. DOMENICI. Madam President, where are we timewise on this amendment?

The PRESIDING OFFICER. There is 43 minutes and 19 seconds on the Republican side; there is 27 minutes and 46 seconds remaining on the Democrat side.

Mr. DOMENICI. Could I just take 5 minutes on our time?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I am not sure we are going to use our whole hour. I have already told the Senator that.

Senator PACKWOOD just raised an interesting question. This has a section in it—I do not really know what it has to do with small business but it is very interesting. I guess all the restaurateurs, and those who furnish entertainment of all kinds in this country, should know that somehow or another they are not favored in this country, whatever it is, how many people they employ, but that performing arts are because the 50-percent substitute for the 80 percent, that is going to apply to live performance of the performing arts. They are going to be exempt from the new tax which is going to burden all other entertainment and restaurants in the United States, and all those in related businesses.

Why would the Senate want to do that? It is a question of what kind of live performance. It will really work out to some very interesting IRS determinations, I can tell you.

Why would we want to do that? Why would we not say to all furnishing entertainment in our society, a Bulls basketball game or L.A. Lakers. I know the good Senator was truly a performer the other night. He introduced the great Kareem Abdul Jabbar, and I watched with great interest. I wanted to compliment the Senator, but I was not there so I do now, for the marvelous remarks the Senator made about a great athlete.

But what about the ball games that are occurring out here? People want to go as a business expense. They cannot do that. But they can go find some performing arts somewhere. I do not know what that means. And they will get a very nice, interesting corporate tax deduction. I think that is enough to defeat the measure, coupled with what Senator BRADLEY said about it. I would only make one other remark, if I could have a little order, Madam President.

The PRESIDING OFFICER. The Senate is not in order. The Senator from New Mexico is correct.

Mr. DOMENICI. I have great respect for Senator BUMPERS, and he speaks eloquently on the floor. I do not know why in arguing about a matter like this we have to talk about who has courage and who does not, which side has the men and which side has the kids. Let me suggest if we want to do that we will just take out the one real deficit reduction package in this institution ever passed. It was the so-called Dole-Domenici resolution where we wheeled in Pete Wilson to vote for us and we got one Democrat, so I know it was not Senator BUMPERS. It was Ed Zonrinsky of Nebraska. We cannot even bring him back here to defend us; he has died since then.

But, in any event, if there was a courageous vote, it was that one. Now, he joined on the side of—I guess we were the men and he was among the boys, or the kids. I do not think that is a way to present this case.

We are going to offer a tough budget. Now, if it is tough, if it is tougher to vote for taxes than it is to vote for cuts, then let the public choose. We think it is tougher to vote for cuts than it is for taxes. We really do. And we are going to vote for all deficit reductions, none for taxes, in our proposal, That is tough, too.

So my last remark is about small business. If you want to be for small business, vote for the Dole-Domenici-Packwood substitute because it does not tax small business any more than they are being taxed today. That is a real small-business vote. As my friend, Senator PACKWOOD, has said, if you want a good economic plan, get rid of the taxes on small business for starters. That is a good economic plan. That is a jobs plan.

I yield the floor at this time.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, before yielding to the distinguished chairman of the Finance Committee, may I inquire of my friend from New Mexico, he referred to the Dole-Domenici plan a moment ago. Could we get a summary of that so we could be examining it? You never know, you may find some votes on this side.

I apologize to my friend. I am advised by staff that we just received it. I thank him for his courtesy.

Madam President, may I inquire how much time remains on the Bumpers amendment?

The PRESIDING OFFICER. Senator SASSER has 27 minutes remaining, and Senator DOMENICI has 39 minutes remaining.

Mr. SASSER. Then we would yield to our distinguished friend from New York, the chairman of the Finance Committee, 1 minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. MOYNIHAN. Madam President, in the interest of full disclosure to the situation where many texts are moving around and they are necessarily complex, just to expand, I stated earlier to my friend, the ranking member of the committee, that the Congressional Budget Office found that we had $3.6 billion above our reconciliation instruction. We decided to provide a small portion of that to the relief of the performing arts, which we find throughout the Nation—the symphony orchestras, the playhouses, the ballet companies, what you will. They are worthy of public support. They give great support. We will continue to tax them at a form of 20 percent and not increase it to 50 percent.

If there is anything we know, it is that every theater is a small business.

It employs people at small incomes and deserves our support and receives public support as it has received that of the Finance Committee and will, I cannot doubt, receive that of the Senate.

I thank the Chairman.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Madam President, I yield 5 minutes to the distinguished Senator from California.

Mrs. FEINSTEIN. I thank the Senator very much.

The PRESIDING OFFICER. The senior Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair very much.

Madam President, I rise to add my voice of support to the Mitchell-Bumpers amendment with this caveat: I believe that for that amendment to really be effective it must have a paid-in capital threshold of at least $100 million to do what it is purported to do. I am hopeful, if this amendment passes in this body, that threshold will be increased in the conference committee.

Madam President, we are passing judgment on a package which, from everything I can see, despite what its critics might say, is the largest deficit reduction package in the history of this Nation. It does make spending cuts. It does have taxes. But it has, to my analysis, more spending cuts than taxes. At the very least, it is one for one.

Those are the two elements: Deficit reduction, spending cuts and taxes. The third element, and where I find the package weak, is that it has eliminated those incentives to fuel an economy such as our State, Madam President, the largest State in the Union, California.

Madam President, I remember hearing Republican conversation, formal and informal, that said it is important to reduce capital gains because, when you begin to reduce capital gains, you create the incentives to invest and create jobs. Madam President, I happen to agree with that. That is why I believe this amendment should actually be bipartisan.

Yes. This package does tax those in the upper-income level. They key to it is to provide the incentive for those people to invest in the economy. So I am disappointed that the package does not have a prudent package of investment tax credits for the purchase of productivity enhancing equipment. I am concerned that it eliminates effectively research and development tax credits. It does not fund them in 1993. It funds them from July to next July and then it drops them. So companies cannot plan with specificity and, more importantly, Madam President, they cannot hire.

What we need to do is put in capital gains, investment tax credits, and research and development tax credits so that for States like California we can say to people, "Have confidence. The incentives are there. Not only are interest rates at an all-time low, but banks are beginning to lend again. The real estate industry is provided with passive loss changes, and we have a substantial package of incentives."

I believe that the Bumpers plan is the first step in this direction. It by no means, as Senator BRADLEY has expressed, goes the full course. We recognize that. But if it is in this bill, it will go to conference.

In talking with the administration last night, the President indicated he wants to take the surcharge off of capital gains. He recognizes the fact that the incentives in this package have been substantively weakened. I believe, and I hope the good Senator from Oregon will agree, that we need to still fuel our economy and reduce capital gains; the development of patient capital, which is what this is aimed at; the accumulation of capital for startup for small business; and, more importantly, for expansion, not turning it over within a year but holding it for 5 years.

So, Madam President, I rise to support this. I believe the amendment will be good for California. I am very hopeful that its capital threshold will be increased to $100 million. And if it is, it can then impact an important industry in California, the biotechnology industry.

Let me just end by saying three big companies that started up, one, Genesen in Cambridge, MA, raised $328 million in equity financing before its first product was approved; Amgen in Thousand Oaks, CA, raised $246 million; Genentech, which was spun out of the University of California Medical Center and established in San Francisco, raised $442 million in equity financing before selling an interest to a Swiss company.

So, what we are doing here is trying to provide the incentive to aid startup industries and also to help companies expand.

I think it is an important part of the package. I hope my colleagues on both sides of the aisle will help us fuel the California economy, the Connecticut economy, and many others in this great Nation.

Thank you, Madam President.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, the Senator from Louisiana [Mr. BREAUX] is next on our list. The problem here is we have six Senators wishing to speak. We have 20 minutes left on our side.

So, with at caveat, may I yield 4 minutes to my distinguished friend from Louisiana?

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Madam President, I thank the chairman for yielding.

Judgment day is here. There are no more easy days in this Chamber or in the other body with regard to solving the deficit problems. If anybody tells you or anybody else that it is going to be easy to get out of this mess, I suggest they are not telling you the truth.

It is easy when you think about it. When President Reagan was President, he asked us to do two essential things. It was very easy to do both of them. First of all he said, "Let us cut the taxes." We cut taxes down to the 28-percent bracket. That was fun. There was not hardly anybody saying that was a difficult road to march down because it was an easy thing to do. We did it.

The second thing he asked us to do was just as easy. President Reagan said, "Let us spend more money." Congress said, "That is a heck of a good idea. Let us spend more money and cut taxes at the same time." We did both of those things.

Partially as the result of those taxes back in the early days of the eighties, we now have a situation where we have a $4 trillion long-term national debt and a $350 billion-plus deficit that is growing each day.

Yet still we have some people that say, "Don't worry, we have some easy solutions. We have a magical amendment that we are going to come out with on the floor and we are going to present it, and it is going to get us out of this problem. It is not going to have any pain, any suffering, any heavy lifting. Just vote for this and we will get the job done."

We have already heard that the amendment is going to have no new taxes, no new revenues. It is going to have no sacrifice, it is going to call for no pain, and it is going to solve all of our problems.

Come on. It is time that we get serious. I know why Mama used to tell me that if it sounds too good to be true, it is probably not true. I want you to know that anybody who can say that they are going to offer anything that anybody on this Earth can come up with that is going to solve this mess without pain and sacrifice and without some revenues and without some real spending cuts, they are not really looking at a real solution to the problems that we are facing as a nation.

The President asked us to come up with a package that reduces the deficit by approximately $500 billion. And we have done that. The American people say they want it to be done with more spending cuts than taxes, and this committee has, in fact, produced a product that has $267 billion in spending cuts—it is not easily arrived at—and $245 billion in revenues for a deficit package of $512 billion. That is real progress. Is it painful? Yes, it is. But is it aimed at getting the job done? You bet it is.

My constituents in Louisiana said, "We don't want this Btu tax. It is a bad tax. It will not work. It is not going to be manageable. It is too bureaucratic."

This Senate package eliminated it, got rid of it. It is not here, it is gone. It has been replaced by more spending cuts and a 4.3-cents-per-gallon increase on transportation fuels.

The price of oil in this country is cheaper than it has been in a long time. It is over $2 a barrel cheaper than it was last June. Even with this small addition, the price of gas at the pump will be cheaper than it was last year. It will be cheaper than it was in 1990. It will be cheaper than it was in 1980. It will be cheaper than it was in 1970. I could go all the way back to its being cheaper than it was in 1920. Is that sacrifice? Yes. It is too much to ask? No. Does it help reduce the deficit? Yes, it does. I think it is part of a package that I think is fair.

Mr. SASSER. Madam President, I ask unanimous consent that the distinguished Senator from Tennessee [Mr. MATHEWS] and the distinguished Senator from California [Mrs. FEINSTEIN] be added as cosponsors to the Bumpers amendment.

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

Mr. SASSER. The next on the list is the Senator from Wisconsin [Mr. FEINGOLD]. May I yield him 4 minutes?

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 4 minutes.

Mr. FEINGOLD. Thank you, Madam President.

Madam President, I want to associate myself with the remarks of the Senator from New Jersey in opposition to this amendment.

Very briefly, I think the President's original package was the best version of this bill I have seen.

Mr. SASSER. Madam President, is the distinguished Senator from Wisconsin speaking in opposition?

Mr. FEINGOLD. Yes.

Mr. SASSER. I was under the impression he was speaking in support. Does my friend from New Mexico wish to yield to the Senator from Wisconsin time to speak in opposition?

Mr. DOMENICI. How much time would he like?

Mr. FEINGOLD. Four minutes.

Mr. DOMENICI. I yield 4 minutes off our time.

Mr. FEINGOLD. Thank you.

Yes, I am in opposition to this amendment. But I am in support of the Finance version of the President's bill.

I was disappointed when the Finance version came out with the $19 billion in Medicare cuts. I am hoping we can still change that. I recognize that this amendment has some very worthy goals behind it. It is not an amendment that I would find disturbing in any context. But in this context, I am concerned. It would be one thing if this had to do with an across-the-board tax cut for middle- and low-income people, surely something we want to do in the long run. That is not what it is.

This establishes or recreates tax breaks for particular uses of capital that, frankly, are uses that have already been distorted by the market. These are tax expenditures. Although I do not think all tax expenditures are bad, I think they should be given the same scrutiny and questioning that spending is given.

I do not think all businesses and business people believe that this type of approach is the most important or top priority of this country. To their credit, the business community has made this argument earlier in the process on the investment tax credit. One of the reasons we are able to meet our goals here of the $500 million is we got rid of the investment tax credit. The biggest job creator in the State of Wisconsin called me and said, "Please don't do that investment tax credit. It does not have anything to do with why I make my business decisions. Please don't waste the money on that. I would rather see you cut taxes across the board."

We have to hold the line on tax expenditures, not just because they are usually ineffective, but because they aggravate the principal problem facing our economy today, the Federal deficit. There is no greater threat to the economic future of business and small business alike than the mushrooming deficit.

Most importantly, this bill is not about creating tax breaks for businesses or for anyone. This bill is not the "economic stimulus package part II." This bill is about deficit reduction. Like everybody else, every Member of this body, I would like to be able to go home and tell the small business owners, the farmers, the mayors, every constituency, that I voted for this amendment to help them out.

That is the path that led us to this fiscal nightmare we face today. Much of the economic woes we face have their roots in the excesses of the 1981 Reagan tax bill. David Stockman, one of the chief architects of that misguided disaster wrote, "The root problem of the economic downfall goes back to excessive 1981 tax bill, which shattered the Nation's fiscal stability."

Madam President, I hope that Members of the Senate will resist the temptation to pile on tax break upon tax break; worthy in principle, but devastating in terms of the impact upon the Federal deficit. That was the mistake of 1981 that we live with today. I am already concerned that the House and the Senate Finance Committees have not closed a number of the tax loopholes that needed to be closed and, certainly, we should not broaden that mistake.

Again, to conclude, Madam President, this is a deficit reduction bill. That is what it is. That is the purpose of it. It is not a bill to provide tax breaks to favorite constituencies. So if there is money laying around here, money to spend, let us either restore those Medicare cuts or make even deeper cuts or changes to the Federal deficit.

Mr. PACKWOOD. Madam President, will the Senator yield me 5 minutes?

Mr. DOMENICI. Yes; I am happy to yield 5 minutes.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. PACKWOOD, Madam President, I want to set the record straight on one thing that is alluded to from time to time; that is, the alleged propitious cuts in 1981 when we "cut the taxes for the rich and did not care whether we ran up big deficits."

Let us remember what the situation was at the time, and what we were projecting in 1980 and 1981 for revenues and deficits and surpluses. I will start with the Office of Management and Budget projections. When Jimmy Carter was still President, in January of 1980, they were predicting a surplus of $158 billion by 1985—a surplus.

I will not go through all of the projections from either the Office of Management and Budget or the Congressional Budget Office, except to come up to the critical predictions that were being made at the time we were considering the Reagan budget proposals. I say "budget proposals," not just tax-cutting proposals, because President Reagan had both tax proposals and spending-cut proposals, and the latter he got very few of.

In July of 1981, we had not yet passed the Reagan tax package. The Congressional Budget Office then under the direction of Alice Rivlin—and CBO had not become a Republican bastion of rightwing thought—in July of 1981, the following prediction was made. The Congressional Budget Office baseline predictions—there were no changes in the law, but if we were to continue on as we were going—by 1986 there would be a $209 billion surplus. That was CBO's projection of July 1981.

At the same time, CBO made a second prediction that if the congressional budget resolution, which had already been adopted, were enacted, including the Reagan tax cuts and the spending cuts, CBO predicted then that we would reach a balanced budget in 1985.

What went wrong? Why were they so far off? It is easy to see why. Let us not think we were deliberately trying to create an immense deficit when we passed the bills in 1981. We were right at about 14 percent inflation, and we had not indexed the Tax Code. So that you could normally count on about a 1½-percent increase in revenues versus 1 percent of inflation. So a 14-percent inflation would give us a 21-percent increase in revenues each year. No wonder we were expecting immense increases in revenues.

Two, we had not indexed the Tax Code for inflation. Even with inflation

indexing, you would have had a tremendous increase in revenues. But at least they would have been proportionate to inflation.

Next, no one predicted the recession, that in the summer of 1981 we were going to fall off a cliff into a recession and our revenues go kerplunk, and nobody predicted inflation to fall as fast as it went. When you add all that together, it is so wonder we had a fall in revenues.

The purpose of the Reagan tax cuts was to remove from the Federal Government approximately $150 billion to $200 billion in money we thought would be surplus and he was afraid we would spend if we had it. He thought the best way to keep us from spending it was to cut the taxes.

What is the relevance to where we are now? Already, we have had two instances of money we thought we had coming in that we are going to spend. First, there was a relatively modest amount from eliminating the deduction for lobbying expenses, which President Clinton proposed to reduce the deficit. No, we are going to spend that on public financing in the campaign reform bill. There it went. It was not a day apart before we were going to save it, and we spent it.

There is $3.4 billion in this bill of more deficit reduction than called for by the budget resolution. And I will quote from the record in the Finance Committee a few days ago when I was trying to suggest we might do something with the money. I said I think "we have a $3 billion surplus over the 5 years."

The chairman said: "Your figures may be right, but we're trying to reduce the deficit. With great promise and respect, I just have to say that, in my view, I don't know what the others will say."

That is fine. We had to wait for the CBO estimate. And it turns out the bill has $3.4 billion in additional taxes or cuts. We are going to spend it, not reduce the deficit. If we pass this bill, we are not going to have $1 billion in extra money, not $3 billion in extra money; if we pass this bill, we are going to have about $250 billion in extra money from a whopping tax increase. And we are told we are going to reduce the deficit with it. We are told we are going to reduce the deficit when our good colleague from Wisconsin says we have some extra money, and we should not cut Medicare so far.

I will wager that every single one of us—the Senator from Arkansas [Mr. BUMPERS] who wants to use this for the capital gains, and somebody else wants to use it to change the tax status of the performing arts. I even have things I would like to do with it.

I will make this prediction: If this bill passes, very little of the $250 billion in extra taxes we are going to collect—we think we will collect about that much, unless the economy does not perform well—will not go for deficit reduction; it will go for spending increases, and the deficit will end up being bigger than if we had not passed this bill at all.

I thank the Chair, and I thank the Senator from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. SASSER. Madam President, I yield to the distinguished Senator from Connecticut [Mr. LIEBERMAN] 3 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 minutes.

Mr. LIEBERMAN. Madam President, I thank the Chair and I thank the Senator from Tennessee. I will try to make three points in my 3 minutes.

I rise to support the amendment, although I do so with some reservations. I do so, first—and I thank the majority leader for offering this amendment because I think it is a response to those of us who have felt that the bill, as reported out of the Finance Committee, was a good deficit-reduction package, but if it was only that and if it is only that, we have not done our job. We must also do something to stimulate the economy.

This bill will take one-quarter trillion dollars out of the economy in the next 5 years. Unfortunately, we have to do that to pay the deficit down. At the same time, we ought to give some incentives to business to invest and create jobs, which, bottom line, is really what our constituents most want us to do and what the country most needs us to do.

So, in adopting a form of the capital gains amendment of Senator BUMPERS for small business and in giving business the expensing provisions incentive to invest in new equipment, which usually leads to hiring new people, we have taken a step forward.

Second, my friend from New Jersey has criticized the capital gains approach, and there is a certain irony, I must say, in criticizing the limits and conditions that Senator BUMPERS and the rest of us who sponsored it have put into it as that was done only to try to respond to criticisms from the Senator from New Jersey and others that made it impossible to fashion a majority to support the proposal.

This capital gains tax cut I believe in. I supported the one that President Bush put forward in 1989. They are not tax breaks for the wealthy. They are not giveaways. The aim is to get people who have money to put it into productive investments in our society. Every economist I talked to tells me—liberal, moderate, conservative—one of the weaknesses of our economy is the lack of investment, debt, and equity.

This is the way to say to people with money to give it to small businesses, people with ideas, people who want to get rich, people who want to create jobs. Help them to do that and hope our economy will make up for some of those millions of jobs we have lost over the last 4 or 5 years.

Finally, let me say that I have reservations, because this does not go far enough. This does not include corporations capitalized up to $100 million, which includes a lot of important high tech, biotechnical companies that will create most of the new jobs in the future. It does not allow for corporate investments, also an important incentive and source of capital which we need.

I am going to join with my friend and colleague from Arkansas when he comes back to improve this amendment. For now this is a step forward. This is a step toward job creation, and I am proud to support the amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. SASSER. Madam President, I yield 2 minutes to the distinguished Senator from Tennessee [Mr. MATHEWS].

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 minutes.

Mr. MATHEWS. Madam President, I rise and join my colleagues this afternoon, those who support this amendment. I want to state as I stand here, I too, have some reservations. I do not believe it goes far enough to do those things that we need to do to stimulate business in this country.

I disagree wholeheartedly that in this amendment we are giving tax breaks to industry, or that we are giving away money to the detriment of some other things that need to be done. Madam President, I thoroughly and strongly believe that small business is the backbone of the economy of this country, that the jobs that are being produced today are being produced by small business.

The compromise, or what I see happening here, is that we are creating an atmosphere where small business can produce the jobs and stimulate the economy that we need to keep this engine running. Our country is beginning to move forward, and we cannot afford not to provide the stimulus that is needed to provide the jobs that do keep us running.

Madam President, I want to support and endorse the amendment and add my support to it.

Madam President, I often learn the most, not from attending official hearings or meetings here in Washington, but rather simply by reading my constituent mail.

I am sure most of my colleagues here in the Senate feel the same way.

Inside the beltway we can spend too much time debating public policy issues in the abstract, talking about billions of dollars here, and millions of dollars there.

It is our constituents who force us to think about political issues in personal, not abstract, terms. Not in billions and millions of dollars, but in a few dollars here, and a few dollars there—and to realize what kind of impact those sums can have on the millions of American families already living from paycheck to paycheck, and on small business already operating on tight budgets.

I wanted to share with my colleagues an especially thoughtful letter I received from a constituent last week, who is concerned about the effects of increased taxes on small business growth throughout the country.

This constituent is particularly concerned about changes in the Tax Code affecting subchapter S companies, but he makes very good points about small business in general, pointing out that it is that sector that will fire up our economy and create all the net job growth in the country for the rest of this decade, and into the 21st century.

This constituent writes about Tennessee jobs growth in his industry, which happens to be motor carriers. He writes, "my company has increased its number of employees 10 percent annually since 1989. Affiliated carriers have increased jobs annually by 16 percent since 1989."

He cites examples of other small subchapter S companies with 8 percent annual job growth and writes of one small motor carrier which increased jobs from 220 in 1989 to over 600 currently, for an annual increase of 34 percent since 1989.

In contrast, this constituent writes that large corporations in this particular business have had job growth of less than 1 percent annually in recent years. This is only one small example of one industry in one State, but I think the point is clear: Small Businesses are now the economic engines that fuel job growth in this country.

Tax provisions that place unfair or undue burdens on small businesses are lousy tax provisions.

In the bill before us, we're going to call on small business to make a substantial contribution to deficit reduction.

The reconciliation bill will increase the tax rate on these businesses, whether organized as sole proprietorships, partnerships, or subchapter S corporations, to 36 percent for taxable income over $115,000 for individuals, $127,500 for heads of households, and $140,000 for joint filers.

Many small business owners will be subject to a 10-percent surtax if their income is above $250,000. In addition, the meals and entertainment deduction will decrease from 80 to 50 percent.

If small business is to survive, we must offer positive incentives for growth. Oftentimes, the unintended consequences of our actions wind up constituting a depressing force on small business. For instance, the luxury tax on automobiles places an undue burden on auto dealers—most of whom are classified as small businesses—versus leveling this tax over the life of the vehicle through a fuel tax or annual registration fees.

Small businesses are going to need encouragement to reinvest their earnings and produce jobs. They will also need some provision that recognizes their cost of business.

We can do that by increasing expensing, in lieu of depreciation, from $15,000 to a more reasonable amount similar to the House version. We can also adopt provisions similar to those Senator BUMPERS proposes, to provide a 50-percent reduction on capital gains for investments in small businesses held for 5 years.

I know that we must address the deficit: Running in the red to the tune of $300 billion annually is also lousy economic policy. I applaud those who are willing to take the politically difficult steps necessary to begin reducing the deficit. After 12 years of ignoring—and adding to—the problem, it's time.

But I strongly believe that the deficit reduction burden must be fairly distributed. We cannot ask small business to bear the brunt of our years of neglect.

As the full Senate tackles the budget reconciliation bill this week, I ask of my colleagues that we all pay particular attention to the effects of our actions on the small busnesss sector.

Let us never forget that this sector is the primary creator of jobs in the United States. Our economic policies should be designed to stimulate the growth and health of small business.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. SASSER. Madam President, I yield 4 minutes to the distinguished Senator from Massachusetts [Mr. KERRY] and then Senator PRYOR is next.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Massachusetts.

Mr. KERRY. I thank the Senator from Tennessee.

Mr. President, I point out to my colleagues that a recent 2-year study by the Council on Competitiveness and the Harvard Business School said that the American system of capital investment in the United States is threatening the competitiveness of this country and the long-term growth of the American economy.

The Council on Competitiveness and Harvard report points out that leading American firms in many industries are simply outinvested by their Japanese and European competitors, that the R&D portfolios of firms include a smaller and smaller share of long-term capital investment than European and Japanese firms and that American firms invest at a lower rate than both Japanese and German firms is nontraditional forms of investment.

Now, we can either understand the reality of what is happening in the American economy or we can ignore it. What Senator BUMPERS and others of us are trying to do is acknowledge that reality. President Clinton ran on that reality. He has suggested again and again that there are two deficits in this country. One is the budget deficit, but the other is the investment deficit. And the investment deficit is significant.

This is a tax bill. And, if by passing a tax bill, we have a disincentive for investment, we are guilty of taking away the tax base of this country and denying us the ability of not reducing the deficit on the budget side by denying our ability to provide the long-term jobs the people in the country need.

All you have to do is look at what has happened in the economy. Real wages of American families are down. Net investment in the country is at a lower rate than any time since World War II. The kind of jobs that Americans are finding between the ages of 18 and 34 are of less high wage and less upward mobility than at any time in recent American history. The fact is, States like California, Massachusetts, Connecticut, New Jersey, and others, which are always your startup companies, going from nothing up to the size of the Digitals, or the Wangs, or the prime computers, or any number of new technologies, are not.

Lester Thurow and others pointed out we are in a whole new world of a new kind of competition. The Japanese and Germans have targeted every single one of the key technologies that we hope to provide new high value-added jobs in. Microelectronics, artificial intelligence, robotics, advanced materials, biotechnology, aviation, you name the area of our future job hope, and they are in it.

So the question is, are we going to be in a market where increasingly the capital pool of this country that goes into venture risks is diminishing? Are we going to provide an incentive for anybody in America, someone who has $20,000 of savings, someone who has $100,000 to take the risk of putting it into a new startup with the hope that, in accordance with the American dream, they may make a lot of money down the road?

I think, Mr. President, this is a good amendment because it says to people, we are going to reward you for taking that risk. We are not asking the Government to take the risk. We are not soaking the taxpayer for the risk. We are simply saying we will reward you by not taxing you at as high a rate if you will invest that money.

So, Mr. President, when we have a credit crunch as significant as we do with SBA guarantees down, the entire spectrum of capital diminished and the banks buying Treasuries instead of lending, this makes sense, and I strongly urge my colleagues to adopt the amendment.

The PRESIDING OFFICER. The time has expired.

Mr. DASCHLE. Mr. President, how much time remains?

The PRESIDING OFFICER. Five and one-half minutes remain.

Mr. DASCHLE. I yield 2 minutes to the distinguished Senator from Arkansas.

Mr. PRYOR. I thank the Chair and manager of the bill.

Mr. President, basically I rise to support this bill and say that I, too, wish it went a little bit further than it is going.

Really, the chief author, I think, and mover of this issue in capital gains in the Senate, with a special provision for small business is Senator BUMPERS. We know that small business is the engine of job growth. Also, we know that the individual who has basically shaped this issue of capital gains for small business has been the distinguished chairman of the Small Business Committee of the Senate, my distinguished colleague and senior Senator, Senator DALE BUMPERS. He has long championed this.

This proposal does not go as far as Senator BUMPERS would have it go, but I do believe, Mr. President, that it is a definite start in the right direction.

There is a little bit of pain in this legislation for all citizens of our country. What we are trying to do is alleviate some of the pain of small business that creates the jobs throughout America.

We are doing this in two areas. One is the capital gains differential for small business, to help capital gains be the creating force of small business in creating jobs; and, second, Mr. President, to help in the expensing, up to $18,500.

Mr. President, I am just proud to be a supporter of this amendment. I once again attribute a great deal of this to my colleague, Senator BUMPERS.

I yield back the remainder of my time.

Mr. DASCHLE. Mr. President, I yield 2 minutes to the distinguished Senator from California.

Mrs. BOXER. I thank my colleague for yielding.

I feel this is a good amendment, Mr. President.

I have to say I am a little perplexed by my Republican friends who spoke out against it, because all morning I have listened carefully to them and they have been saying small business is not treated fairly in this bill, small business is getting hurt, and yet here we have an amendment that is targeted to small business and they speak out against it.

I kind of get the sense is that they are going to be against anything that may come from this side of the aisle. I hope that I am wrong. I think too much is at stake.

But I supported this Bumpers—the Matsui bill in the House—for quite a while and I am very pleased to see it come out in this amendment.

I have to say, from the standpoint of my home State, that the best and most competitive in growth-oriented companies in California started with nothing more than some great ideas and a lot of hard work. I have seen those businesses from one end of the State to the other.

Across the Silicon Valley, you see businesses that are at the cutting edge of the computer technology in computer graphic imaging. In southern California, you will find world leaders in biotechnology and medical devices that advance our ability to diagnose and treat disease. And up and down my State you will find manufacturers in the most sophisticated environmental technology that will clean our air and rivers and our coasts.

Let me say that I think this bill is not only aimed at helping small business, but it is in fact aimed at helping our balance of trade.

I hope we will support it. I think it is important.

When you put people back to work, you will reduce the deficit. Every 1 percent of unemployment adds $30 billion to the deficit. So this is a job creator. I am very proud to be a cosponsor of this amendment.

Mr. FORD. Mr. President, will the Senator from South Dakota, the manager of the bill let me have 10 seconds?

Mr. DASCHLE. I am happy to yield to the distinguished Senator from Kentucky.

Mr. FORD. Mr. President, I have been listening to all the opponents say this amendment only does this for small business, this amendment only does this for small business, this amendment only does this for small business. When you add it up, it does a whole lot.

So I ask unanimous consent that I may be added as a cosponsor.

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

Mr. DASCHLE. How much time remains?

The PRESIDING OFFICER. One-and-a-half minutes.

Mr. DASCHLE. I yield the remainder of the time to the Senator from Wisconsin.

Mr. KOHL. Thank you very much.

Mr. President, I also rise in support of this amendment by the Senator from Arkansas.

There is no question that small business is the engine that drives our economy. And to the extent that we can help, we should be helping.

Yes, we can make arguments that maybe this is not as good as we would like. No one knows exactly how it will turn out. Some call it a tax break or a giveaway. No one knows for certain if it is 100-percent helpful or 50 percent. That is the nature of the kind of decisions we make here in the Senate. We do not know what it is going to do.

No one will argue that it is going to hurt. The question is only how much it will help.

Small business is so important in our country that I am willing to take that chance. And the help will be considerable. It is not going to be negligible. It is not going to be negative. It is going to be good or very good. It seems to me, when we can move capital gains opportunities for people who are willing to invest in small business and invest to grow their small business and employ more people and grow our economy, this is an opportunity we have to take, particularly when we are contemplating putting in place a bill which is a heavy tax bill, a bill which is going to impose some heavy taxes on small business. We need to indicate to them that we care about their future and the future of our country.

This is precisely the kind of amendment that offers them that reassurance and that incentive to continue to work at growing their business.

So I support it. I think it would be a good thing for small business, certainly a good thing for this Government by way of providing a clear indication to small business that we are on their side.

Thank you very much.

The PRESIDING OFFICER. I would note that the time for the manager of the bill has expired.

The Senator from New Mexico.

Mr. DOMENICI. Not the time on the amendment, the time on the majority side, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I yield to the Republican leader.

Mr. DOLE. Mr. President, if I might just have a couple minutes to ask a question. I am not sure I fully understand this amendment.

My first question is, does this eliminate that 10-percent surtax on the capital gains?

Mr. PACKWOOD. No, it does not.

Mr. DOLE. I do not know, I do not quite follow that. We say we want to get people going, get all these things going, but we still have the surtax on capital gains of 10 percent which, in my view, is nothing but a damper on the same people we have talked about.

If you eliminate the surtax, it would make this a lot more attractive. The surtax is still there and would even apply in this case.

It seems to me, when it comes to the expensing of small business, I am not a rocket scientist, but I know at $15,000 in the Senate bill and $25,000 in the House bill, I have a feeling it is probably going to be about $20,000 when it comes back from the conference.

So this is just sort of a freebie to put this $18,500 on and I am not sure how much revenues.

I was interested in the Hollywood Bowl amendment, the one that says you can on the live concerts or whatever, where you play different instruments, you get 80 percent, but if you are watching the Kansas City Royals or Kansas City Chiefs, you can only deduct 50 percent.

Do I understand that correctly? I am at a loss to understand why there would be that distinction when you have services employees who are about to lose their jobs because of the cutbacks on meals and entertainment.

Mr. PACKWOOD. Baseball and eating do not count as entertainment.

Mr. DOLE. Baseball is not entertainment?

Mr. PACKWOOD. And eating is not entertainment.

Mr. DOLE. Eating is not.

What about football?

Mr. PACKWOOD. Absolutely not.

Mr. DOLE. Hockey?

Mr. PACKWOOD. Possibly.

Mr. DOLE. What about saxophone players? [Laughter.]

Mr. PACKWOOD. I think it is a 100-percent deduction for that.

Mr. DOLE. You get 80 under here. You ought to get 100.

But in any event, as I understand this amendment, this sort of little add-on at the end, this sort of thing and it is going to cost $211 million, as I understand it.

I am for it, but I would like to include everybody else. Is there a chance to modify the amendment just to put everybody in at 80 percent? Then I think this amendment would have a lot of appeal on this side of the aisle and we would create some jobs and at least not lose 165,000 jobs in the meals and entertainment area.

Is there a chance we could modify the amendment to put everybody at 80 percent?

Mr. MOYNIHAN. In conference, yes.

Mr. DOLE. Is that a promise?

Mr. MOYNIHAN. It is a commitment to try, an undertaking to try in return for support.

Mr. DOLE. Let us see now: Will Republicans, we will be inside the room in the conference or outside the room?

Mr. FORD. The same way we were when you had it.

Mr. DOLE. We will be outside the room?

Mr. FORD. Yes.

Mr. DOLE. I was always in there with Chairman ROSTENKOWSKI, so you never were alone.

But it will be all Democrats. Before it was bipartisan, which is a major difference.

Mr. MOYNIHAN. We want your help on this one.

Mr. DOLE. If we could try to figure out how to do this and take care of a lot of people who have been in to see me, like to create jobs and keep their jobs in the hotel industry.

I spoke with the Hotel and Motel Association. They do not like 50 percent at all, particularly in States like California, Hawaii, Florida, Kansas, and other big tourism States. You know, that is a matter of major concern.

I am for this part of the amendment, do not misunderstand me. I hope to be able to attend one of those functions at some time later on. I regret it does not apply to football, baseball, hockey, or all the things that most people watch or participate in.

Mr. DOMENICI. Mr. President, I am going to yield back the remainder of our time. I believe that this whole amendment is not germane to the provisions of the bill before us.

So, pursuant to section 305(b)(2) of the Budget Act, I raise a point of order against the pending amendment.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. Pursuant to section 904 of the Congressional Budget Act, I move to waive title III of that act for purposes of considering this amendment.

Mr. DOMENICI. Does the Senator want to yield back time on the motion and vote?

Mr. DASCHLE. We retain our time at this point.

The PRESIDING OFFICER. Who yields time on the motion to waive?

The Senator from Tennessee.

Mr. SASSER. Mr. President, there would be an hour on this amendment under the ordinary rules, to be equally divided. I suggest, subject to the approval of my friend from New Mexico, that we yield back 40 minutes and each side retain 10 minutes, or 20 minutes to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. After which time a vote will take place on the germaneness issue?

Mr. SASSER. Well, on the motion to waive the germaneness issue, yes.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The Senator has a right to yield back time. That is agreed to.

Mr. SASSER. Mr. President, I yield the Senator from Arkansas 2 minutes, or as much time as he wishes to consume.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I never cease to be amazed in this body about how important issues can be made light of, how people can obfuscate the issue and distract people's attention from what we are trying to do here.

There is not, really, anything humorous about this. I would like to divide this amendment and vote on it in three separate parts. There are parts of it I do not like. My bill is not part of it. But you can sit here and, as I say, you can think up every single, little, minuscule thing that a fertile mind can imagine to distract people's attention and to denigrate a really significant effort to help small business in this country.

I have worked on this amendment for 4 years. It has passed the U.S. Senate twice. It was vetoed in S. 11 last year by President Bush, not because of this. He was for it. President Bush was for it. President Clinton was for it. President Clinton is for it. And, God knows, every small businessman in America is for it.

You can say this is just a further erosion of capital gains and revenues. We trying to balance the budget. I can tell you that small business in this country is hurting like no other segment of the economy, and here is a very small, embryonic effort to do something about it. To say if you are willing to invest in a startup, small business or to expand a small business and hold on to an investment 5 years—that is not small potatoes. I would not do it. I would not invest for 5 years. Otherwise you are not going to get people who can go buy IBM, or some other stock on the market, and hold on to it for 1 year with no risk and pay a 28-percent tax on that. Anybody can do that. If you are going to ask somebody to be patient and invest for 5 years until a corporation can begin to return a profit so they are not strapped by principal and interest payments for the first 5 years and have a fighting chance of making it—and you say 14 percent, plus the alternative minimum tax which has been raised to 28 percent in this bill—that is a giveaway? You are giving it away to the economy, the segment of the economy of this country that generates jobs. Do not talk about jobs in one breath and denigrate the efforts to the attract investment capital in small business, the generator, the locomotive of all jobs in this country.

So, a point of order? We do not have 60 votes. I assume every person on that side of the aisle will vote "no." No, we do not have 60 votes. We had 48 cosponsors last year on this bill.

Of course some of these things will be corrected in conference. You can talk about the Hollywood Bowl. I do not know anything about the Hollywood Bowl provisions on this amendment. That is not mine. It probably would not withstand conference. But I can tell you one thing, the small business community is looking to Congress for help. They cannot borrow money from the banks. When a bank can loan $1 million for no more expense and a lot less risk than they can loan $100,000, why would they mess with a small business? The answer is they do not. They will not.

So those of us who favor this expensing provision, which is so important to small business—I am talking

about small business—also want to try to attract investment capital.

I have been chairman of the Small Business Committee for 6 years and have held dozens of hearings. Every hearing degenerates to the same proposition: "We cannot borrow money. We cannot attract capital. Nobody has any faith in us."

It is risk capital. Do you think somebody is going to invest in my son's cookie business, which the Senator enjoys the largess of every Tuesday at noon? Do you think you are going to invest in a small business like that and pay a 28-percent tax when you can invest in Wal-Mart or IBM and pay the same tax? It is the same corollary of why banks do not loan money to small business. If you do not give them the incentive, you do not get the investment; if you do not get the investment, you do not create the jobs.

At a time when we are walking a tightrope, trying to keep interest rates down and inflation under control, trying to create jobs and keep the economy growing while we slurp $500 million out of it, we are trying to keep this economy on an even keel.

So I hope people will think about that, at least, before they cast a "no" vote.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield 3 minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, I yield to no one in this body in my admiration for small business. It is because of small business that I am here, because of my success as a small businessman I can afford to run for the Senate. Under normal circumstances, I would be in favor of this amendment. But I must rise in opposition to it because it is neither soon enough or large enough to make a difference, and it strikes me as being something of a Band-aid where what we really need, if we are going to help small business attract capital and do the job it has to do, is to recognize that in this bill we are raising the effective rate on a small businessman who is organized under an S corporation status to a tax rate, maximum, of 43.2 percent.

We have talked about small business and capital. If I may be autobiographical for just a moment, the small business I presided over had four employees at the time I joined it. It financed its own growth with internally generated funds. The reason we were able to do that is because those funds were taxed at the maximum rate of 28 percent under the tax bill we had before because we were an S corporation.

Now, if our business were operating under the proposal in this bill, we would be taxed at 43.2 percent, and we simply could not generate the internally generated funds that created the business that is trading on the New York Stock Exchange currently, which created 1,350 jobs in less than 10 years from a standing start of 4.

So while I am in favor of the proposal, and I am in favor of anything that cuts the capital gains tax rate, I must consistently say until we are willing to face the fact that the destruction of the S corporation status by virtue of the millionaire surtax that is put in this bill will destroy small business. Until we are willing to face up to that, I will not accept a mandate that makes this supposedly small-business friendly when, in fact, it is the greatest devastation of small business that this body could put forward.

So I regretfully say I will be voting against this amendment, because I want to register a protest over the fact that this bill is the most strong anti-small-business bill that this body could possibly consider with its destruction of the S corporation opportunities.

Thank you, Mr. President.

Mr. PACKWOOD. I thank the Senator from Utah. I yield 2 minutes to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, the senior Senator from Arkansas made a statement where every small business in America is for this amendment. The hardware store owners are not for it; the drugstore owners are not for it; the hotel owner is not for it; the small restaurant owner is not for it. And I can go on and on. Why? Because they are not covered by this amendment.

If you run a subchapter S corporation, you are not covered. That is 40 percent of all businesses. What percent of the other 60 percent is covered, I do not know; but I cannot imagine it is very much. So I doubt every small business in America is for this amendment.

Second, he said if this amendment were adopted, he would not invest because of the 5-year holding period. Indeed; and nobody else in America is going to invest, either, because it has a lock-in effect for 5 years.

So, Mr. President, I hope that we will not support this amendment. It excludes many people and small businesses that we come to think of as small businesses. It limits entrepreneurship in terms of the corporation that would hit it big. You can only hit it big on $10 million, not more, even though you invent the new Microsoft.

There will also be a giant deficit increase; a 5-year holding period, and in the sixth year, everybody cashes in and the deficit mushrooms.

So, Mr. President, I hope we reject this amendment and get back to the serious business that is truly embodied in this bill: Deficit reduction.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Will the Senator from Tennessee yield me a couple minutes?

Mr. SASSER. How much time remains?

The PRESIDING OFFICER. Four minutes 48 seconds.

Mr. SASSER. I yield 3 minutes to the distinguished Senator from Massachusetts.

Mr. KERRY. Mr. President, let me answer, if I may, quickly, the comments of the Senator from New Jersey.

First of all, as to 5 years, if nobody is going to invest, then you should not worry about the expense of this. You cannot have it both ways. You cannot say nobody is going to invest but there is going to be a big deficit at the end. If they are going to invest at 5 years, it is because they are willing to take a risk at real job creation.

The Senator is absolutely correct that it is not going to apply to the drugstore owner or the hardware store owner. They are not the people in America who are going to create the new high-value-added jobs in the future.

The fact is, you will not have a huge deficit at the back end because you will only have capital gains, if you have a new product that has created jobs, that has raised the value of the business. And if you raise the value of the business sufficiently to have the kind of capital gains that would bother the deficit, you have also increased the tax base of this country. You have thousands, maybe millions, of people working.

The fact is that that is the only way we are going to do it for countless companies. I talk to these people every day of the week. This is their only form of remuneration. When they leave a good company at a high salary and take the risk of going out to start something in their garage, and scrounge for a few years, and they do not have the money to pay for their vacations, kids, cars whatever, they are betting on the future of the product which they are willing to leave that company for to start a new business. If they make it then, indeed, for those years where their salary is really being invested in the stock that finally pays off, they ought to be repaid for taking that risk.

That is the only way you are going to create jobs in this country. If what we read is true, the only really important jobs, that are going to raise the standard of living of this Nation, are going to be the creation of the high-value-added products that come from breaking the technology curve.

So we have a choice here: Either we create an incentive for people to take their private savings and put it into risk taking, or we can watch the Japanese and the Germans, who do not have a tax on their gains, who encourage it through subsidy, through the keiretsu, through Deutsch Bank, through countless other combines that we outlaw under our antitrust laws, and we can all hold hands and get poorer together. That is the choice here: We get smart and invest for the long run, rather than getting a short-term hit.

The Harvard Business School study shows that in 1962, we used to hold stock for 8 years in America. Now it is down to below 2 years. If you talk to most investors who are working on the quarter strategy, they will tell you they have to be in and out as fast as they can, and there is nothing about that that encourages a creation of jobs.

There is double deficit in this country: a deficit on the budget and an investment deficit. This bill addresses the investment deficit.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield 3 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. DOLE. Mr. President, I want to point out again, $55 billion of this income tax rate increase is going to be paid by small business. We ought to get this thing in perspective.

The first provision of this so-called targeted capital gains is going to cost $17 million in 1994. That is not a great big boost to the small business community—$17 million—when we are taking $55 billion away from small business; subchapter S, partnerships, and sole proprietors.

The total cost of the Bumpers amendment is about $1 billion over 5 years. So let us not get carried away with all that we are going to do with $1 billion. We are taking $55 billion away, and we are going to give you $1 billion back. That does not sound like a very good trade to me.

Then, with a reference to the expensing from $15,000 to $18,500, that is about $2.3 billion. As I indicated, it is $25,000 in the House bill and $15,000 in the Senate bill. It is going to be $20,000 when it is all over. That is $2 billion we could have put on No. 3, which is exception of the meals and entertainment provision relative to the performing arts. I am for that part of it.

Why not make it 80 percent across the board? Why not make it 80 percent, so if you buy tickets for the Bulls, the Chicago Bulls—I know people have heard of them in this Chamber; at least I have—why can they not get the 80 percent? Why do they only get 50 percent? If they have a concert in that same place, they can get an 80-percent deduction. What about the 165,000 people who are going to lose jobs if this is dropped from 80 percent to 50 percent?

I commend Senator BUMPERS. This is a small step in the right direction, though it is very limited, as pointed out by the Senator from New Jersey. If you want to really help the small business people, let us just cut some of the taxes; let us exempt them—there is going to be a chance later to vote for that—exempt small business from the higher tax.

That would really be a tax break and help provide jobs and opportunities for a lot of small business men and women out there not doing anything because they are scared about this big tax bill.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Tennessee yield 1 minute?

Mr. SASSER. I yield the distinguished Senator 1 minute, providing that I retain 30 seconds for myself. How much time remains?

The PRESIDING OFFICER. One minute forty seconds.

Mr. BUMPERS. Mr. President, I have a study here by the Joint Tax Committee that says of the nearly 7 million taxpayers whose business income exceeds their wages—of that number, 7 million—only 4.2 percent would be subject to higher marginal rates under this entire bill.

I can tell you, that 4.2 percent are people who are making quite a bit of money, and they are people that I am not really concerned about in this bill. I am trying to help the small business who is struggling, who has been in business for 2 or 3 years, maybe, and thinks he is going to become profitable next year but still has not turned the corner.

Those are the people who need patient capital. They need investors who do not bail out on them every time every little adversity comes along.

I have worked on this for 4 years, and I have thought about every conceivable alternative. I have never come up with anything that I thought would do it any better than this. This is an opportunity for this crowd not to just go home and tell the Chamber of Commerce your heart is with small business, but to come back to the Senate and prove it.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. PACKWOOD. How much time do we have remaining, Mr. President?

The PRESIDING OFFICER. Two minutes forty-five seconds.

Mr. PACKWOOD. Mr. President, I will yield myself 2 minutes. I will say again what I have said before, but I am not the only one in this body who has repeated themselves today.

We have a $3 billion, roughly, surplus which we could dedicate to deficit reduction, but we are going to spend it. The argument is we are going to spend it on a good cause. A good cause is always in the eye of the beholder. Every one of us has good causes, whether that is the performing arts, which I, frankly, have a preference for, or capital gains or, as the Senator from Wisconsin [Mr. FEINGOLD] would say, we should not reduce Medicare so much.

Each one of us says the most important thing this bill is trying to do is reduce deficits, and yet when we have $3 billion that we could use to reduce the deficit, what do we do? Spend it.

Now, it is only $3 billion. I do not want to be cavalier, but in the entire parameter of a $1.5 trillion budget, $3 billion is not a lot. But in this bill, we are going to raise about $250 billion in new taxes. They are not delayed. They are going into effect. And we say we are going to dedicate that $250 billion to deficit reduction.

I tell you this, Mr. President. When we get 1 month, 2 months, 3 months down the road and we start getting to these discretionary accounts where we are going to cut education or cut environmental protection or clean water, there is going to be a demand beyond belief that instead of using this $250 billion for deficit reduction, we use it for good things.

As sure as we are here today, what we are going to do, if we pass this amendment, what we are going to do with this $3 billion is what we will do with the $250 billion, and that is why we should pass the Republican amendment, which has no tax increase in it at all.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Will the Senator from Tennessee yield to me?

Mr. SASSER. Mr. President, I would be pleased to yield to my friend from Arkansas, but I wish to retain at least enough time myself to say one sentence.

Mr. BUMPERS. May I make one point then in 30 seconds?

The PRESIDING OFFICER. The Senator has 45 seconds.

Mr. SASSER. One point.

Mr. BUMPERS. People are concerned about the cost of revenue and what is going to happen in this bill. Over the past several years, Cray Research, Apple Computer, Compaq Computer, Intel, and six other companies that got money from the Small Business Administration that would not have made it except for venture capital, last year paid $1.7 billion in income taxes to this country.

Mr. SASSER. Mr. President, we have heard a lot of talk about helping small business. Now, the facts are, if you want to help small business, you are going to vote for this Bumpers amendment. It is a vote to either help small business or ignore small business' needs. That is what this vote is about.

The PRESIDING OFFICER. The Senator's time on the motion has expired. The Senator from New Mexico has 28 seconds remaining.

Mr. DOMENICI. I yield it back, 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.

Mr. LAUTENBERG. Mr. President, I rise in support of the Mitchell-Bumpers amendment.

Each day I hear from small businesses in my State, and they share a common lament: There is not enough

capital available for entrepreneurs who want to build companies and create jobs.

Banks and other lenders are reluctant to lend to small businesses. The SBA's main loan guarantee program has been dry since April. Venture capital contributions have tapered off.

This credit crunch is stifling growth and inhibiting innovation.

My State is home to thousands of high-technology companies—biotechnology electronics, software—where the risks are high and the rewards uncertain. These companies are the essence of growth and innovation, the main sources of high-wage jobs now and in the future.

But these companies will never get off the ground if they lack startup capital. This amendment offers a way to help get these companies the funds they need to thrive and create jobs.

The amendment accomplishes this goal by providing an incentive to invest in small business. Under the proposal, someone who invests in a corporation that has less than $50 million of aggregate capitalization, and who keeps the money in the company for at least 5 years, is taxed on only half of his or her capital gains.

Unlike many other capital gains provisions this body has considered, the Mitchell-Bumpers amendment is carefully targeted. It applies only to smaller companies, not to big ones already flush with funds.

And the amendment rewards only patient capital, precisely what emerging companies need. Investors do not receive any tax break unless their money remains in the company for at least 5 years. That restriction prevents investors from quickly cashing out and offers small companies capital for the long haul.

In the context of the entire budget, this amendment emphasizes jobs—not taxes. So on behalf of small companies in my State—the entrepreneurs and workers who make the economy go—I am happy to support and be one of the sponsors of this amendment.

The PRESIDING OFFICER. The question is on waiving title III of the Budget Act in consideration of the pending amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

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

The yeas and nays resulted—yeas 54, nays 44, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—54

Akaka	Feinstein	Lieberman
Baucus	Ford	Mathews
Biden	Glenn	Mikulski
Bingaman	Graham	Mitchell
Boren	Gregg	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Heflin	Nunn
Brown	Hollings	Pell
Bryan	Inouye	Pryor
Bumpers	Jeffords	Reid
Byrd	Johnston	Riegle
Campbell	Kennedy	Robb
Conrad	Kerrey	Rockefeller
Daschle	Kerry	Sarbanes
DeConcini	Kohl	Sasser
Dodd	Lautenberg	Shelby
Dorgan	Leahy	Simon
Exon	Levin	Wofford

NAYS—44

Bennett	Faircloth	McConnell
Bond	Feingold	Metzenbaum
Bradley	Gorton	Murkowski
Burns	Gramm	Nickles
Chafee	Grassley	Packwood
Coats	Hatch	Pressler
Cochran	Hatfield	Roth
Cohen	Helms	Simpson
Coverdell	Hutchison	Smith
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thurmond
Danforth	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	Wellstone
Durenberger	McCain	

NOT VOTING—2

Murray	Specter

The PRESIDING OFFICER. On this vote, The yeas are 54, the nays are 44. Three-fifths of the senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The amendment is not germane. The point of order is sustained.

The amendment falls.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, under the unanimous-consent agreement, as I understand it, it is now our opportunity to offer an amendment on this side of the aisle; is that correct?

The PRESIDING OFFICER. The Senator is correct.

AMENDMENT NO. 506

Mr. DOLE. Mr. President, I send an amendment, which is a complete substitute, to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 506.

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 text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOLE. Mr. President, we are going to try to accommodate all of our colleagues here and proceed as quickly as we can to this amendment. We will have a discussion of it and, hopefully, maybe it will be accepted on a voice vote, and maybe we can move on.

President Clinton has been asking Republicans, "Where is the beef?" Where is the alternative to his tax-and-spend budget plan? When we put this package together, our No. 1 priority was to lay the groundwork for a sound economic future by controlling Government spending, holding the line on taxes, and creating good private-sector jobs that will last.

Well, here is the package he has been waiting for. More important, this cut-spending-fist amendment may be the tax-free deficit reduction plan that most Americans have been waiting for. This taxpayers' alternative makes $329 billion in tough, enforceable cuts in Federal spending. Let me repeat $329 billion in Government spending cuts.

Our plan gets the deficit under control without raising taxes, and without going on a new taxpayer-financed spending spree.

It is tough medicine, but we believe that it is the right medicine for the economy.

REAL, LASTING DEFICIT REDUCTION

There are lots of problems with the Clinton plan, but there is one that most Americans do not know about. Look at this chart. In 1998, after all the bills from the Democrats' world-record tax increase have been collected, and assuming all of their promised cuts occur, the deficit starts climbing again.

Let me point it out with this big spending-cut pencil that I got from Bob's Big Pencil Co. in Hays, KS. If you will notice—I do not want to cut the chart—this is a real pen simulator.

Mr. SASSER. It has an eraser.

Mr. DOLE. It goes up, as opposed to the Republican plan where it continues to downward slide. I think we will find in the outyears there is much more saving in the Republican plan—and that will be explained in more detail by the distinguished Senator from New Mexico [Mr. DOMENICI] and the Senator from Oregon [Mr. PACKWOOD].

I would just take a look at our plan.

We hope we are going to have some support on the other side. We are serious about this. After they asked me all week "Where is your plan? The same people asked "why are you offering this plan?" You do not have the votes. Why are you offering it?" We are offering it because we think the American people believe we have the best approach to deficit reduction—cut spending first.

So look at this plan. No tax increases and it gets the deficit down lower than the President's plan by 1998. In fact, in our plan we will produce lower deficits than the President's plan and move toward a balanced budget.

We accept every single cut in the Senate Democrats' bill. I want to make that very clear—every single cut in the Democrats' bill—why, it ought to have

bipartisan support—is accepted in our plan, every single cut in the so-called Clinton plan is in our plan. We add an enforceable, 5-year budget-authority freeze on nondefense discretionary spending. And, on top of the President's mandatory spending cuts, we limit the growth of non-Social Security entitlement spending beginning in 1996. This entitlement cap will allow to grow for population, plus increases in inflation, plus an additional 1 percent.

So we are going to hear a lot more about entitlement caps from the distinguished Senator from New Mexico and I hope colleagues on the other side who have been supporting this concept for a long, long time. But the impact of the cap does not occur until 1997 which would provide everybody ample time for us to put into place the policy reforms we all know to be needed.

Mr. President, we are serious about this amendment. We spent a lot of time on it. It is pretty much the same as we offered in the debate on the budget resolution—we were asked then, "Where is the Republican alternative?" This is the Republican alternative. This is a Republican alternative. We believe the people who have a real interest in deficit reduction who are concerned about the economy, concerned about big taxes on small business—and let me repeat, there are $55 billion in taxes on small business in the Democrats' plan and we just had a little Band-Aid approach here to take $4 billion or about $4 billion out of that $55 billion.

We do not have any taxes. We do not tax small business, we do not tax small businessmen or small businesswomen in Idaho or California or Illinois or New York or anywhere else in America. This is a small business approach—no taxes, no user fees—and we believe it is right. No new spending programs, but spending cuts.

So, from the American people the message is correct, and again whether it comes from Democrats or Republicans or Independents around the country it is to cut spending first.

We believe that our plan, if enacted, will help keep the economy moving, would create thousands of jobs, and restore some faith in the Government.

So let us give the taxpayers a chance. This is the taxpayers' alternative. We can call this "tax free in '93"—and that is not a bad idea either. So let us just call it tax free in 1993. It is also tax free in 1994, 1995, 1996, 1997, and 1998. Compare this to the President's plan.

There has been a lot of talk back and forth and the President today saying, well, we do not want to tax the rich. We want the economy to grow. We want people to be successful in America. We do not want to go after small business to the tune of $55 billion—49 percent I think the Senator from New York said earlier. Forty-nine percent of the increased tax rates hit small business. And that is not the way to get the economy moving.

So, Mr. President, we think we have a good plan. We doubt it will pass. It should be passed, but we doubt it will pass, because we only have 43 votes and our colleagues have 56 votes. We expect some support from that side. We hope every Republican will support this bill.

So I am proud to offer it on behalf of myself, the Senator from Oregon [Mr. PACKWOOD]; the Senator from New Mexico [Mr. DOMENICI]; and all other Republicans on this side of the aisle.

I yield the floor.

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

Mr. DOMENICI and Mr. SASSER addressed the Chair.

Mr. DOMENICI. I sought recognition first.

Mr. SASSER. Go ahead.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me move over by this chart.

Mr. SASSER. Watch out for the pencil.

Mr. DOMENICI. Mr. President, I yield myself 15 minutes. Please advise me when I use 15 minutes.

Mr. President, our distinguished leader has called this the taxpayers' alternative and, frankly, I want to tell the U.S. Senate that when the staff and this Senator started putting this together, I truly do not believe that it was possible to do what we have done here and to bring before the American people and this U.S. Senate this plan.

I did not see how it was possible to get the deficit in 1998 to the same point that the President is or lower without taxes. I just did not think it was possible. Let me tell you it is, and that is what this plan is.

In 1998, the deficit under this plan is below $200 billion. The interesting thing about it is, that in 1998, if this plan is adopted and no taxes are passed, the deficit continues downward, as this yellow arrow indicates, and what happens if we adopt the Democratic plan, with $250 billion in real taxes and $15 billion in user fees, notice the red arrow. This is what the American people ought to be worried about after we have taxed them and cut very little. Here the deficit goes back up, while the deficit under the Republican plan continued downward.

Frankly, the answer is obvious. Taxes do not reduce entitlement and mandatory spending. Taxes put money in the coffers. But if programs of the Government are growing faster than the taxes, you eat the taxes you want on spending, which my friend from Oregon, Senator PACKWOOD, spoke of so eloquently in terms of what always happens when you raise taxes. Deficits do not go down, they go up.

I say to Senator PACKWOOD this is a living bona fide example that with all the taxes proposed on the American people, they will all be spent and the deficit will start back up. But if you take on the non-Social Security mandatory and entitlement programs, a whole package of them, and if you say only one thing, Mr. President, No. 1, you will take all of the cuts in the reconciliation package, whatever was done there on Medicare is done, excepting no new spending is provided but you take those cuts, and then put on top of that a mandate for reform, a mandate that those mandatory programs be reformed in the very simple way. Not next year. That is too quick. We will take the cuts in the Finance Committee bill for 1994, not in 1995—that is too quick for reform—but starting in 1996, 3 years from now.

This sends a mandatory message to the committees of this Congress that the whole package of mandatory expenditures cannot go up more than all of the new people—we refer to that as demographics—inflation plus 1 percent. They are not being cut; they are just not going to go up as fast as they have.

Now let me ask, before it is said on the other side that we are going to cut Medicare—we are going to have to cut programs that affect those who get entitlements, let me add—are they going to stand before the U.S. Senate and say, when we are finished with reform of health care—health care is going to keep going up like this arrow—to what end did we tax our people? Or are they going to stand up and say, we are going to reform health care and Medicaid and the other health programs of the Government so that they are not growing so fast?

We submit that while health care is in the news, while it is on our minds, while we want reform, there is no better time than during that 5 years, the 5 years that the President has spoken of, that this budget reconciliation speaks of, no better time is at the right stage for reform than to say to all of those programs what was said by the Nunn-Domenici amendment on the budget resolution.

And for those who are wondering whether this a good amendment, I remind you that 48 U.S. Senators voted for that; 48 U.S. Senators voted for that. It could not be all Republicans. We do not have that many.

What did they say on that one? They said, unless you get health care under control, here is what happens to the Democratic budget plan, right here, in red. The deficit turns right around after we put in all these taxes for you. You see here, this big reduction here in this chart is because we are whopping the taxes on the public during that period of time.

But then, when it gets up here, the entitlements package—not Social Security, but the other package—is going so fast through the roof that you just could not keep pace. And all of these went for naught as the deficit goes back up.

Now, it does not sound right that the Republican package does a better job with the deficit, because it sounds so great to say 250 billion dollars' worth of taxes is just necessary; we just have to have them. We need to sacrifice and pay them. Well, I ask: Why?

In 1998, the Republican deficit, right here, by this amendment, will be lower than the President's, and will continue to come down even without taxes. I believe it has a better chance in this plan, the Republican plan, to accommodate for growth. I believe the jobless recovery may turn into a job recovery, because you are going to take away all those taxes from small business.

Take those taxes away from Social Security. You are going to leave it where it is. You are not going to tax gasoline.

Now, I believe, if you are so interested in taxes, that you ought to do what the American people have asked you to do—cut first. Put this package in. Put this taxpayers alternative plan in.

There is a provision in it that says it is the sense of the Congress that there will be no taxes, no new taxes, until that plan is adopted and implemented. That means cut first, and that is what our people want to see.

Now, some are going to stand up and deride this plan by saying: Where are the cuts? We want to see the specifics. Well, I am going to tell you, shortly after this amendment is disposed of, unless we were to win this Dole-Domenici-Packwood substitute, the Democrats are going to come along and they are going to say: We are going to put a cap on.

We have discussed their cap, I say to Senator PACKWOOD, their 5-year cap on the discretionary accounts of this Government. And if they rise and say where are your cuts in the form of entitlements, we will rise and say where are your cuts, 112 billion dollars' worth of credit for cuts? We are going to ask where are your cuts, because they are in caps to be followed by sequesters by across-the-board cuts if not implemented.

We are going to adopt that very plan. But we are going to have a wall between domestic and defense so that, as we cut defense, we do not continue to take it away from defense to pay for other programs in the ensuing 5 years. But we get just the same savings with the 5-year budget authority freeze that we have in ours that the Democrats will get in theirs. And our entitlement cap, our reform mandate cap, does precisely what the Nunn-Domenici amendment did.

So if the Democrats want to come down and play the game of taking each program and taking it out from under that cap, we will merely say that only if the program exceeds—exceeds—this cap does it get cut. And there are only two or three that do. The rest can stay right within the cap, just as they are.

So, in summary, it is, believe it or not, we reduce the deficit below $200 billion without raising taxes. And because the source of the problem is controlled by mandating spending reform, the deficit continues downward. We extend the current caps on discretionary spending for defense, international and domestic, through 1998. And I assume the Democratic leadership amendment is going to do the same thing on their side.

And then we eliminate all spending increases. That is only $18 billion, but that is a lot of change. We take all the spending reductions that are reported in this reconciliation bill.

So if they were tough, we are biting the same bullet. We are taking every one of them, but we are also taking one step further. We are saying, rather than put $250 billion in new taxes on, we would rather turn this deficit around where it is truly going downward. So we are going to mandate reform of the entitlement programs by commencing 3 years from now.

So for those who wonder whether we can do it, what are we going to cut next week or next year—nothing; none. We give the Congress and the President 2 full years to get the health care programs under control. Now, if you want to vote against this on that score, you are sending a signal to the American people that when health care reform is over, it is going to cost more, not less. I do not think that is the right message.

The President of the United States very recently said he knew, he understood, unless and until you get health care costs under control, you cannot solve this budget problem. Why wait? Why not now? Not no new taxes, but rather a sense of the Congress that no new taxes will be imposed until all cuts are in place and have been implemented. The total deficit reduction over 5 years exceeds $367 billion.

Mr. President, I want to close by saying honestly to the U.S. Senate, when I asked my staff to put this together with numbers, I would have felt very, very glad and happy, and presented the amendment, if the deficit were $50 billion higher in 1998 than it is going to be under our amendment.

I had no idea that what happens to the President's taxes is that they get eaten up in here and then they have no effect out here because the entitlement programs gobble them up. I really did not think the lines would cross and a no-tax budget would reduce the deficit for 1998.

Nobody should misuse my words. I did not say it is the same in each and every year. But I said in 1998, the 5-year plan, the deficit will be lower with no taxes in that year as we start the next 5 years than it will after you impose all the taxes.

Frankly, there are a lot of skeptics around. There are a lot of people who have said why offer it, after kind of baiting us for weeks to offer something—right? I do not think they really believe that these numbers would come out this way. But this deficit number I am giving you of less than $200 billion, that is confirmed. We believe it is just as accurate as theirs, and, consequently, we offer this to the American people as the taxpayers' alternative. And we are confident when we vote for it that it will not harm jobs, it will not cost jobs, and it will get the deficit to the same point in 1998 as does the Democratic plan.

Mr. President, I yield 12 minutes to my cosponsor and then we will be through.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I am going to come at this from only a slightly different standpoint but reaching the same conclusions my friends from New Mexico and Kansas have reached.

We have used the word "entitlements" frequently. Those of us who missed it would have seen a good presentation by Senator CONRAD, of North Dakota, when he used some charts, where he showed defense spending went down, down, down. Then what he called "domestic discretionary spending," things we appropriate money for every year like environmental protection, education, that kind of thing that we vote the money for over the year, his chart showed over the next years that spending is flat, it does not vary much.

Then he showed what we call the entitlement programs. Entitlement programs are those to which recipients are entitled to receive money from the Federal Government and we do not vote anymore; it is automatic. Social Security is one. When you reach 65: How old are you? How long did you work? How much money did you make? Here is your money. And it goes up with the cost of living every year. Medicare is one. Medicaid is one. Federal retirement for military and civilian employees is one. Food stamps is one. These are programs that just automatically disgorge money from the Federal Government with no further action on our part.

I am going to take just four programs plus interest and show what has happened. Those four programs are the biggest four entitlement programs: Social Security; other retirement, Federal, civilian, and military retirements; Medicare; Medicaid. And then interest on the debt, which is the ultimate entitlement. That we have to pay.

Those five, the four programs plus interest, in 1963 were 24 percent of all of the money that the Federal Government spent. That was in 1963. In 1973 those four programs plus interest had gone from 24 to 37 percent of all we spent. Ten years later, in 1983, they had

gone to 47 percent of all we spent. This year they will be 54 percent of all we spend. And in 10 years, if the law is not changed and we just keep going on automatic pilot the way we are, those four programs plus interest will be 69 percent of all of the money that the Federal Government spends.

I emphasize, this is before a single person born in the baby boom years retires. The baby boom was 1945 to 1965. The first of them do not retire until the year 2010. From 2010 until 2030 is when this immense explosion comes in the payout of Social Security and Medicare with that aging population.

Now, if we do not control the rate of increase in those programs, they are going to eat us alive, and there will be less and less money to spend on all of the other programs that the Federal Government has, whether you are a defense hawk, whether you are an educational nut, whether you are an environmental protection zealot, no matter what. We are going to have less money to spend on everything else unless we increase taxes, in which case, if we increase the taxes, we spend the money; we do not use it to narrow the deficit. Or, if we increase the taxes to narrow the deficit, we do not have it to spend on these programs. If we spend it on these big four programs, we shrink, shrink, shrink everything else we spend.

So it is easy enough to say, let us cut those programs. Again, we emphasize "cut" does not mean we are reducing the spending. If we were spending $100 on a program today and we are projected to spend $110 next year as an entitlement program, and then we passed a law and said we are only going to spend $105, in Government language we call that a $5 cut. In business you would call it a $5 increase. We call it a $5 cut. Whenever we use the word "cut" around here we are not normally talking cuts, we mean reducing the rate of spending increases.

So people say, all right, those big entitlement programs will have to take a cut; that is, reduce the rate of increase. Take it from the rich, of course. We have had a lot of comments about the rich today, people making $100,000 and $200,000. But here is the problem, both when it comes to taxing the rich and taking benefits from the rich. There are not enough rich. The bulk of the taxes in this country come from the middle-income group because that is where the bulk of the people are. And the bulk of the benefits in this country that are paid out go to the same group.

In the next 5 years, Medicare is scheduled to pay out $1.59 trillion; $1.59 trillion. If we were to say we are going to eliminate the benefits from every individual who makes over $100,000 a year or a couple that makes over $175,000—they would get nothing; no Medicare part A for hospital care, or no part B for doctors—out of that $1.59 trillion we would save $26 billion by eliminating it for all of those people with incomes over $100,000 for singles and $175,000 for couples. That is not much of a saving out of over $1 trillion.

If we were to do the same thing to Social Security, if we were to say, we do not care if you worked all your life, we do not care if you paid into the Social Security fund, you do not get Social Security if you make over $100,000 single or $175,000 as a couple, we would save $44 billion out of $1.758 trillion that is projected to be spent in the next five years. That's not very much.

Therefore, if we are serious about wanting to reduce Government spending, we must not fool ourselves as to who we are talking about. Remember Pogo? "We have met the enemy and he is us." If we really want to reduce Government spending, it is going to affect all of us, and we are going to have to say, in the Medicaid and the Medicare programs, we cannot afford to continue to provide at public taxpayer expense the level of medical benefits that we have been providing in the past. That is a harsh thing to say. But unless we face up to that, we will not achieve our goals by eliminating the benefits for the rich. We will not achieve our goals by saying we are going to squeeze it out of rural hospitals and doctors. That is fooling ourselves. That is nibbling around the edges, very frankly.

So this amendment that Senator DOLE and Senator DOMENICI and I are offering says: As far as these entitlement programs are concerned—not Social Security, that is the one increasing relatively predictably—spending can only go up with the cost of living. Medical programs go up any place from 5 to 10 to 15 percent over the cost of living every year.

Our amendment says, starting in 1996, all of the entitlement programs but Social Security, can go up only what we have been spending plus inflation plus 1 percent. That sounds generous, but to a program that is going up by inflation plus 15 percent, that is a significant reduction in the increase. Until we face the fact that is what we are going to have to eventually do, we are not going to get these programs under control.

The only other alternative, if we want to keep funding these programs the way we are, is to increase taxes and increase taxes and increase taxes and increase the spending to take care of these programs, until we are taxing not roughly 31 or 32 percent of the gross national product, but 51 or 52 percent, the way Scandinavian countries do, or close to 60 percent the way Sweden does.

Of all the money in Sweden, the Government takes about 60 percent of it so they can provide the level of benefits that we will be driven to if we do not rein in these entitlements. That is the issue that should be put before the American public and let them make the decision.

Maybe we want to look like Sweden. That is not my preference. But in that case, remember the axiom: You are probably going to excuse the poor from taxes and in Sweden or the United States or anyplace else, there are not enough rich, if you confiscated their income, to pay the benefits for the poor and the middle income. So at some stage, you get to the place where you are prepared to tax people who make $20,000, $25,000, $30,000, $35,000 a year and your tax rate is going to be 45, 50, 55 percent of all the income you make so that we can provide the benefits that you want.

The Republicans would prefer to keep taxes lower. We are willing to take the heat for reducing these benefits, and we will put that case to the American public. We are not touching Social Security. The Democrats would say we want to increase taxes $250 billion and they do not touch these entitlement programs very much; increase the taxes $250 billion and allegedly apply it to the deficit. But, Mr. President, that has never happened; we have never applied tax increases to the deficit before; we spend it.

The pressure to spend it, not just on these entitlement programs, but the pressure to spend it on education and environmental protection and defense, if we ever have another serious problem, is going to become greater and greater and greater because if we do not bring these entitlement programs under control, there is going to be less and less and less and less money to spend on the other necessities of Government. At that stage, the pressure to take the money that we are raising in this bill in taxes, which the President says is going to go to the deficit, and spend it on education and environmental protection or clean water or defense, is going to be inexorable.

So that is the issue that is posed by this amendment. This is not an easy amendment, and I am very frank to say when these entitlement cuts come in 1996 and 1997, it is not just going to be doctors and hospitals, it is going to be all of us.

Maybe the Republicans are on the wrong side of this issue. Maybe the public wants this money spent and is willing to pay the taxes. We are willing to gamble and put the case to the public that we think this country and the citizenry of this country will be better off if we face the problem and say we are going to limit the benefits and we are going to limit the taxes. At last we are going to have a vote on an issue that significantly differentiates Republicans from Democrats. They would tax, they would spend; we would not tax and we will rein in spending. The ultimate decision between the two is going to be made by the American public in the future elections. I thank the Chair.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, listening to my colleagues on the other side of the aisle, I am reminded of something that Yogi Berra said years and years ago—or at least it is credited to Yogi Berra. He said, "It is deja vu all over again."

All I have to say to my colleagues is, if you liked the 1980's, then you will love this proposal that is being advanced from across the aisle. If you like sacrificing the benefit of the majority of the people of this country to benefit a few wealthy people, then you will love this program.

First and foremost, this plan has as its focal point maintaining the tax breaks to the wealthy that occurred during the days of Reagan-Bush.

Let me just draw my colleagues' attention to this chart that I used earlier today, and let us see where those tax breaks went during the Reagan-Bush years. The top 1 percent in this country, as their income went up 47 percent during the Reagan-Bush years, their effective tax rate was reduced almost 25 percent. As their income went up 47 percent, their effective tax rate was reduced almost 25 percent.

That is what this proposal is all about. We are going to throw everybody else on the bonfire, but we are going to protect those wealthy people who got those enormous tax cuts and tax breaks during the 1980's.

How do they go about doing it? First, if you want to compare apples to applies and not apples to oranges, they actually save or reduce the deficit by $410 billion over the period from 1994 to 1998. President Clinton reduces the deficit by $516 billion over the same period. So, for starters, they are light by $100 billion.

Where do they go to get these so-called spending cuts? The first thing they do is they go to discretionary spending. That is spending for roads, bridges, education, police protection—the whole host of things that fall under the category of domestic spending.

Let us just look and see what has happened to domestic spending as a percentage of gross domestic product over the past 10 years, 12 years, and what is projected to happen in 1995, even under the President's proposal.

You see that discretionary spending has been coming down as a percentage of gross domestic product steadily—steadily—and that is why you have mayors complaining about bridges falling apart, sewer systems not working, the highways in desperate need of maintenance, not adequate police protection across the country, the educational system going to pot.

How do they respond to that? They say we are going to cut another $84.9 billion out of domestic discretionary spending.

Mr. President, if this proposal of theirs should become law, weeds will be growing in the streets and the cities across this country. It is dangerous enough now, but I daresay with the reductions in police forces that would occur, you would have to have a Thompson submachinegun to go down the street with any degree of safety, if these domestic discretionary cuts actually went into effect.

Where do they get the rest of their savings or cuts? They get them from entitlement caps. What are entitlements? Entitlements are a whole host of programs, but the ones that are growing principally are Medicare and Medicaid. They account for 85 percent of the growth of entitlements, as I said earlier. If you add in Social Security, then those three programs—Social Security, Medicare, and Medicaid—account for 95 percent of the growth in entitlements.

Now, they do not have Social Security in their entitlement cap. I think they learned their lesson on that, Mr. President, in 1986. They learned that the American people simply were not going to stand for any kind of cap or COLA reduction to be put into Social Security. So what do they do about it? They go after Medicare and Medicaid.

What we have is $50 billion in unspecified Medicare and Medicaid cuts in 1997 and 1998. That is $50 billion. Now, that $50 billion in Medicare cuts comes on top of the Medicare cuts that are already proposed by President Clinton.

Now, you can impose the Clinton cuts by putting them on providers, and they do not get to the beneficiaries. But if you impose this additional $50 billion that they want to impose, then you are getting right into the beneficiaries' pocket and you are simply depleting the Medicare trust fund.

So with regard to further entitlement cuts, you have $31 billion in 1997 and $36 billion in 1998.

So that is $45 billion in Medicare and Medicaid cuts in 1997 and $73 billion in 1998, again out of Medicare and Medicaid. So when you add it all up over the course of their program, in 3 years you have $108 billion in reductions in Medicare and Medicaid.

Now, if that is not going to adversely and dramatically affect millions of elderly citizens and sick senior citizens in this country, I do not know what will. And if that will not dramatically deprive the poor and poor children of health care, I do not know what will.

And what is it all about? It is all about protecting the tax breaks of those who got those lucrative tax breaks in the 1980's during the Reagan-Bush years. Oh, yes, they say we are going to do it without taxes. If you try to do it, if you focus all of your attention, all of your efforts on protecting these tax breaks for the wealthy and you still are moving down the line of trying to do something about the deficit, the only way you can get there is to literally gut domestic discretionary spending in this country and to literally do away with Medicare and Medicaid.

These are draconian cuts. They could not possibly be enacted. I mean we saw some of this during the decade of the 1980's in the budgets presented by President Reagan. Our friends on the other side of the aisle would not even call that budget up for a vote, would not even call the Reagan budgets up for a vote. And I think we called them up one time and asked them to vote for their Medicare cuts, vote for those Medicaid cuts, vote for those cuts in domestic discretionary spending. Why, those Reagan budgets did not get enough votes on the other side of the aisle to wad a shotgun. People are simply not going to vote for them. This is political hocus-pocus.

Now, Mr. President, I have talked enough here today. Many of my colleagues are here ready to speak, and I will defer now to the distinguished senior Senator from South Carolina [Mr. HOLLINGS].

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

Mr. HOLLINGS. I thank the distinguished chairman of the Budget Committee. As he said earlier in the day when we commenced debate, this is the one budget reduction train that's going to leave the station and we better get on if there is going to be any real budget reduction this year.

In that spirit, I commend the distinguished Senator from Tennessee and the superb leadership and work he has given. It has been awfully difficult. I have served in that role as chairman of the Budget Committee. When they mention reconciliation, I note that I was chairman when we passed the first reconciliation bill which actually reduced the deficit back in December 1980.

The Senator from New Mexico's statements and charts simply confirm what this Senator from South Carolina has long known, and that is that this deficit-reduction job cannot be done without new taxes in addition to spending cuts.

The Senator from New Mexico puts up a chart here and he claims that after 5 years we will be down to a deficit of $197 billion. Well, heavens above, try bragging about that to the people around the famous kitchen table in Texas. After these proposed catastrophic cuts in Medicare for the poor and elderly, and you still have a huge deficit. That is nothing to crow about. You have not gotten in the black. And meanwhile how much have you added to the national debt? You give yourself credit, and show these charts with arrows zooming downward, but meanwhile the Republican alternative would add another $1.549 trillion to the national debt.

Now, on our side of the aisle, we add $1.4 trillion to the national debt. So it is not an easy job. And my point here is that you cannot truly end the deficits without taxes. The fact is even the Republican's $197 billion target for 1998 is not an accurate figure in the context of the law with respect to deficits. I know they objected when I made the motion to put Social Security off budget and to prohibit it from being computed in the deficits. But it is the law nonetheless.

So in 1998 you must add $88 billion to the Republican's $197 billion figure, not disputing his figure of $197 billion. So you still have a deficit of $285 billion. And then if you add the other trust funds for highways, airports, unemployment, others, you add yet another $20 billion to the 1998 deficit. This is the best estimate of the Budget Committee and the Congressional Budget Office. So the Republican proposal without any new taxes at best keeps the deficit over $300 billion by 1998. How grand, wonderful.

This only proves my point that you cannot solve the budget mess without new taxes. I have no better authority than the fellow who got us into this soup in 1981. David Stockman, in the New Perspective magazine—this is indeed a new perspective for that fellow:

The root problem goes back—

I am quoting him. He wrote this just last month—

to the July 1981 frenzy of excessive and imprudent tax cutting that shattered the Nation's fiscal stability. A noisy faction of Republicans has willfully denied this giant mistake of fiscal governance and their own culpability in it ever since. Instead, they have incessantly poisoned the political debate with a mindless stream of antitax venom while pretending that economic growth and spending cuts alone could cut the deficit.

Heaven's above. Where is there a better authority on the true nature of the Republicans' supply-side hoax in the 1980's? I opposed Reaganomics, along with McC. Mathias, Republican from Maryland. On this side of the aisle others, the Senator from Arkansas, the Senator from Connecticut, we opposed this nonsense back in 1981. I am very delighted, of course, to read Mr. Stockman's mea culpa.

I quote further from David Stockman:

There is no way out of the elephantine budget deficits which have plagued the Nation since 1981 without major tax increases. In this regard, the full-throated antitax cries emanating from the GOP since February 17th of this year amount to no more than deceptive gibberish.

Indeed, if Congressman—

I divert here for a minute. I have nothing particular against NEWT GINGRICH, I am just quoting:

Indeed, if Congressman NEWT GINGRICH and his playmates had the parental supervision they deserve, they would be sent to the nearest corner wherein to lodge their Pinnochio-sized noses until this adult task of raising taxes is finished.

On that realistic score, the Senator from South Carolina has recommended a value-added tax. I worked with OMB Director Panetta three times, with Secretary of Treasury Bentsen, I went over to talk to Dr. Alice Rivlin, the Vice President, and then the President himself—arguing for a broad-based consumption tax dedicated to reduce the deficit and the debt. We made the motion in the Budget Committee for a VAT just 5 years ago and we got eight votes. We had bipartisan support.

The distinguished Senator from Minnesota, the distinguished Senator from Missouri on the other side of the aisle allied with six of us on the Budget Committee trying to avert the deception we now see, all the wailing and weeping, Republicans coming with Pinnochio noses and gibberish, their nonsense about how we are going to be tax free in 1993, all of their pollster politics, trading in silly slogans.

They have no shame. They have no embarrassment. If we were to adopt this particular Dole-Domenici proposal, we would ruin the country—we would ruin the country.

You are talking to a fellow that knows something about freezes. I first proposed a freeze back in 1981 and 1982 with Senator Howard Baker. I will never forget. He was the majority leader. He said, now, Fritz, you go this morning, and I cannot come directly out supporting it, but I will say some laudatory comments that we ought to really give it serious study, because he was for the freeze. I was for it. So I proposed it, and Don Regan, the Secretary of Treasury, tackled us both from behind. He said no, we are not going to have a freeze. We tried 5 years for a freeze. This crowd now pontificates that they have an alternative. No one in his right mind would go for a 5-year freeze for heaven's sakes.

Mr. D'AMATO. Will the Senator yield?

Mr. HOLLINGS. No. I will finish my thoughts and I would be delighted to yield thereafter.

Less than 24 hours ago, last night, in my appropriations bill, the panel attorneys, the Justice Department, and the Federal judges said that if they do not get an additional $50 million, they cannot try the cases. But this alternative says freeze, do not give them the $50 million. We can hold our breath. We can hold our salaries for 1 year. We can do it. But 5 years is outrageous nonsense.

The Small Business Administration, $175 million, trying to get jobs. The FCC, that is the one bill we overrode President Bush on; two-thirds of the National Congress told the President, go bag it.

We got a cable TV bill, and then we cut off the money. So we had to put $12,234,000 to fund implementation—delayed it until October for the enforcement of the law because we do not have the money to administer it.

The U.S. Trade Representative, you can go right on down the list, community policing, FBI, they have Waco, they have the bombing in New York, they have the killing at the CIA, they have the attempt on President Bush—they request $32 million in additional funds.

Government is a dynamic. Heaven's above. This is an opportunity for investment. The entire defense budget, generally, is dynamic. It is an investment to save us when we have threats to our national security. We do not know whether we are going to be in Bosnia, Somalia, or wherever, but it is a total investment that really no one questions. That is the primary function of your Federal Government.

And you come around to education, to Head Start, and say freeze it for 5 years. Just keep it there. We only are funding half of Head Start right now. Women, infants and children feeding, we're funding only half of it. We must rebuild get the Government moving, and get things going in this country of ours.

This alternative would freeze medical research. Secretary Shalala recently told me she has a wonderful Noble Prize winner coming into NIH. We have the Decade for the Brain, the human genome study, the breakthroughs we are making with the genes. For every dollar we spend out there at NIH in Bethesda, MD, we save $13.50. It is an investment. For every dollar of WIC, we save $3. For every dollar of Head Start, we save $4.50. But the opposition acts like it is a monkey show here. They jump with these blooming charts and holler, look, here, I have an arrow pointing down to the ground, tax free in 1993. You know why I am for taxes? I am for taxes to stop the daily increase of taxes that Republicans caused.

Yes. I opposed Reaganomics in July of 1981. You could see it coming. Heaven's above. I got the triple A credit rating for my own State; the first southern government to do so. I am proud of that. I know a little bit about fiscal sense. They came here in 1981 and said they were going to cut revenues 25 percent, which Stockman himself now acknowledges was a mistake. He calls it "the excessive and imprudent tax cutting that shattered the Nation's fiscal stability" is his wording of it.

We do not come around here with promises, what President Clinton promised. For heaven's sake, that crowd still thinks the election is going on—saying President Clinton this, President Clinton that. I can tell you Clinton got elected on one promise, and that was the promise that George Bush made to do nothing. Clinton promised the opposite: to get the country moving again. Does anybody have the guts and character to stand up and say here is what President Bush would have done? No way. Nobody is that asinine.

Good heaven's above. We had been on a 12-year binge. We have had our fill of these little slogans like "tax free in 1993," "Read my lips. Read my lips. No, I won't do it again, I won't do it again." Come on.

Mr. PRYOR. Mr. President, I am just trying to get the Senator some more time if he would let me interrupt him for just a moment.

Mr. HOLLINGS. I have gone already 30 minutes?

Mr. PRYOR. No. Let me inquire.

Mr. President, I am authorized to yield to the Senator from South Carolina 20 minutes off of the bill so that additional time at this point may not be taken from the amendment inasmuch as we have about eight speakers who would like to speak on the amendment, if that suits the Senator.

Mr. HOLLINGS. I appreciate it. Yes.

Mr. PRYOR. Therefore, I yield from the bill 20 minutes to the Senator from South Carolina.

Mr. HOLLINGS. As I was saying, President Reagan, what was his promise? His promise was that he was going to balance the budget and put the Government in the black the first year. I can give it to you in black and white numerous times. He came here and said, oops, I never knew it was this bad. I will have it balanced not in 1981, but I will have us in the black in 1983. That was his promise.

What are we doing? We are living with the consequences of Reagan's broken promise. He was the President. You had the Senate, my Republican colleagues, you had the majority, and you would not go with a 1-year freeze much less a 5-year freeze, but now you presume to run out with your little charts, tax free in 1993. It was you who gave us the first $100 billion deficit, the first $200 billion deficit.

And President George Bush gave us the first $300 billion, and this year, right now, we are at $340 billion and add the other $50 billion—again from the military, Medicare retirees, airport, highway trust funds, we are right up at $400 billion deficit this minute. That is the Reagan-Bush legacy.

That is our dilemma. Those were the promises made. We had never had a trillion dollar debt before Reagan, and we had 38 Presidents—Republican and Democrat—over 200-some years of history, all the wars, from the Revolution, World Wars I, II, Korean, Vietnam, right on down. And we had not accumulated $1 trillion in debt. Then we entrusted power to this crowd that is now bringing out these funny little charts; it is they who gave us a $4.1 trillion debt. It is up now to $4.2 trillion, and going up every day, which means the gross interest cost is $310 billion now. That is with low interest rates. You wait until November, when the rates start going back up.

But right now, every day this year, except Sundays, the Republican taxes go up each day at a rate of $1 billion a day. That is who I am going to attribute the fault to. I am tired of them preaching about freezes when they were opposed to them. I am tired of them calling for Gramm-Rudman-Hollings-style cuts when the Senator from Texas voted to do away with Gramm-Rudman-Hollings.

Mr. FORD. I thought you got a divorce.

Mr. HOLLINGS. I asked for a divorce trying to expose the abuse of Gramm-Rudman-Hollings. I certainly did. I said it was supposed to be truth in budgeting, a spur to get us to fiscal responsibility; not a shield to hide behind, as we did in 1990, which was a fraud if there ever was one. Both sides agreed that if we could finesse the figures, repeal Gramm-Rudman-Hollings, then we can all get by the 1992 election. That is what it was for.

I have heard none other than former President Bush say he has been given the wrong history. The recession was not after the 1990 summit deal; actually, the recession started in July of 1990, and we did not pass that silly summit, that fiscal fraud, that hoax of a document, until November of 1990.

And now we do not want to get into the same mistake, the same promised $500 billion reduction of the deficits, while, meanwhile, taxes are going up $1 billion a day. As Lewis Carroll wrote in "Through the Looking Glass"—"To stay where you are, you have to run as fast as you can; and to get ahead, you have to run even faster."

So it is a desperate circumstance that we are in; trying to run even faster. We need all of the above. Yes, we need more cuts—cut the super collider, the space station, the V-22 Osprey, and all of those toys. Yes, we need more freezes; and, yes, we are going to have to have, as Stockman said when he hit the world of reality up on New York, we are going to have to have what he describes as "major tax increases." That is why I recommended the VAT tax.

Let us not wreck the Government. Let us not devastate our society with a 5-year freeze. Actually, these figures are nothing but generalized, utterly nonspecific equations. The entitlement cap of $50 billion is put in the last 2 years to give us a figure. It claims that 4 years out, we will cut some $13.9 billion. And the next year we cut $35 billion. It does not say where we will get it. It says anybody under Medicare cannot get a dollar in 1997 and 1998. You cannot do that in this land of ours. We have to quit playing games to get a headline in the Washington Post that "we put up an alternative that can do the job without taxes."

Anybody who tells the American people it can be done without paying the bill, without stopping the tax hemorrhage of interest taxes of $1 billion a day, is defrauding the American people. They know it; they cannot do it. You can cut all $240 billion in discretionary spending and all $21.6 billion in international affairs spending, then subtract it from next year's deficit of $360 billion, and you are still left with a deficit of roughly $100 billion. And, mind you, that assumes eliminating every last dollar of domestic discretionary and international spending.

I would be delighted to do this without taxes, but the taxes are increasing as we talk. The Republicans are the ones that caused it, yet they dare to come around here now with their 5-year freeze when they would not even agree to a 1-year freeze. And they know it is absolutely out of the whole cloth; they know it would wreck all of the programs, the dynamics of Government, the needs of the American people, at a time when we are trying to rebuild the infrastructure after a 12-year binge of not paying the bill; let it all go to the national debt, quadruple it—$4 trillion—and then come around here and say "What about President Clinton's promise?" The unmitigated gall.

I think we promised to do a better job than this, and we had better quit playing this game and realize that what we need is—as Stockman and others say—we are going to have to enact a broad-based consumption tax. The Clinton plan hits the ball. It uses true figures, and it makes tough decisions. And I support it strongly.

But I say in the same breath, it hits the ball but does not follow through. We are still going to have to get on top of the deficit, because we are adding—if we bam-bam and voted, 100 Senators, the proposal of the Finance Committee and the reconciliation bill by the Budget Committee—we would still add $1.4 trillion to the debt over 6 years, and we would still be running a deficit almost as large as we inherited from President Bush.

That is why I have had to recommend taxes. When I have to do that, it galls me to come and listen to the monkeyshines—if I have a minute more, I will yield to the Senator from New York, if he has a question. I did not want to sound rude, but I tried to complete a thought around here.

There is a difference in philosophy, I have heard. They say, we Republicans believe you have to cut spending and pay the bill, but where have they been for the last 12 years? And now they belatedly come along with this 5-year freeze that would wreck the Government economically.

(Mr. WELLSTONE assumed the chair.)

Mr. D'AMATO. Mr. President, if I might make an observation, I wanted to say that I have said to the distinguished Senator from South Carolina more than once that had we undertaken his proposal, in a bipartisan manner, which was made back in 1981, to freeze spending, which he put forth,

we could have avoided a lot of this plan.

I think the Senator was right then. I want him to know that.

Mr. DODD. If the Senator will yield——

Mr. D'AMATO. If I might, I wanted to make that observation.

Mr. HOLLINGS. Mr. President, I appreciate that very much. To the Republicans' credit, they brought poor, little Pete Wilson in here on a stretcher, and we voted for that. President Reagan sabotaged it, saying "I got together with Speaker O'Neill, and I am taking his Social Security increase because he is taking my defense increase."

That is why we later had to resort to Gramm-Rudman-Hollings.

Mr. DODD. If the Senator will yield, Mr. President. What we could have done, as well, was vote for a proposal that put the budget on a pay-as-you-go basis; in other words, if you wanted to increase spending, you must pay for it.

That proposal was made, and we got only 22 votes for that in 1981, I think. It said that from now on, we will just pay for any increases in any spending. And in a Republican-controlled Senate, we got only 22 votes for a pay-as-you-go proposal. That would have balanced the budget by 1985.

Mr. HOLLINGS. Mr. President, one other thought.

The distinguished Senator from New Mexico came in 1986, when they had a majority of Republicans controlling the Senate, and made a motion for 43 budget cuts by President Reagan. You remember the Stockman hit list, citing an "economic Dunkirk." He took the 43 cuts and moved them to a vote, and he got exactly 14 votes on spending cuts, and that was in a Republican Senate.

We have to operate in the real world and cut out the pollstar game here, with bogus charts, and ignoring the dilemma we are in of a $1 billion daily increase in taxes, which increased yesterday, and is being increased today, and will increase tomorrow and Saturday.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, first of all, let me say that I agree with many of the things that our distinguished colleague from South Carolina has spoken to. I think, had we had the political courage back in 1981–82 to impose a freeze across the board, we would have had a far different situation today. We still would have had the problem of dealing with the entitlements, and that is what the legislation that is before us today does. It takes courage. It can be misconstrued very easily.

Let me say, Mr. President, President Clinton said that he wanted to do a number of things, and he promised repeatedly, and I can quote him, the one thing he was not going to do and I will quote: "I am not going to raise taxes on the middle class."

Under our program we do not raise taxes on the middle class, but we achieve the spending reductions, we bring the deficit down, we keep the economy strong, and we keep faith with the middle class. Let me tell you, the gasoline tax alone, the tax proposal in the Democratic plan, will be raising $24 billion worth of taxes, and 80 percent of that or more is paid by the middle class.

Mr. President, I want to help President Clinton keep his promise. That is what this plan does. If we really want to raise taxes $24 billion—and that is what the gasoline tax does—on 80 percent of the working middle class of America, I do not think so. Let us help him keep his promise. We adopted a plan, there is a spending freeze, we have a spending freeze, and save real money and involve enforcement mechanisms to do it and cut spending $239 billion.

You ask Americans what they want. They will tell you they do not want more taxes, they do not want new programs; they want us to cut spending.

That takes guts and it is tough. We have got a methodology of doing it, and we have 40-plus Republicans who will vote for it. Now we have an opportunity, and I say to my colleagues on the Democratic-controlled side, do not do the same thing that we did, that the Republicans did in 1981. You know what? You have to read my book to see who said it, but there were some people in the administration, that FRITZ HOLLINGS could get too much credit back in 1981. That is a fact. They were afraid maybe he would be looking to run for President. That is true. That is a fact.

Let us make the tough decision and the right one. Let us stop this class warfare, "Get the rich guy; we are going to get him." Stop the nonsense. You can confiscate and take all the money from all the millionaires and you are not going to deal with the program here unless you cap spending, cap entitlements, cut spending. And that is what we do. When you begin this business of taxing the productive ends of America, the small business community—I am going to touch on that in a second—you stifle economic growth.

So this plan is not going to produce this kind of reduction in the deficit. It is going to throw hundreds and hundreds of thousands of people out of work. You are going to pay more in social service costs. You are going to lag in the income that is produced. Whenever you raise taxes, that is what takes place. Let us wake up. That is why the markets are reacting the way they are. That is why business is lagging. People understand and people know.

We did not even get into the health care reform area. Do you really believe that is not going to be accompanied by a big tax? President Clinton said, and I want to quote: "I am a friend of small business." He wants to reward them, encourage and help them. He was not going to tax them. He said in USA Today, September 1992: "I am not going to raise taxes on small businesses." And here in this bill, the Democratic proposal raises taxes on small businesses $55 billion. That is, 49 percent of the tax rate increase comes from small business out of $110 billion.

Let me ask you, do you really think raising taxes $55 billion is going to move this economy forward, is going to reduce the deficit? Not if you are putting in new spending programs and what it does. The best thing you can do is stop fooling around with the tax rates, keep them the way they are, hold the line on spending, and you will see America grow, you will see the market place expand, you will see real productivity. That is what it is about.

By the way, all I am trying to do is help President Clinton keep his promise. The Democratic package flies in its face—$24 billion gasoline tax on the little guy, $55 billion on small businesses. And I suggest to you that this nonsense of demagoguery of saying, "Let's get the rich guy," somehow there is something that is wrong. A lot of people who have just begun to make some money this year, or last year, are they evil because they are successful? Are we going after people now, punish them because they are successful? Is that what America is about? I did not think it was. I think we play a dangerous, demagogic game.

But I want to help the President. I want to help him when appropriate. I know he would not want it any other way. The President said, "You show me how you make the cuts." Here it is. Here is the plan that makes the cuts. And it keeps his promises; it does not raise taxes on working middle-class families. It does not raise the gas tax. It does not raise the tax on small businesses. Let us have the courage to do what maybe we should have done in 1981. This is long overdo, and that is why I am supporting this program. It is a plan that will see to it that we keep faith with the American people.

The PRESIDING OFFICER. Who yields time?

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, we are going back and forth. Is there anybody on that side that wants to go now?

Mr. PRYOR. Mr. President, I am authorized to yield to the distinguished Senator from Connecticut [Mr. DODD] 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank my colleague from Arkansas.

Mr. President, I just want to remind our colleagues here—I have tried to

keep time here the last little bit—that it was about 180 minutes ago when we were presented with the proposal we are now going to be asked to vote on in the next hour or so. On February 17, President Clinton submitted an economic package, a budget deficit reduction package, and that was 4 months ago; 180 minutes ago we got presented with an alternative. The distinguished Senator from South Carolina said it is tax free in 1993. It is "read my lips." It is all the same old sloganeering all over again.

With all due respect to colleagues on the other side, this amendment is not responsibility; this is dereliction in one's responsibility to deal with an extremely serious issue that requires hard thinking and hard work. And just to come up and create out of the air a proposal and lay it out here with charts, with arrows going in all sorts of different directions, and then suggest to the American people that this is a serious alternative, I think should be received in the spirit in which it was offered. This is politics, despite all the talk we will hear about base lines and scoring and all sorts of different methodology around here that cause the eyes of most Americans to glaze over.

What people have said is that they want real deficit reduction because they understand that, without it, we are not going to have real economic growth.

For the past 12 years we have been sold basically this same bill of goods. It began in 1981.

The Senator from South Carolina is absolutely correct. There were eight of us over here 12 years ago that said that years budget plan did not make any sense, and in those days we had a $1 trillion national debt. The deficit that year was roughly $100 billion. For 12 years we have tried that same formula as in 1981. For 12 years we have gone down that road again and again. Now that snake oil salesman is coming again. Now fool me once, fool me twice, fool me 8 times, 10 times. Well, how many times do we have to be fooled? And yet here it is again with this amendment. And the message is try it one more time, gang. It only gets better.

Well, listen. If we want to get serious, if we want to get real, if you really want to put us on a track here, we have to come up with a proposal that gets us $516 billion in deficit reduction.

I do not know of anybody that takes any joy in taxing anyone. Let us get off that game. I do not know of a single Member of this body that has ever taken pleasure in asking any American to have their taxes increased.

And let me say to my colleagues on this side, I do not think it helps our cause to go out and say that someone who has made over $100,000 or $200,000 a year is somehow evil. They are not at all. All we are saying with our budget plan is, "will you help?" That is all.

The 1980's produced some great wealth in this country. And God bless the people who made it legally. Today they are in a wonderful position financially. But as part of this deficit reduction we have asked for $75 billion in cuts in Medicare and Medicaid. We know that hurts. Those are not affluent people. These cuts hurt, for the most part, poor people who are going to be in a very difficult situation trying to pay medical bills.

And so we are also asking, in addition to additional cuts, for almost 80 percent of the tax increase to come from people who make $200,000 a year or more. Not because they are evil, not because they did something terribly wrong, but because they are in a position to help as we try to reduce deficits.

Frankly, if we pass this amendment, and then we come back here every year and engage in the same charade, we will be worse off.

The Senator from South Carolina said it well. Every time the hand on that clock goes around 24 hours, the Government borrows $1 billion more. That is a tax. Every single day it is $1 billion. Every single day of the year, every Saturday, every Sunday. It does not stop when we leave here. And that is the worst tax of all.

Right now, net interest is about 14 percent of our budget. If we sit on our duffs and engage in the gridlock, play the silly games, and tell the American people there is a painless way to cut the deficit, then in 10 years from now net interest will be almost 18 percent of the budget. Almost one out of every five tax dollars by the year 2000, or thereabouts, will go to interest payments on the national debt.

Is that what we want as a record? Is that going to be the legacy of this Congress? Will that be the legacy of our generation when they write the history of our time? Where were you? Where was the intestinal fortitude? Where was the honesty to stand up and say, "how about a decent balance here, and how about asking those who can to participate not because you are evil, and not because you are wrong, but because you can help? And how about asking those, as well, on the other side of this aisle to participate in responding to the responsibility, the collective responsibility, of our generation. But to accept the amendment before us is to walk away from that responsibility.

To try the Democratic budget plan will at least, for the first time in more than a decade, put us on the right track.

Let us get serious. Our constituents and the American people demand nothing less of us.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. I thank the Chair.

Mr. President, 2½ weeks ago KAY BAILEY HUTCHISON was elected as the new Republican Senator from Texas. I am delighted to yield to her 10 minutes now to make her first speech on the floor of the U.S. Senate.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Mr. President.

Being No. 100 in this body does give me a unique vantage point. As the newest Member of the U.S. Senate, I have just spent 5 months all over Texas talking to the hardworking people of that State, talking to the taxpayers who are trying to make ends meet, and I can tell you that the people of this country are a lot smarter than Congress gives them credit for.

Time and time again, Congress has told the public: Just let us raise taxes now, and the spending cuts will come later. Time and time again, the spending cuts do not come. The taxes go up, the deficit soars, but the spending cuts do not come. This time the American people are giving us a message. I bring that message from Texas and from all Americans—cut spending first.

They know we do not have a deficit in this country because we are being taxed too little. They know we have a deficit in this country because Government is spending too much. They $347 billion package we are considering tonight includes $250 billion in net tax increases and $83 billion in spending reductions. It includes $3.18 of tax hikes for every $1 in spending cuts. In fact, as our distinguished colleague from New Mexico, Mr. DOMENICI, said earlier today, 82 percent of the spending reductions in this bill will not even take effect until after 1996.

Mr. President, the taxpayers will not be fooled again. They know what it is like to work hard every day and see almost 50 percent of their paychecks going to pay taxes to the local, State, and Federal Government. Most small businesses, as you know, file their tax returns as individuals. So the taxes in the bill we are considering tonight will affect small business people and will make their taxes even higher than the taxes large corporations pay.

I have visited the small businesses in my State who are scraping to get by. I know that taxation, and the cost of regulation and litigation, is taking away from the bottom line of American small businesses and forcing them to quit hiring or to lay off their employees.

Eighty percent of the new jobs in this country are created by small business. So what happens when we add these new taxes onto their bottom line? They have to make cuts, and the cuts come in the form of new jobs. It is the new jobs that will get this economy going again; It is new jobs in the private sector.

We all know that if small businesses can grow and prosper, small business

people will put their profits right back into the small business and thus create new jobs. I think we should adopt the substitute amendment to the budget reconciliation bill because the tax cuts and spending cuts in the amendment are going to free our small businesses to grow. We must keep taxes down so that small businesses can grow and prosper and create new jobs.

Let us talk about the gasoline tax—4.3 cents a gallon. Who does that hurt? It does not hurt the rich people. It hurts the working person who is driving long distances in an urban or rural area of my State, and in every one of yours. That is who is hurt by the gasoline tax.

Mr. President, I have heard people on our side and I have heard people on the other side of the aisle talk about whose responsibility the deficit is. This is not a Republican deficit. This is not a Democratic deficit. This is an American deficit. So let us stop the political bickering. The people who are thrown out of work do not care if it was liberals who threw them out of work or conservatives who threw them out of work. They just know they are out of work. They are looking to those of us on my side of the aisle and those on the other side of the aisle to do something about jobs and the deficit. And I think it is time that Republicans and Democrats sit down together, roll up our sleeves, and get to work.

But let us not talk about tax increases at all. Instead, let us take taxes off the table and talk about spending cuts that are fair. It will be tough. There is no question about it. But our constituents elected us to make tough choices, and we should do it together—Republicans and Democrats. We should do what every American does every day in their homes and their businesses, and that is live within their means. Like every American, the Federal Government can live within its means, too. I think we owe this to the people: We must set our budget priorities, live within our means, and let the free entrepreneurial spirit grow and prosper in this country. That is what is going to get this economy going again.

Mr. President, I hope that we will adopt this substitute. I hope that we will take taxes off the table. I hope Republicans and Democrats will sit down together, cut spending, and get the deficit down. The substitute does that. It has the same impact on the deficit, as the reported bill, but unlike the reported bill, it will put Americans back to work and make the economy grow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Again, if we are going back and forth——

Mr. NICKLES. If the Senator will withhold, will the Senator give me a half a minute?

Mr. PACKWOOD. Yes, 30 seconds.

Mr. NICKLES. Mr. President, I wish to congratulate our colleague from Texas for an outstanding speech. Not only was it her maiden speech but it was a speech that spoke directly to this bill, to her campaign, and I believe to this entire economic process. I thought it was an outstanding speech and I wish to congratulate her for it.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR. Mr. President, I yield at this time 4 minutes to the distinguished Senator from California [Mrs. BOXER].

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I also want to congratulate my colleague, the junior Senator from Texas, on her first speech, an exciting moment indeed. I notice she is very interested in cutting spending first. I hope she will work with us when we look at that super collider.

I am really very glad to see that we have a Republican budget before us. I am very pleased because that Republican budget shows what is important to them. We are off the rhetoric now. We have a document. And do you know what is important to our friends over there on that side? The millionaires. That is who they want to protect, the millionaires.

They say they are for the middle class, yet they destroy Medicare. They say they are for small business, but they voted against the Bumpers amendment to help small business. They say they are for the middle class, but they gut education in their plan. They say they are for the middle class, and they kill law enforcement. The middle class cannot afford to hire private security guards and have big gates around their houses. They need law enforcement. That is what their budget does. It will kill veterans' programs.

How would I name this Republican budget? We have bills that have names around here. So I think we have a few options here. One would be the Millionaires Protection Act of 1993. I think that would fit. Or how about the Bail Out Donald Trump Act of 1993? That would be good. Or Kill the Senior Citizens Act of 1993? Or how about the Permanent Recession Budget, because that is what we are going to get with this because we cannot absorb the kind of cuts that our colleagues on that side say we should absorb.

As the WEFA group study I have cited before shows: 200,000 jobs we would lose and a fall in the GDP of $8 billion if you cancel those tax increases on the millionaires and substitute spending cuts. Seniors would have to choose between health care and eating. Is that America? Is that the kind of America my colleague saw in Texas? I doubt it. Yet that is what this budget will do.

Oh, Donald Trump will be happy with this budget. I am sure he is on the line on someone's office saying vote for it. And Leona Helmsley and Ivan Boesky, the winners of the war on poverty. Those are who are for this alternative budget, the ones whose idea of social justice is bringing their designer clothes to a homeless shelter. They love this budget. It continues the greed of the eighties.

Our colleagues are cutting into Medicare and Medicaid, education, all the things we hold dear, and all the things Americans hold dear. And for what? To protect the billionaires and the millionaires. I am glad we have this budget before us.

A lot of people say what is the difference between the Democrats and the Republicans? This debate points it out as clearly as any other. I will not vote for a budget that will kill the human and physical infrastructure of our Nation, all to protect the millionaires and the billionaires.

Vote "no," this is an irresponsible and a reckless budget. It is radical.

I will say to my colleagues, I am glad you got off the sidelines and now we know what is important to you. I hope we will reject this overwhelmingly, Mr. President.

Mr. SARBANES. Will the Senator yield? I want to commend the Senator from California for her statement, and particularly for focusing on the interconnection of what is happening here. In order to understand this proposal by the Republican leader, which talks about caps and freezes—you have to go beneath the rhetoric. Caps and freezes means deeper cuts for Medicare which helps provide the elderly with health care; you are talking about deeper cuts for education in order to train the work force of the next generation; you are talking about deeper cuts in our infrastructure which needs upgrading not downgrading. These are the things that are reflected in these deeper spending cuts.

You then say we have to do something about the deficit. We do have to do something about the deficit. And they say let us do it by having these even deeper spending cuts in order to go even harder into these programs which are already being trimmed back and cut under the proposal that came from the Finance Committee.

But then you say to yourself, why are they doing this? Why are they changing the package that came from the Finance Committee to try to accomplish deficit reduction with these even deeper spending cuts? Does not everyone want spending cuts?

They say, just let us look at the spending cuts and the fairness of it. Then you say, what is at work here? What is at work here is they do not

want the taxes, the revenue increases that are in the Finance Committee bill, 80 percent of which come from people at the top 1 percent of the income scale. What this proposal does from the Republican side is it gives a free pass to those who have benefited the most from the workings of the economic system over the last decade in terms of trying to meet the deficit reduction problem. The Republicans say, take a pass, we are not going to ask you to make a contribution. In order to give the wealthy a free pass, people making $150,000, $200,000, $250,000 a year and on up—but still meet these deficit reduction targets, they say let us cut more deeply in the Medicare for senior citizens, into education for our children, into improving the Nation's infrastructure.

That is what this is all about. The Senator has put it together very well indeed. I ask the chairman of the Budget Committee, what percent of the revenues——

Mr. NICKLES. If the Senator would yield, I thought the Senator from California had the floor.

Mr. SARBANES. I withdraw the request. How much time does the Senator have remaining?

The PRESIDING OFFICER. If the Senator will yield, the Senator from California has consumed her time.

Mr. SARBANES. Will the Senator yield me 2 minutes?

Mr. PRYOR. I yield 2 minutes to the Senator from our side of the bill.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. SARBANES. I would like to put a question to the chairman of the Budget Committee.

What percent of the revenues in the Finance Committee bill come from the people at the top end of the income scale?

Mr. SASSER. To be precise, 79 percent of the revenues come from those who make over $200,000 a year; 89 percent of the revenues come from those who make over $140,000 a year.

Mr. SARBANES. That is 89 percent from those making over $140,000 a year?

Mr. SASSER. Yes.

Mr. SARBANES. As the Senator pointed out very clearly in her analysis, the proposal from the other side says we want to drop those revenues from the people at the top end of the income scale. But to meet the deficit we are going to throw even heavier burdens on the retired, on working people, and on middle-class people.

I do not think that is fairness. That is not fairness. Fairness would dictate that the people who have reaped great benefits pay their fair share. If you earn it legally, as the Senator put it, more power to you. But at least pick up some share of this burden. The Republican proposal allows them to walk away with a free pass from deficit reduction. They do not need Medicare to meet their medical bills. As the Senator pointed out, they do not need the money for police to meet their security needs. They are meeting those privately. The middle-class and the working people cannot meet their security needs privately. They do not need the education money. They are meeting those needs privately. But the working people need the education money for their children if they are going to train them for the next generation.

Yet this proposal gives them a free pass. What burden will they pick up to help meet the deficit reduction? The Republicans drop their contribution, with their proposal, and load it on those who are less able to carry the burden.

I commend the Senator from California for her statement. I strongly support her in urging opposition to this amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Might I inquire, we have been going back and forth. Is it our turn on our side?

Mr. PRYOR. As I understand it, it is your time, to answer the Senator from New Mexico.

Mr. DOMENICI. Let me say to my friend from Arkansas, I will not object, nor will I take time off the bill, but I do think when we are having Senators wait thinking there is 10 minutes on a side, I have been judicious; I have done that very little on the bill. We can be here all night taking it off the bill. I hope we will not do it regularly during the remaining 30 or 40 minutes.

Mr. NICKLES. Will the Senator yield me 10 minutes?

Mr. DOMENICI. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

Mr. NICKLES. I thank my friend and colleague from New Mexico for his leadership.

Mr. President, there have been a lot of statements about the facts of history. I think it may be prudent to give a little history. I think you will find over the last 12 years—this decade of greed that many of my colleagues have been talking about—you will find that revenues have grown rather significantly over the last 12 years, but outlays have grown even faster.

So when we talk about all the tax cuts, and evidently many of our colleagues on the other side of the aisle are upset about reducing tax rates, they should be pleased that by reducing tax rates, tax revenues increased. It is interesting, all the charts my colleagues on the other side of the aisle have used show that the top 1 percent had a big reduction in their tax rates, I do not guess they looked at the facts. The facts are, the top 1 percent paid a lot more taxes. I would think that they would really be pleased with that fact: The Government got more money from the top 1-percent income.

IRS data shows that the average income tax payments for the top 1 percent of taxpayers jumped 48 percent between 1981 and 1988. Meanwhile, the average tax payment of the lowest 50 percent fell 26 percent.

I hope people can absorb that, that we are talking about dollars expended by the top 1 percent. From 1981 through 1988, their taxes paid went up 48 percent. I will grant you, they had a rate reduction, but then they quit sheltering so much income, therefore generating more income and which resulted in them paying more taxes.

Incidentally, I might say they hired more people. We ended up employing over 18 million people, new jobs were created in the eighties. Now the lower 50 percent, their tax burden fell 26 percent. I would again think that my colleagues who have a primary emphasis in income redistribution would think that that is a good thing.

I might mention, though, there is a significant problem in the bill that is facing us now. The bill that has been offered by the Democrats is going to put a lot of people out of work because it hits small business right between the eyes.

Mr. DORGAN. Mr. President, I wonder if the Senator will yield.

Mr. NICKLES. I will not yield. I have several things and have only 10 minutes to make my statement. I apologize. I will at the conclusion of my time.

This package that is offered by our colleagues on the Democratic side of the aisle is an assault on small business. They say it is an assault on the rich, but frankly it is an assault on small business. I will just give some examples.

In 1991 IRS data, there were 20.5 million business tax returns; 16 million of those are S corporations or sole proprietorships. Eighty percent of small business file as individuals. They filed a subchapter S, they filed sole proprietorships and partnerships.

That 80 percent, or those 16 million returns, are going to find out that they are going to have a new tax rate, thanks to our Democratic colleagues and President Clinton. Their current rate is 31 percent. A couple years ago, it was 28 percent but it was raised to 31 percent.

I might say, it did not help the economy and it really did not generate revenues. But now they find they are going to have an increase in their marginal rate to 36 percent, and have a millionaire's surtax—but "millionaire" is defined as a business that makes $250,000—another 3.6 percent on top of that, that is, 39.6 percent. They have a self-employment tax, and there is no limit on that; another 4.5 percent for the employee and employer, 2.9 percent. That takes it up to 42.5 percent, and then we eliminate the deductions and that takes it up to 44.5 percent, compared to present law of 31 percent.

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My colleagues on the Democratic side of the aisle seem to think that is not going to have any negative consequences on the economy. That is not the case. That is going to cost jobs. That is a 43-percent increase in their marginal tax rate, in their dollars that they make decisions with, in their incremental dollars of revenue. That, I might mention, Mr. President, does not count State taxes. When you add State taxes on top of this, you find—in my State of Oklahoma, it is usually around 7 percent. That is well over 50 percent.

I will tell you, a lot of people will make decisions not to build, not to expand, not to grow, not to add employees because Uncle Sam or Government is getting over half of it.

I might also mention that the bill that is proposed by the Democrats taxes small business a whole lot higher than they tax corporations. They increase tax on corporations from 34 to 35 percent. Some on the other side of the aisle want to increase that to 36. My point is there is still a 9.5-percent higher rate for small business where the real job creation and growth really is in America under the Democratic plan, than there is on the corporate side. They seem to think there is no negative economic impact. I just beg to differ.

Mr. President, to look at the budget proposal that we have before us—and I hear all this discussion on cuts—I would just like to say I beg to differ. If you look at the facts, in 1960, the Federal Government spent less than $100 billion. In 1970, 10 years later, the Federal Government spent, and this includes everything—Social Security, unified budget—the Federal Government spent a little less than $200 billion. During the seventies to 1980, we spent a little less than $6 billion, so it tripled in that decade. Between 1980 and 1990, it doubled. We spent a little less than $1.2 trillion in 1990. So you see spending rising and rising rather substantially. This year we are going to spend about $1.443 trillion. Under President Clinton's budget, spending continues to escalate, and escalate rather dramatically.

The point I am making is that there are not real spending cuts in the Clinton budget. What we are talking about is restraining the growth of spending. Under President Clinton's plan, if this plan is adopted with all the massive spending cuts we have heard people whining about and all the massive tax increases, Federal spending will still rise from $1.4 trillion today to $1.756 trillion. So spending continues to escalate.

So, yes, there are a lot of new taxes, but there is also a whole lot of new spending.

The Republican alternative, on the other hand, does not rely on new taxes. We know there is a deficit problem but we think the problem is not that we are undertaxed but we are overspent. Today, Mr. President, in 1993, we will spend $1.44 trillion. That is the equivalent of about $6,000 for every man, woman and child in the United States. Think of that figure. It is hard to comprehend.

Under President Clinton's proposal, spending will increase to $1.75 trillion. We are already spending $6,000 for every man, woman, and child in the United States. He want us to spend $7,000 for every man, woman, and child in the United States. He wants more money to spend. He wants a massive amount of new taxes; actually, the largest tax increase in history.

President Clinton has said he does not want to increase taxes on middle-income taxpayers. As a matter of fact, he had a campaign pledge that said he would cut taxes on middle-income taxpayers. I will tell you, the facts are, this gasoline tax is not only a tax on upper income, it is a tax on middle income and it is a tax on low income.

This morning, I heard Senator SASSER say, "The income tax increases in this bill only apply to those people who make over $140,000." That is not true. The Social Security tax increase applies to anybody who has income above $32,000, and that is not the super wealthy. These seniors are going to find their Social Security income is going to be taxed, 85 percent of the Social Security income is going to be taxed. Before it was 50 percent. That is a Social Security income tax increase.

People on Social Security, like my father-in-law, are counting on that money for retirement purposes. They are going to experience a big tax increase of over $1,000 a year. We hear on the floor that this bill is not going to impact them, that it only impacts people who have six-figure incomes. Not the case.

The point I am trying to make, Mr. President, is there are a lot of things in this package that are going to put people out of work. There are a lot of provisions in this package that are going to allow Federal spending to continue to escalate, and escalate rather dramatically.

The Republican package, on the other hand, works on the spending side. Since we are already spending $1.5 trillion per year, let us try to reduce the deficit. We agree the deficit needs to be reduced. Let us reduce it by cutting spending, not by raising taxes. That is the real difference in philosophy. That is the real difference in budget proposals.

If Senators believe that we need to reduce the deficit by cutting spending instead of raising taxes, they will support this initiative offered by Senator DOLE, Senator DOMENICI, myself and others.

I hope they will. Unfortunately, I am afraid they will not. And the real loser, in my opinion, will not be the Republican Party and the real winner will not be President Clinton and the Democrats. The real loser will be the American economy. The real loser will be the employee who works at American Airlines, a company that is already losing money and now will find themselves saddled with a tax of about $100 million per year. I think the real loser will be the American economy.

I hope my colleagues will adopt Senator DOLE's package and defeat the Democrat package.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PRYOR addressed the Chair.

Mr. SIMPSON. On behalf of the floor manager, I yield 5 minutes from the bill, on this side of the aisle, to Senator BENNETT, if I may.

Mr. PRYOR. Mr. President, I believe that it is now the time for our side of the aisle to present a speaker, if the Senator from Utah will withhold while the Senator from Oklahoma [Mr. BOREN] is yielded 5 minutes.

Mr. SIMPSON. Mr. President, that is perfectly appropriate.

Mr. PRYOR. Mr. President, off of the amendment, not from the bill.

Mr. SIMPSON. All right. Certainly.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, I yield 1 minute to the Senator from Maryland out of my time.

Mr. SARBANES. Mr. President, I appreciate the Senator doing that.

I wish to respond to one point the junior Senator from Oklahoma made, which I think is very important. He said that over this period of time, the top 1 percent have paid more in Federal taxes. That is a correct statement as far as it goes. But what he did not tell us is that the reason they paid more taxes is that they had far, far more income. In fact, their income over this period rose by 85 percent—85 percent. Their taxes rose by 50 percent. And because of the tax cuts which they received their after-tax income rose by 105 percent.

So it is true they paid more taxes, but they had much, much more income and they were paying lower rates on the income.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. So I say to the Senator, the logical extension to that is someone who has all the income and pays all the taxes and says to you, "Well, I paid more taxes," of course; he had more income.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. Not just part of the story.

Mr. NICKLES. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. NICKLES. I appreciate the Senator acknowledging my statement that

the upper 1 percent had paid 48 percent more in income taxes. Will the Senator also agree that the lower 50 percent saw their income tax liability fall by 26 percent?

Mr. SARBANES. Yes, because their incomes fell. It works the other way. It works at the other end of the scale, I say to the Senator. Yes, their incomes fell. You cannot relate the contribution you are making on the tax side if you do not address what is happening to you on the income side.

And if you have someone who is paying a little more Federal income taxes but has a huge jump in their income and an even larger jump in their after-tax income, you need to address the fairness of that situation.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. BOREN. Mr. President, how much time do I have remaining to me?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I ask that the previous time be charged against the amendment on our side, and that the Senator from Oklahoma now have the full 5 minutes charged against the amendment on our side.

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

Mr. BOREN. Mr. President, I thank the leader. I thank Senator PRYOR and my colleague, Senator SARBANES, because I think he pointed out a very important fact: The after-tax incomes of those in the top 1 percent of this country have gone up enormously in the last decade, while the incomes of those in the bottom 25 percent of this country—the families that are struggling to educate their children and to buy a home—have been going down.

Mr. President, when the American people, watch us, they get very frustrated with us. That is why they express a lack of confidence in the Congress of the United States as we deal with these difficult problems. One of the reasons they lose confidence in us is because they see us deal in political charades when we are talking about one of the most serious problems facing this country. What is going on tonight is a political charade. That is why I cannot support the amendment that has been offered from the other side of the aisle.

We have a desperate problem. The American people know it. Federal deficits are destroying the future for our children and our grandchildren.

I will tell you something else. The American people are willing to make a sacrifice to do something about this problem. They do not want to sell out this country from under our children. They know that 58 percent of all the private savings in this country already are taken up just to pay the interest on the Federal debt. They know what that is going to do to this country; they will have no money left in the private sector to create jobs for their children in the next generation. They know if we do nothing—if we do nothing—the deficit will consume 100 percent of all the private savings in this country by the year 2000.

Now it is time for us to stop this political charade. The American people are telling us to do something about it. We have a plan before us, put forward by the Finance Committee and the Budget Committee, that will reduce the deficit by $516 billion. Those spending cuts are spelled out. Those revenue changes are spelled out. We have as an alternative not $516 billion of deficit reduction, which we so desperately need; we have an alternative $367 billion in deficit reduction, and only about a third of those cuts are spelled out at all. The rest of it occurs under the operation of so-called caps. Mr. President, When I offered an entitlement cap proposal with my colleagues Mr. DANFORTH, Mr. JOHNSTON, and Mr. COHEN, we provided specific program changes that resulted in savings sufficient to meet the entitlement cap. That is the only responsible course in the context of the budget reconciliation.

Now, Mr. President, only with about a third of the $367 billion—which is not nearly enough in deficit reduction, by the way is spelled out, there is no guarantee we will get anywhere. History teaches us this lesson. We have had Gramm-Rudman. We have had other mechanisms that were supposed to work.

What happened during that decade? During the decade of the 1980's, the national debt of this country went from $1 trillion to $4 trillion. The American people want this behavior stopped. They do not want more political hot air. They do not want $367 billion of deficit reduction instead of $500 billion in deficit reduction. They do not want a plan that does not spell out two-thirds of the cuts, two-thirds of the reductions. They want something that will work. They want real deficit reduction for their children.

I will tell you something else. They want the deficit reduction package to be fair. They want to have a one-boat plan. Yes, people are telling me at home: We do not mind having our taxes raised if you people will really do the job and cut spending. If you will really cut spending, if you will really get the deficit down, we are willing to make our sacrifice for our children. We know we are destroying this country if we continue on this course. And, please, don't go back to your old tax-and-spend ways.

We have changed this proposal, Mr. President. The proposal before us now keeps faith with our commitment to responsibly reduce the deficit. It cuts spending more than it raises taxes.

Now how in the world would a deficit reduction package be fair—how would it be fair, Mr. President—if it said that those who have gained most from this country, who profited most from it, should not even contribute back to the deficit reduction?

As my colleagues have said, 87 percent of the increased taxes in this bill now before us are levied upon those with taxable incomes—net gross incomes—over $100,000 a year; 79 percent on those with taxable incomes over $200,000 a year.

I was brought up to believe that if the country is good to you, you ought to pay your dues. You ought to give something back. You ought to give it back in community service. You ought to give it back by supporting your schools and building the roads and doing the other things that a society needs.

Now, Mr. President, it is right for us to call on all Americans—all Americans, according to their ability—to pay and to sacrifice and to share. All Americans must sacrifice. We must make tough choices. Entitlements should not be off the table. All Americans are going to have to sacrifice.

But for goodness sake, the American people are smart enough to know that we cannot reduce the deficit with a plan that does not even specify two-thirds of the cuts and that does not even call upon the top 1, 2, 3, or 5 percent of the people in this country who have been the most fortunate, who profited the most, to do their share to give back, while asking those at the bottom end to do nearly all of it.

That is not fair, Mr. President. We have to have a one-boat plan. All of us are going to have to stop being Republicans and Democrats, upper-income Americans and lower-income Americans. It is time for us to get together. It is time to stop the political games.

There are only two ways to reduce the deficit. There are only two ways to balance the budget. You have to cut your spending, and you have to get your income up. Every family in America knows that it has to be done that way. That is also what we have to do as a nation.

Let us stop the political games. Let us pass a bill that specifies the cuts instead of putting them out there in some vague terms. And let us ask all the Americans, especially the Americans who have the greatest ability to make that sacrifice, to join in.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, on behalf of the manager, I yield 5 minutes from the bill to the Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, there is a monument within a few hundred

yards of here to the late Senator Taft. It was said of him that he was often outvoted, but he was seldom outargued.

I expect we will be outvoted tonight. But I wish to make a few observations in the hope we may not be outargued, a few items to put on the table and to put in the RECORD.

We have just heard that this is a 1-to-1 deal. We have heard that there are going to be spending cuts, talking about the majority proposal. I quote from this morning's Wall Street Journal an article entitled "The Budget, Fun With Numbers," where the author says the White House has been arguing and some Senate Democratic leaders have been repeating that the budget deal is a 1-to-1 deal, evenly divided between spending cuts and tax increases. The Congressional Budget Office estimates that the deficit reduction legislation is a 2.5-to-1 deal, precisely $2.53 cents in tax increases for every $1 in cuts. Senate Republicans, for their part, argue that the real ratio is $3.15 to $1. By my math—I will show some of this below—the true ratio is $4.66 in new revenue for every $1 in spending cuts. I commend that to my colleagues to read the details later on.

There is another item that I think belongs in this debate. We have been hearing about the top 2 percent. The top 2 percent are going to pay 70 percent, 75 percent, whatever it is. I would put into the mix, Mr. President, the fact that 69 percent of the tax returns filed by the top 2 percent are filed on behalf of sole proprietorships, partnerships, and S corporations, which means 70 percent of the 70 percent are going to be paid by these corporations.

To put it into a face, a real individual, I can describe to you an S corporation where the chief executive pays himself a salary of less than $100,000. The corporation, to survive, is earning $300,000 pretax, out of which they finance inventories, they finance receivables, et cetera. Instantly, that $300,000 goes onto his personal tax return. He is listed as $400,000. He is earning less than $100,000 that he is taking home. But he is going to be taxed at a rate, as the Senator from Oklahoma pointed out, an effective rate of 43.5 percent. Let me tell you, you put that onto the salary that he actually takes home, you automatically wipe out all of the deductions for his children, you wipe out all of the deductions for his mortgage, you wipe out all of his deductions for charitable contributions because he is pushed into the very highest rate there.

Finally the comment that I will make about the great consternation we have seen on the other side of the aisle about the fact that the rich paid more money in taxes, but they had more money to do it with. Did it ever occur to anyone that the lowering of the tax rate allowed them to have more money to do it with? As a businessman, I know full well that you do not spend percentages. You spend the money that comes in. The Federal Government did not spend the percentages that came out of the top 1 percent. They spent the money that came in, and the bottom line is, they got that much more money.

You talk about people in the top 1 percent. I will confess personally to being in the top 1 percent. I will confess to having prospered during the 1980's. But I will repeat again on the floor that the business that I presided over, that took me from a circumstance in 1980 where I was missing mortgage payments and having my credit cards cut up because I was late to the point that I got into this top 1 percent which came about because the business that I presided over was an S chapter business and we were paying taxes at the 28-percent rate. If we had been faced with the 43-percent rate, I would not make it into the top 1 percent, I would not be paying the taxes I am paying now and the 1,300 jobs that we created would not have come to pass and those employees would not be paying taxes. And we could be standing here on the floor saying, "Isn't it fair? Isn't it wonderful how fair, that all of these people are equally poor," instead of saying, "Gee, we have to punish Senator BENNETT because he got into the top 1 percent."

I will pay my fair share. I will not complain about my fair share. But the point I think we must keep in mind as we compare these two plans is that one of them says, "Raise taxes now and trust us on the spending cuts 3 years later." And all we are saying is, let us do the reverse. Let us do the spending cuts now and trust us to do the right thing on taxes 3 years later. I am willing to make that deal.

I thank the Chair.

(Mr. FEINGOLD assumed the chair.)

Mr. PRYOR. Mr. President, I yield to the Senator from Montana 2 minutes.

Mr. BAUCUS. I thank the Senator from California [Mrs. FEINSTEIN] for yielding time.

Mr. President, we are faced with the Republican substitute as an alternative. That is an antijobs alternative. It is antieconomic growth. It means people's incomes will fall. Why? Very simple. Because it is not credible. The financial markets will not believe it. They will not believe it at all. It is a big package here, several inches high. Nobody has read it. Nobody knows what is in it. It is before this body for only several hours. Even then, nobody knows what is in it. It does not specify the spending cuts. Therefore, the financial markets know that is not credible. It puts the burden on seniors, to the tune of $60, $70, $80 billion. The financial markets know that is probably not credible either. It says the deficit reduction is accomplished with no taxes whatsoever. It says that the wealthy, who have been getting off scot-free, are not going to contribute. That is not credible. They know that is not going to happen. This is not a credible package. It is not believable.

The financial markets are going—you are going to see interest rates go up. Long-term rates are going to go up if this were to pass tonight. Short-term rates would go up. That is going to hurt businesses. It is going to hurt this country dramatically. It is not credible, and the financial markets know it is not credible. The American people know it is not credible. It is very simple. It is a package. It is a glossy package on the surface, nice, big, colored paper, wrapped in a big red ribbon, but you do not know what is on the inside. We do not know what is on the inside. We have not read it. But it sounds nice on the outside. The people are pretty smart. They are pretty shrewd. They have seen a lot of fancy packages on the outside not knowing what is on the inside. They think probably, since they do not know what is on the inside, they believe it is not credible. It is not. That is the option for us. You are either for it or against it. It is not credible. It will raise rates. It is antijobs. I urge all to not support it.

Mr. PRYOR. Mr. President, I believe it is time for the other side.

Mr. SIMPSON. Mr. President, let me review with my good colleague from Arkansas. Perhaps, as I see it here, there would be only two more speakers on this side of the aisle. At least that is my present knowledge. So I think that perhaps one of those may yield back time and then there will be 3 minutes for the Senator from New Mexico.

So I yield to myself not more than 10 minutes from the bill, and then I believe that the other two Senators may decline.

Mr. President, I want to commend Senator HUTCHISON for her fine entry into the RECORD of this Chamber in debate a few minutes ago. I thought she presented some very fine arguments. I certainly commend her. I know all of us do on both sides of the aisle as we do our initial speeches in this Chamber.

I also commend our leader, BOB DOLE, for his work in presenting this together with these charts.

Let me say that I have been absolutely bemused today listening to the debate as it unfolded on this day. No one in America would ever be able to understand what it is we are doing because the passion on both sides about the rich and the poor is so magnificent.

I have heard my fine colleagues on the other side explain why it is necessary to raise taxes on the American people. That is what this proposal does. There is no mistaking that. They have laid it all out for all to hear, apparently saying, and very clearly, that anyone who seeks to enact spending cuts here beyond what is envisioned in

this package has some hidden agenda to protect the rich, and to deprive needy and ragged Americans of all sizes and varieties, a deprived entire Nation, of their rightful share of Federal spending. That is the way I hear it.

It all sounded strangely familiar. I think the American people will find it so as well. They send us postcards by the hundreds of thousands, and they say: Cut spending first. We come back and say: Oh, no, that is impossible, absolutely impossible, because $1.5 trillion a year is not enough to spend each year on Government. We have to keep that going or the needy will suffer, or the seniors will suffer, or the veterans will suffer, or you ring up the scorecard and you name it, they will suffer.

Of course, there is a way to solve this terrible suffering, and that is to get the rich. Then all will be well, because they are not paying their fair share. Their taxes have gone down. We will fix it. We will get the rich to pay their fair share, and we will not have to deal with anything so cruel, so heartless, so fundamentally unfair as a restraint on entitlement spending.

Mr. President, unless we get a grip on the entitlements spending in the United States, in the year 2030, your grandchildren will be picking grit with the chickens. We just sit here while Medicaid goes up 29 percent and Medicare goes up 12 percent, and when we try to cut it back so it only goes up 10 percent, the American public is told we are cutting Medicare. How stupid. A 10-percent increase is not a cut in any vernacular or any language.

I would like to take my colleagues on just a short trip down memory lane to the debate over the 1986 Tax Reform Act. I voted against it. I thought it was a confusing morass of nothing. I voted against it. That was 7 years ago when Government spending was significantly less than today, as was Government taxation. We did not do anything then to slow down the growth of Government—nothing. We did not have to. The only real problem was that "the rich were getting a tax break." That is what that debate was about. Remember it?

So let me share with you some quotations from my colleagues in the House on that tax debate. Here is one from my old friend DANNY ROSTENKOWSKI—a great guy, a lovely friend—speaking during the House debate about how fairness had finally been restored to the tax system:

> Tax reform is the great equalizer between income classes. * * * We have restructured—

Under the 1986 bill—

> the rest of the code in such a way as to leave the new income tax system more progressive than today's. Again—the Tax Reform Act of 1986 promises a more progressive tax in every income range than does present law.

Reading those is strange. But 7 years later, here we are in desperate need of sticking it to the rich to solve all of America's problems, so that we do not have to cut any spending.

Then my friend, DANNY ROSTENKOWSKI, continued to enthuse. I thought he was at full flight on this one:

> Tax reform's political appeal and its political force is its promise of fairness to working families. No other theme could have gained the support of such a broad spectrum of taxpayers * * * It is a bill that reaches deep into our national sense of justice.

Stirring words.

> It gives us back a trust in Government that has slipped away in the maze of tax preferences of the rich and the powerful.

I find it difficult to reconcile those glowing words with the grisly portrait of a class warfare tax system, as displayed by Senators SARBANES and SASSER in their remarks earlier today. It is hard to really reconcile that. Let us hear majority leader GEPHARDT's opinion of the 1986 tax bill:

> This bill has got the best minimum tax that we have ever had. It makes me angry that 250 families earned over $1 million last year and paid no taxes. * * * This bill makes sure that does not happen anymore.

Then what my fine friend, a man I devoutly respect, Speaker O'Neill, said about the 1986 tax bill:

> This is the best antipoverty bill that has been in this House, I would have to say, in at least half a dozen years. * * * It shifts the burden of taxation from the average individual taxpayer to those, who have avoided taxes through the years.

Even more inspiring is the statement from the Speaker:

> When you were elected to the Congress of the United States, you accepted a duty to ensure that this country has the best and the fairest Tax Code. Now the time has come.

So, again, the time has come. Back in 1986 and, unfortunately, for the poor, old taxpayer, rich or destitute, the time had come again in 1990, and it is coming again in 1993 and is going to keep right on coming and coming, and maybe again in 1996 when the time comes to enact the cuts promised here, which we will never do. You know we will never do it. All the stuff is loaded on the out end, and when it comes time to do it, we will just raise taxes on the poor bums again, for most of the spending cuts are not even made effective in this legislation.

Again, in 1996, we will make the Tax Code fair by getting the rich to pay their fair share, and then maybe again in 2000, and all of this will go on and on.

Then I hear the talk of posturing on this side of the aisle. I think, it is the truest form of posturing to assume that the American public is so sappy, so stupid, to forget that every few years we have saved these poor souls from the rich by getting them to cough up more to pay their fair share. And the deficit keeps going up, spending goes up, and taxes keep going up.

If there is any posturing in this Chamber, it is in the form of the claim that taxes and spending are doing anything other than going up, up, up, on ward and outward, and to make a gullible public believe it cannot be stopped or cannot be slowed; "No, no, we must not slow it. We simply cannot arrest the growth of taxes or spending, because that would be protecting the rich."

What rubbish, absolute rubbish. We have all been down this old road before. We are going to pass the legislation. We know perfectly well we will be back here in a few years to raise taxes again. The American public knows it, too, and we will keep coming back to it again until at long last we get it through the collective thicknesses of our skulls that the public is unerringly right. It is long past time to do what they ask, and that is: Cut spending first. They often add the phrase: Stupid.

So if we need to get "the rich" let us take it all. Why fiddle with tax rates. Confiscate everything the rich have. Take the Forbes 400, lay them all in there in one great grave, and take every yacht and every villa and the whole works, and guess what, that is about $310 billion, and that will run the country for 12 weeks. Up and at 'em here. Let us pay attention. Take it all. Why fiddle with it.

The budget is $1.5 trillion. If you took every penny from the rich, it would be $310 billion, and that would run the country for 12 weeks.

If you want to do something, I am ready to do some voting. Let us cut the COLA on Social Security for people who get over $40,000 or $50,000 in retirement income. I am ready to cast that vote. Let us make people on Medicare Part B pay 100 percent of their premium instead of 25 percent, when they earn over $100,000. I am ready to cast that vote.

Anyone else?

Let us do something with veterans. Let us take care of the service-connected disabled veteran like every other country does. Then let us not do the same thing with people who served 6 months, and never left the United States. Let us do something different with them and save $37 billion in the budget. Let us take care of the people who need it.

Let us do some means testing of every entitlement program in the United States. If you are up there at a level of a certain designation, and we will set that, then you are not entitled to something out of the Federal Government. Eighty percent of the programs that are sucking away at this country are not means tested.

I am ready to cast every one of those, and I cast them before. The rest of this is pure apple sauce from that side of the aisle.

When you get into the entitlement programs and get into Social Security, those COLA's amount to $9 to $14 to $22 billion a year. And it goes to people regardless of their net worth or their income.

Is anybody going to step up to the plate on that one?

If we are going to posture, and we all do it beautifully, let us at least let the American public know how they are getting destroyed, and forget whether Ronald Reagan, or Lyndon Johnson, or the Great Society, or whoever did it. We are being destroyed by our failure to step in here and take on some of the interest groups like the AARP—39 million people bound together tightly by a bond of airline discounts, car discounts, theater discounts, pharmacy discounts, you name it.

Now step up to the plate and do something with the Committee for the Preservation of Social Security that is still working on notch babies. I have a notch for them! I will give them a notch that they will not appreciate. Come on, let us all sober up. It is evening. Nobody has been down to the pub. Let us quit fooling each other on this issue.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. Twenty-four minutes on the amendment.

Mr. PRYOR. Mr. President, I yield 4 minutes to the Senator from California [Mrs. FEINSTEIN].

Mrs. FEINSTEIN. Mr. President, in the short time I have been here, this is the hardest vote I will have to cast. This reconciliation bill is not an easy bill for anyone in this Chamber, and it certainly is not an easy bill for me.

I do not sit on the committee of jurisdiction over this legislation. I have not had an opportunity to shape it the way I would have liked to have shaped it, and I find some things that I would rather not have in this bill.

Yet, as I have sat here now for well over 3 hours and listened carefully to both bills being presented, one by the majority, and one by the opposition, I can easily see the contrast.

I was looking through the majority bill on spending cuts, something which I think we all believe must happen. I see some specifics this year: $24 million for preventative planning; the milk and butter program, $56 million; the honey program down $12 million; food stamps down $15 million; land reserves programs down $18 million; Forest Service down $6 million; COLA's delayed for military retirees, $540 million. And it goes on and on like this, Mr. President, hard rock mining holding fees down $54 million; recreation fees down $27 million.

There are pages of specific cuts. So when we cast a vote on this program we know what our specific spending cuts will be. We also know what the tax increases will be.

Now, this is not an easy bill, and I thought a lot about it. My husband's and my own personal taxes go up substantially.

I do not mind putting my divot back. I do not mind doing my part to allow the country to do the right thing. It was my hope that the Republicans might come up with a bill with specific recommendations.

So I have carefully reviewed their package, and I see no specific spending cuts. I see our cuts accepted pro forma, and I see then adding on top of those cuts a freeze or spending for the next 5 years. Then I see 3 years out, entitlement caps with no specifics. And yet in the little time I have been here my sense is that I know what will happen. We will have a health care reform package before this body, and the Republicans will vote against it. And yet the caps will be there and they will expect them to go into play.

So I must say that I cannot help but conclude that there is no there-there in these two pages of cuts, there is no specificity, and frankly the old adage that one Vice President said applies here: Where is the beef?

I know this, Mr. President. I know that my granddaughter age 8 months has no future unless we take a bite out of the deficit. I know that for sure. I know she will never be able to buy a house in this country and she will probably, regardless of what her educational achievement, find it difficult to get a job unless we do what we are elected to do, and that is to take a bite out of this deficit.

I must say I think that the program offered by the Finance Committee contains specifics, all of it not to our liking; maybe sometimes we even have to gulp very hard to agree with some of it. But it will take that bite out of the deficit, and I believe this: It may even drop the prime interest rate further.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. FEINSTEIN. I want to say in a sentence that we have before us in this vote the American dream. That dream is that our children can do better than we did, that they can buy a home and that they can get an education.

The only plan to me that has the specificity in it to enable Americans to realize this dream is the one on this side of the aisle.

Thank you very much, Mr. President.

Mr. SIMPSON. Mr. President, may I inquire of my friend from Arkansas and the Chair, what is the time situation and is there some time set for the vote that I am not aware of or what is that?

The PRESIDING OFFICER. The vote has not been set at a time certain.

Mr. SIMPSON. Mr. President, of course we are yielding time from the bill. All time has expired on the amendment, is that not correct, on our side?

The PRESIDING OFFICER. The minority controls 2 minutes on the amendment.

Mr. SIMPSON. Two minutes remaining on the amendment.

The PRESIDING OFFICER. The majority has 19 minutes.

Mr. SIMPSON. On the amendment?

The PRESIDING OFFICER. On the amendment.

Mr. SIMPSON. So I can tell my friend from Arkansas I want 5 minutes for Senator BOND, 5 minutes for Senator MURKOWSKI, and 5 minutes for Senator DOMENICI, and that will conclude our debate.

Mr. GRAMM. I would not mind 3 minutes.

Mr. SIMPSON. And 3 minutes for Senator GRAMM.

Mr. SASSER. How much is that total?

Mr. SIMPSON. That totals 18 minutes.

Mr. SASSER. I inquire of our distinguished friend from Arkansas how many Senators we have still wishing to speak?

Mr. PRYOR. Three or four Senators, but they are going to take just about 3 to 4 minutes each. I think what we will do is use our approximately 19 minutes remaining.

Mr. SIMPSON. Mr. President, I yield 5 minutes from the bill to Senator BOND of Missouri.

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

Mr. BOND. Mr. President, I thank our distinguished whip and I thank the Chair.

I also would like to say a very hardy congratulations to our newest colleague. I had the privilege of listening to her first speech on the floor. The new Senator from Texas, obviously, has been listening to the people of her State. She more than any of us here has had the opportunity to test out economic theory, to take what has been inside the beltway logic and try it out on people in the real world who have to live and work under the laws we pass. It is very clear what she said. And the people of America are saying we have problems, not because we do not tax enough but because we spend too much.

I spent last year talking to the people of Missouri, extensively all over the State, asking them about their views on the deficit situation which they regard as a very serious problem. From those people came the wisdom that somehow some inside the beltway do not hear, and that is cut spending first. Spending has gotten out of control. It is not that our tax collections have gone down.

We are consuming too much money in entitlement programs and in other programs up here.

I have listened to some of the claims by my friends on the other side of the aisle who said: "Oh, we have these new programs we need to fund, and we cannot fund them unless we either increase the deficit or raise taxes."

I have a revolutionary idea. Why not cut out some of the old programs, al-

most eliminate some programs? I do not see any programs eliminated in this measure that has come from the Finance Committee.

I tell you, if you are in State government, as I was, you would have to cut out something if you had new needs. If you are in business and you have new needs and high priority programs, you have to cut out something. If you have a family that has new needs for the family, you have to cut spending somewhere, where it is the lower priority, to spend money on the higher priority.

This bill before us does not really do that. That is why I think the amendment offered by the Republican leadership is so important, because it gets some common sense back into the debate on economics in this country.

The bill currently before us relies on new taxes on families, small businesses, and individuals and puts over the tough decisions we need to make in reducing spending.

Instead of encouraging jobs and opportunity, this bill taxes jobs and stifles opportunity. It raids the Social Security Trust Fund.

And, contrary to the President's campaign pledge, it raises gas taxes, not to go for highway and transportation, but to go to the deficit; and it provides tax incentives for Puerto Rico.

A column in the Kansas City Times on Saturday June 19 by Jerry Heaster quotes Mr. Gigot in a Wall Street Journal article:

> The insane logic of such a move, Gigot noted, was acknowledging that while Puerto Rico may need lower tax rates to ensure economic health, America does not.

Jerry Heaster goes on to say:

> The proposed tax increases will not generate the added revenues predicted for a couple of reasons: One is that as marginal tax rates rise, national people find ways to control their tax outlays. The second is that the legislation's disincentives to work, save and invest will slow the economy and revenue growth.

Mr. President, I will ask unanimous consent that this column be printed in the RECORD at the conclusion of my remarks.

He points out that small business, the real engine of job creation and faces the biggest and highest tax increases of all, as their rates jump from 31 percent to over 44 percent—as my colleague, Senator NICKLES from Oklahoma, has pointed out—while taxes on the large corporations only increase from 34 to 35 percent. That at a time when we recognize over the past 4 years small businesses have created over 4 million net new jobs, while large businesses, most of whom are taxed at the corporate tax rate, have had a net loss of jobs.

We cannot put the burdens of these massive tax increases on small business. And a very significant part of the higher income individual taxes are actually taxes on businesses. Small businesses will be taxed at the individual rates.

The PRESIDING OFFICER. The Senator's time has expired

Mr. BOND. I ask unanimous consent that the article by Jerry Heaster be printed in the RECORD.

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

THE GOP WAITS IN THE WINGS

If the Senate Finance Committee's version of the budget package becomes law, it will be like an early Christmas present for any Republican who aspires to national elective office during the next three years.

Although the tax package is being sold as a deficit-reduction mechanism, the legislation designed to achieve this would bring unintended consequences guaranteeing the worst of all worlds.

The proposed tax increases will not generate the added revenues predicted for a couple of reasons: One is that as marginal tax rates rise, rational people find ways to control their tax outlays. The second is that the legislation's disincentives to work, save and invest will slow the economy and revenue growth.

The result of all this will be just the opposite of what supporters claim: There will be higher deficits rather than lower deficits, accompanied by a generally diminished quality of life for most Americans.

Meanwhile, as the electorate's mood moves from sullen to mutinous, GOP fortunes will rise accordingly as Americans begin to realize how they're being double-crossed by many congressional leaders who sold them the Tax Reform Act of 1986. That overhaul of the tax code promised the equity of significantly lower tax rates in return for the elimination of many deductions used to shelter income from the tax man.

My fear—expressed in a column seven years ago this month—was that such a "reform" would prove to be a Trojan horse.

"If Congress can use the promise of low rates to (justify eliminating) many of the tax (breaks) that confound the process of raising more revenue," that column noted, "it shouldn't be any challenge to break that promise by raising rates in the future."

This is exactly how it's playing out as supporters of the tax package contend that fairness demands higher marginal rates. Although the rich are the target, virtually all Americans will be negatively affected by the resulting economic slow down.

The increase in the capital gains tax not only will be a dud as a revenue-enhancer, but also will slow the economy's job-creation capabilities. The so-called millionaire's tax not only hurts small-business operators, but also punishes young up-wardly mobile professional couples whose only crime is reaping the payoff of years of hard work and striving. Meantime, raising taxes on Social Security benefits simply punishes seniors who were responsible enough to save for their later years.

To give you an idea of the cynicism driving this tax package, Paul Gigot's Washington column in *The Wall Street Journal* explained Friday why New Jersey Sen. Bill Bradley lobbied behind the scenes for a 10 percent surtax on capital gains for those who make over $250,000. It seems that Bradley's state is home to several pharmaceutical companies with plants in Puerto Rico that benefit from the island's tax incentives. Bradley fought to save those tax breaks for drug companies by "paying" for them with even higher capital gains taxes than had been proposed.

The insane logic of such a move, Gigot noted, was acknowledging that while Puerto Rico may need lower tax rates to ensure economic health, America does not.

"As taxpayers at all levels begin to understand how they're being cynically fleeced in the name of deficit reduction, the political backlash will be horrendous for those responsible.

Which is why so many Republicans are licking their chops these days.

Mr. BOND. I urge the support of this amendment.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I have been discussing the evening's schedule with the distinguished Senator from New Mexico. I would propose the following unanimous-consent request.

Mr. President, I ask unanimous consent that a vote on the pending amendment occur no later than 7:55 p.m. this evening, following the raising of a point of order and the motion to waive that point of order—that will be the vote that would occur at 7:55—and the time to be equally divided between now and then.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI addressed the Chair.

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

Mr. MURKOWSKI. Reserving the right to object, and I shall not object, may I check with the floor manager relative to the statement that was made previously by the Senator from Wyoming relative to the time allotted.

Mr. DOMENICI. There will not be enough time for all of the speakers. What I have been asked to do by Senator DOLE is to agree to this unanimous consent agreement and indicate that the remaining time on our side will be subject to the control of the minority leader, Senator DOLE.

Mr. MURKOWSKI. Might I ask if there might be some time reserved for those that have indicated that they want to be heard on our side? I think the initial assurances were given that we would be accommodated, and I am not so sure of that.

Mr. DOMENICI. That was given because we were trying to accommodate a whole group of other Senators at this point.

Mr. MURKOWSKI. I understand.

Let me ask the Senator this. I believe I am the next speaker on this side. I have asked for 5 minutes. Might I be accommodated?

Mr. DOMENICI. I say to Senator DOLE, we have time equally divided between the Democrats and Republicans. Could we yield the Senator from Alaska 3 minutes of his time?

Mr. DOLE. Yes.

Mr. DOMENICI. We will agree with that. The Senator will have 3 minutes of our time.

The PRESIDING OFFICER. Is their objection to the unanimous consent request of the Senator from Tennessee?

If not, it is so ordered.

Who yields time?

Mr. SASSER. May I inquire which side spoke last?

The PRESIDING OFFICER. The Senator from Missouri was the last Senator recognized.

Mr. PRYOR. Mr. President, I yield 3 minutes to the Senator from Iowa [Mr. HARKIN].

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I thank the Senator from Arkansas for yielding.

Mr. President, a few minutes ago, I heard the distinguished minority whip talk about applesauce and gibberish and rubbish. I wrote it all down.

Well, he did not produce anything to show that applesauce or rubbish or gibberish.

It is called the Dole and others amendment—383 pages of rubbish and gibberish; 383 pages of applesauce, according to the minority whip, right here.

And, if they are really serious about this, we would have had this to read a few days ago. The amendment was offered about 5 o'clock. I just got my copy. It is still hot. It is still warm, right off the press. So I started looking at it.

I remember back in 1981, when I was a Member of the other body, we had the 1981 reconciliation bill, the so-called Gramm-Rudman. And they brought it out onto the floor of the House just like this. It was still warm, a lot of handwriting in it.

Well, they passed it. They even passed a phone number that was written in it.

So I started leafing through this amendment here.

Here is page 365. There is a whole lot of hen scratching on that. Lord only knows what it is.

And here is page 371. Some more hen scratching. Page 237, there are some things crossed out and some handwriting in there. Lord only knows what it says.

Here is page 134. Some more hen scratching. Who knows what is in there? Maybe we are going to enact some more phone numbers like we did back in 1981. So again they are not serious.

Mr. President, this is a political document. The distinguished minority leader is a great political leader. This is a political document. That is all it is.

But I will tell you, I know the Republicans are going to follow their leader and they are all going to vote for it. That is the way they do things over there. I understand that. They will all march behind it and all vote for it.

But I just wanted to again bring back to Senators' memories here that in 1985, when I first came to the Senate, the distinguished minority leader was then the majority leader and Republicans controlled the Senate. And he offered an amendment on the budget to freeze all COLA's—to freeze all COLA's.

Why, they had to wheel poor old Pete Wilson in here in a wheelchair so he could cast the deciding vote. They passed it by one vote. The Republicans passed it by one vote in 1985, and they thought they won this big great victory.

Fortunately, the House Members would not take it in conference. We dropped the COLA.

But do you know how the people remembered that vote? The people of America remembered that in 1986 when the Democrats took back control of the United States Senate.

So I say to my friends on other side: Follow your leader. It is a nice political document. Follow your leader.

I will tell you how it is going to be remembered this time.

Put it on the trash heap of history, along with Gramm-Rudman I and Gramm-Rudman II. Put it in your trash bag.

The PRESIDING OFFICER. Who yields time? The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I think this debate deserves close examination. Both sides are saying we want to cut the deficit. But one side says we can reduce the deficit by increasing revenue or increasing taxes. The other side suggests the way to address the deficit is very simple, and that is to cut spending. The latter position is clearly the one preferred by the American people.

If we go back and reflect on the President's promises, he promised a bipartisan approach to dealing with the deficit and the national debt. He promised $3 in spending cuts for every $1 in new taxes. He promised to cut the deficit in half over 4 years. These three promises could have led to a bipartisan effort to address both the deficit and the national debt. Unfortunately, those promises have nothing to do with the reality of what we are debating here today.

Instead, we have a plan which was drafted in secret—behind closed doors. Conservative and moderate Republicans were all shut out of the process, and the fact that they were shut out clearly shows in the substance of what we are debating today.

There are not the President's promised $3 in spending cuts for every $1 in new taxes. In fact, the ratio is reversed. There are some $3 in new taxes for every $1 cut out of the deficit. That is right; there are 264 billion dollars' worth of new taxes.

Incredibly, we are asking the small business community to pay $55 billion, 49 percent of those taxes. And, what sort of cuts are we getting? Only 83 billion dollars' worth.

This is not the sort of ratio that Alaskans or any other Americans can support. Americans thought they were going to see shared sacrifice. The President asked us to invest in America. He asked us to sacrifice. There is sacrifice here all right. Except it is the American people being sacrificed. Sacrificed on the Democrats' altar of tax increases and minimal spending cuts.

What about cutting the deficit in half over 4 years? Our President made a statement in his book "Putting people First," on page 4. He promised that he would cut the deficit in half over 4 years. This proposal simply cuts one-third off if everything goes right—if the interest rates go down, if inflation stays down, and if this Congress ever really makes some of the promised cuts down the road.

In 1992, the Federal budget deficit was $290 billion.

Under the Democrat passed budget resolution which is implemented by the bill we are debating here today, the Federal budget deficit will be some $200 billion in 1998, and guess what, it will be on the rise.

So not only does the President not keep his promise, we will be faced with the same situation 5 years from now as what we are faced with today—a growing Federal budget deficit.

Why is that?

Simply enough, because there is no real effort to control the growth of entitlements in this bill. Everyone in this body knows that the only way to really get Federal spending under control is to get a handle on the growth in entitlement spending.

But no such attempt is in this bill.

I repeat, Mr. President, that if we were considering today what the President promised during his campaign, this Senator would be prepared to support him.

Unfortunately, that is not the case, and I will vote against the pending bill.

I ask my colleagues to support the position of the Republicans, which is simply to cut spending and not address the deficit by increasing taxes.

Mr. PRYOR. Mr. President, first I ask for order in the Senate; and second, I yield 3 minutes to the Senator from Pennsylvania [Mr. WOFFORD].

The PRESIDING OFFICER. The Senate will come to order.

The Senator from Pennsylvania.

Mr. WOFFORD. Mr. President, I have heard almost everything here in the last 2 years of filibuster and gridlock. But I can hardly believe my ears tonight that the other side of the aisle now, at this last minute, proposes—actually with straight faces—to destroy the largest deficit reduction plan in U.S. history, and to do it by meat ax, a meat ax that cuts primarily Medicare and Medicaid—above all, those two—a meat ax on the backs of those least able to bear it, the older people and poorer people.

But that itself is a fraud, a fraud on the American people. Because the poor and the old are not the only victims of this phony plan. The working people; the middle class; businesses, large and small; local governments are the victims because capping Medicare and Medicaid, before we get comprehensive health care reform across the board, shifts the costs.

For every $1 we as a nation spend on health care, Medicare and Medicaid together represent only 25 cents. It is like a balloon: Squeezing one end of the system will only result in the costs bulging out on the other side. And that other side that will bear the increased costs of this plan are families and companies, and State and local governments.

Remember, the majority of our total health care costs, reaching almost $1 trillion now—the majority—are not Government costs of any kind, but the private sector. Maybe we should call it a shell game instead of a balloon. Either way, the point is, you are kidding yourselves and kidding the American people if you think capping Medicare and Medicaid is the cure for rising health care costs.

That is dealing with the symptom, not the illness. Of course, we have to stop the increasing costs in our medical system—but all the costs; the costs that people are feeling as they discover the direct correlation between the shifting of reduced spending in Government programs and the increased cost they are feeling as citizens.

To get to that next main order of business, we have to move ahead with this historic deficit reduction plan that is before us. You, my friends on the other side of the aisle, have had your chance. For a straight 12 years, you have had a chance to deal with this problem and you failed to tell the truth to the people; 12 straight years of talking about balanced budgets without once actually proposing one. You had your chance; you did not use it. You made your balanced budget proposals and never fulfilled them.

It is time to get on with the job of leadership that thinks about the next generation, and not the next election.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, how much time do we have on this side?

The PRESIDING OFFICER. The minority has 6 minutes.

Mr. DOLE. I yield the Senator from Texas 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, this amendment gives us the clearest choice that America could have. Our amendment is very simple. It eliminates all of the new spending programs that Bill Clinton would put into his budget. Second, it freezes discretionary spending. Finally, it limits the growth of entitlements to the number of people who qualify for those programs times the inflation rate plus 1 percent. It is a program that simply seeks to control the growth of spending and to cut spending first.

The alternative that the Democrats have proposed is to tax Social Security, to tax gasoline, to tax small business, and to tax the people who do the work, pay the taxes, and pull the wagon in America.

If you want more taxes and more spending, you want to vote against our amendment. But if you want to cut spending first, vote for it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. Mr. President, I yield myself a couple of minutes, and I yield the remainder of the time to the Senator from New Mexico.

The Senator from Iowa held up our bill and did not seem to think much of it. But most of it is their bill. We have every one of those 200 spending cuts in our package—every one of President Clinton's spending cuts in our package. We also have an enforcement mechanism, where we get real spending cuts in the outyears.

We took out the tax title because nobody wants to raise taxes—well, I do not know why Democrats always smile when we say the word "taxes," but it seems to get them all revved up on the other side. But the American people are not smiling when we talk about taxes. We like to say cut spending first and do not raise all these taxes; give people a chance in America.

In our bill, actually, we took out the taxes, kept the spending cuts, and put in some enforcement mechanism. That is really what our bill is all about. We did not get the final package yesterday from the Budget Committee, so I apologize to my colleagues for not getting it to them earlier. You know, we have to have a little time to cut and paste and take out all those taxes. It takes a while to get $271 billion worth of taxes out of that package. You cannot do that in 15 or 20 minutes. It does not take long to vote for those taxes, but it takes a long time to get them out of the system.

We are going to offer an amendment to sunset all taxes after 5 years. I hope we can get a bipartisan vote on that. It seems to me it will make a lot of sense, and give people a little confidence on what may happen after the 5 years.

My point is, we have a good package here. It is pretty much the same package we had when we discussed the budget resolution. It adopts every spending cut President Clinton has. We have entitlement caps. And that is about it.

So all the people on the other side who are surprised about our bill apparently have not read theirs.

I yield the remainder of my time to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I just want to address my comments to the distinguished majority leader or to Senator SASSER, the chairman.

I understand a point of order might be raised. I really would ask, in behalf of everyone who has suggested that we have an alternative, that the point of order not be raised.

We have an alternative that will not raise taxes. I know the other side does not believe it. But I can guarantee the deficit will be as low in 1998 as under the President's plan, and it will not cause as much economic harm because there is far less taxes in it.

I think the people would like us to have a chance to vote up or down in this body on whether we want our plan or yours.

I am prepared to move to waive, but I would very much ask, in your generosity and sense of justice and fairness, that you let us have an up-or-down vote on our proposal.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, may I respond to the Senator from New Mexico, every day a new definition of chutzpah is reached in the Senate. But we reached a new level now when the Senator from New Mexico, who just a little while ago raised a point of order to my amendment, now gets up and asks in a spirit of generosity and fairness that I not raise a point of order to his amendment. I congratulate the Senator. He has raised the level of chutzpah to a new record level in the Senate. The answer, with fairness and generosity and respect, is, No. [Laughter.]

Mr. DOMENICI. And, Mr. President, I expected it. Thank you very much.

The PRESIDING OFFICER. The majority leader has 2 minutes and 30 seconds.

Mr. MITCHELL. Mr. President, last Friday the Senate Finance Committee debated the budget. Every Republican Senator made a speech about the need for more spending cuts. Then when the time came to offer amendments, not a single amendment was offered by a Republican to cut a single dollar of spending. And when asked why not, the answer was: We do not want to be on record in favor of politically unpopular spending cuts. That was last Friday.

This amendment today is more of the same, nothing specific, no program is mentioned, caps, freezes, other euphemisms, but no fingerprints on a specific spending cut that our colleagues will stand up and say they are for. That is what is at issue here.

The other issue here, and this is an important issue, who bears the burden of deficit reduction? All of us agree that we must deal with the deficit, and the question presented by this amendment is who bears the burden?

Under the President's plan, 80 percent of the tax increases will be borne

by those whose incomes exceed $200,000 a year. So when our Republican colleagues come here and say there should be no taxes, their intent and their purpose and their effect is clear: Protect those whose incomes exceed $200,000 a year. Exempt from the burden of deficit reduction those whose income exceed $200,000 a year. Shift the burden on to who else? The middle class.

The Republican philosophy in the last decade was clear: If you make more than $200,000 a year, you should not participate in meeting the burden of deficit reduction in this country, you should be exempt, you should be protected. If you are in the middle class, you get socked, and that is what the Republican alternative does. It is more of the same.

Those Americans who make more than $200,000 a year are asked to share in the burden under the Democratic alternative. Everybody is asked to share in the burden according to ability to pay. Under the Democratic plan, if you make $40,000 a year, you participate, but not as much as if you made $400,000 a year. And if you make $400,000 you participate not as much as if you make $4 million a year. Everybody shares according to ability to pay. The Republican alternative is more of the same policies of the last decade: Do anything to protect those whose incomes exceed $200,000 a year. Do not ask them to do anything to reduce the deficit, put the whole burden right on the middle class.

Well, Mr. President, socking it to the middle class is over. The election of President Clinton ended the socking it to the middle class. We say, let all Americans share in the burden. Let everyone meet this national objective and do it on the basis of ability to pay, and those who make $200,000 a year or more, we wish them the best. They are great Americans. They have done well. They have succeeded. They should participate in sharing the burden. That is what the difference is in these two proposals.

The PRESIDING OFFICER. All time has expired.

Mr. SASSER. Mr. President, all time has expired, but, Mr. President, has all time expired on both sides?

The PRESIDING OFFICER. Yes.

Mr. SASSER. Mr. President, I raise a point of order that the pending amendment violates the provisions of section 410 of the Congressional Budget Act of 1974.

Mr. DOMENICI. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order against the pending amendment.

Have the yeas and nays been ordered? 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. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I now ask unanimous consent that upon disposition of the pending amendment, the majority leader be recognized to offer an amendment on the subject of small business and that the amendment not be subject to any second-degree amendment; that upon the disposition of that amendment, Senator NICKLES be recognized to offer an amendment striking the increase in the fuel tax; that when the Senate resumes consideration of the bill at 9 a.m. tomorrow, there be 30 minutes for debate remaining on the Nickles amendment; that a vote on, or in relation to, the Nickles amendment occur tomorrow morning at 9:30 a.m.; that no other amendment be in order prior to the disposition of the Nickles amendment; and that when the Nickles amendment is disposed of, there be 8 hours remaining for debate on S. 1134, under the statutory time limitation.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Reserving the right to object.

Mr. MITCHELL. Mr. President, before I ask if there is agreement in the Senate on this, let me explain. I anticipate that there will be debate tonight on the Nickles amendment for as long as Senators wish to debate it. The Senate will stay in session as long as Senators wish to debate it. There will be 30 minutes of debate tomorrow.

I also anticipate that my amendment on the subject of small business will be accepted without a rollcall vote. I understand there is no opposition to it.

So if this amendment is agreed to, the vote that is about to occur will be the last vote this evening. We will then take up and adopt my amendment by voice vote. We will then take up the Nickles amendment, debate it for as long as Senators wish to debate tonight, then debate it again tomorrow from 9 to 9:30 and vote on it at 9:30. And after the Nickles vote, there will be 8 hours remaining on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. No objection.

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

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion of the Senator from New Mexico to waive section 904 of the Congressional Budget Act.

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 Washington [Mrs. MURRAY] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mrs. MURRAY] would vote "no."

Mr. SIMPSON. I announce that the Senator from Pennsylvania [Mr. SPECTER] is absent due to illness.

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

The yeas and nays resulted—yeas 43, nays 55, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—43

Bennett	Faircloth	McConnell
Bond	Gorton	Murkowski
Brown	Gramm	Nickles
Burns	Grassley	Packwood
Chafee	Gregg	Pressler
Coats	Hatch	Roth
Cochran	Hatfield	Shelby
Cohen	Helms	Simpson
Coverdell	Hutchison	Smith
Craig	Kassebaum	Stevens
D'Amato	Kempthorne	Thurmond
Danforth	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	
Durenberger	McCain	

NAYS—55

Akaka	Feinstein	Metzenbaum
Baucus	Ford	Mikulski
Biden	Glenn	Mitchell
Bingaman	Graham	Moseley-Braun
Boren	Harkin	Moynihan
Boxer	Heflin	Nunn
Bradley	Hollings	Pell
Breaux	Inouye	Pryor
Bryan	Jeffords	Reid
Bumpers	Johnston	Riegle
Byrd	Kennedy	Robb
Campbell	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Sasser
DeConcini	Lautenberg	Simon
Dodd	Leahy	Wellstone
Dorgan	Levin	Wofford
Exon	Lieberman	
Feingold	Mathews	

NOT VOTING—2

Murray	Specter

The PRESIDING OFFICER. On this vote, there are 43 yeas and 55 nays. Three-fifths of the Senators duly chosen, and sworn not having voted in the affirmative, the motion is rejected.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The adoption and enactment into law of the pending amendment would have the effect of decreasing the net level of deficit reduction in the jurisdiction of the Committee on Finance below the level of such deficit reduction in that jurisdiction as set forth in the concurrent resolution on the budget, in violation of section 310(d)(2) of the Congressional Budget Act of 1974. The point of order is sustained. The amendment falls.

Under the previous order, the majority leader is to be recognized for purposes of offering an amendment.

AMENDMENT NO. 507

(Purpose: To encourage small business investment and promote economic growth)

Mr. MITCHELL. Mr. President, pursuant to the previous agreement, 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 Maine [Mr. MITCHELL] proposes an amendment numbered 507.

Mr. MITCHELL. 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 422, line 24, strike "$15,000" and insert "$20,500".

Mr. MITCHELL. Mr. President, Members of the Senate, I previously——

Mr. FORD. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate is not in order.

The majority leader.

Mr. MITCHELL. Mr. President, I previously proposed a unanimous-consent agreement to which no objection was made, which provided that I would now be recognized to offer the amendment which I have just offered, that that amendment would be disposed of and then Senator NICKLES would be recognized to offer his amendment, which would be debated this evening and tomorrow morning, and then a vote on his amendment would occur at 9:30.

I then stated independent of the agreement that it was my understanding that no Senator would request a rollcall vote on my amendment, and that therefore we could complete disposition of it this evening and then proceed as previously stated.

I have since been advised that one or more Senators on our side do not support the amendment, and have requested a recorded vote. Of course, that is the right of every Senator under such circumstances.

So what I suggest we do—I hope this will be agreeable to our colleagues—that we now have the amendment pending. I intend to make only a very brief statement. Anyone wishing to speak on that amendment of course can do so, and then get an agreement to schedule that vote for tomorrow morning just prior to the vote on the Nickles amendment.

So nothing would change with respect to this evening or with respect to the time at which votes would begin in the morning except that there would then be two votes as opposed to one. I will shortly propound a request for that purpose.

For now, let me describe the amendment briefly. Earlier today, I offered an amendment which, as I stated upon its introduction, included two principal provisions. One was a targeted capital gains tax cut similar to that proposed and advocated vigorously by Senator BUMPERS. The other was to increase the amount of expensing to which small business would be entitled from the $15,000 annually in the pending bill to $18,500.

A point of order was raised against that amendment by one of our colleagues on the grounds that the Bumpers capital gains provision was not germane. The point of order was sustained in that the motion to waive the Budget Act was not approved by a vote of three-fifths of the Senate and, therefore, the entire amendment fell.

What I have done now is to return and offer only that portion of the amendment that relates to expensing, which I am advised by staff is germane, and it had been my understanding and impression that there was no opposition to it and no demand for a recorded vote. I have now been advised to the contrary and, therefore, I think it is rather simple and straightforward with respect to the expensing and needs no further discussion on my part.

I will yield to any Senator who wishes to discuss this particular amendment, either for or against; and all Senators should be aware that as soon as the debate is concluded, then this amendment will be set aside, I will get an agreement to vote on it tomorrow morning, and Senator NICKLES will be recognized to offer his amendment.

Mr. METZENBAUM. If the Senator will yield for a question, will he tell us what impact this will have with respect to the budget? What will be the cost of this amendment?

Mr. MITCHELL. The total cost will be $3.6 billion. That will have the effect of reducing the amount of increased revenues in the bill from $249 billion to approximately $245.4 billion. Excuse me, those figures are all over a 5-year period.

Mr. METZENBAUM. How much difference would the cost be as far as this bill is concerned and the previous amendment which was not adopted?

Mr. MITCHELL. There is no difference. The $3.6 billion is in the aggregate amount identical to the previous amendment. The previous amendment was allocated among three subjects—the capital gains tax cut, the provision relating to the performing arts, and small business expensing. The first two subjects are not included in this amendment. It is related solely to expensing. As a result, the amount of expensing will go up to a higher level than that which was in the previous amendment. The pending bill is $15,000 annually. The previous amendment would have taken expensing up to $18,500. This takes expensing up to $20,500.

Mr. METZENBAUM. Would the majority leader be good enough to explain why, if he is taking expensing up to $18,500 on the previous amendment, what good reason is there for taking it up to $20,000 when we are trying to find the dollars in order to keep Medicare from being cut?

Mr. MITCHELL. The principal reason is that the President proposed, and the House approved, increasing the amount of expensing to which small business would be entitled from the current level of $10,000 to $25,000. There is very broad support in the Senate for increasing it to that level. And, indeed, I do not know this for certain, but I think the vote tomorrow will be substantial in favor of the amendment. I am so advised by Senators who have been discussing it with others, because there is very broad support for it as a means of encouraging investment by small businesses, which are the principal job creators in our society.

That is an economic theory on which all Senators do not agree, but it is the same principle as the investment tax credit and other mechanisms which are intended to induce investment by businesses—in this case, small businesses—to encourage them to invest in new plant and equipment and to create jobs and hire people.

Mr. METZENBAUM. Not going into a lengthy debate, I can only say to my colleague from Maine that I was in a lot of small businesses. I do not remember any time that I ever thought about going into one or not going into one on the basis of whether you could expense it or could not expense it.

I certainly would consider what the maximum tax rates would be, but I do not think we worried about such things as whether it could or could not be expensed. The Senator from Maine is well aware that a number of us are concerned with trying to find the dollars in order to take care of the Medicare problem. We have worked hard, zealously, and assiduously and vigorously, contentiously in some respects, cooperatively in some respects, in order to find those dollars.

I want to say that the previous amendment failed. That had cost the same as this one. The reason the cost is the same as this one is because—the expensing on the previous one, as I understand was $18,500, I think the Senator from Maine has said. This one goes up to $20,000. My real question is: When we are trying to find dollars to do something about the Medicare problem, to keep the Medicare cuts from being as great as they are, why would the majority leader come forward with an amendment that goes further than the previous amendment which provided for $18,500, which I myself do not believe has any merit at all?

I do not believe it causes small business to go into business or not to go into business. I do not think it has any real impact on the economy. I do not think there is a small businessman or woman in the country that is all aware of what this issue is about or thinks it is that important. I am not sure where it has gotten this excitement, whether it is some organizational activity or not. I do not know.

But all I can say is, I know there are millions of Americans who are concerned about the Medicare cut. We could have moved a little bit closer to cutting back on that Medicare cut, if we did not have, A, this amendment

and let the matter rest, but even if we had this amendment and did not go any further than the previous amendment provided. And I do not know why we have this sense of generosity at 9 o'clock in the evening that causes us to go beyond where we were in the previous amendment.

Mr. MITCHELL. Mr. President, first let me say that we have had many discussions on the subjects to which the Senator referred. I have the greatest admiration and respect for the Senator from Ohio. There is no Member of this Senate who believes in and fights harder for the interests of what President Roosevelt described as the common man, the working citizens in our society who do not have the time nor the inclination to hire lobbyists and to have their views presented in a formal and organized way, but rely upon their elected representatives to do that for them.

I think no Senator better does that and deserves credit—many other Senators do it, but I do not think any other Senator does it as well and as effectively and as accurately as the Senator from Ohio.

Mr. METZENBAUM. I thank the majority leader.

Mr. MITCHELL. We occasionally disagree on some interests and principal issues, but the disagreements are civil and reasonable.

I would only say to the Senator from Ohio, I am trying very hard to get a reconciliation bill passed.

Mr. METZENBAUM. And, I want the majority leader to do that.

Mr. MITCHELL. There is a lot of controversy about every provision. Different Senators have different interests and different concerns.

I am also trying not to bring this to a conclusion this evening. The bill as presented is not precisely as I would have written it were I king for a day, or for a week. It is not precisely as any Senator would have presented it. Every Senator is an individual. Every Senator is a responsible individual, and every Senator has interests, constituents, concerns, and convictions which he or she seeks to advance in this process.

I am doing the best I can to achieve the balance that will enable us to get a meaningful, fair, and balanced reconciliation bill passed.

That is my answer.

Mr. METZENBAUM. I appreciate the very kind comments of the majority leader. But I do not think we have an answer, because my question is, why could the majority leader not have let it just stay at the $18.5 billion, instead of going to the $20 billion? It had to have some monetary value. It may be $1 billion, $500 million, or $300 million. I do not know the number.

Had he done that, we might have been able to use those dollars to help reduce the cuts in Medicare.

My real question is not that the majority leader is advancing the amendments, but why did he change the numbers in this amendment from the previous amendment that was considered by the Senate? What was the crying need to do that, rather than to at least use those dollars in the Medicare area?

Mr. MITCHELL. Because, in my judgment, that is the best way to advance the bill and to attempt to gain the support necessary for its enactment.

Mr. NICKLES. Mr. President, will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. NICKLES. Mr. President, I wish to congratulate the majority leader on his amendment.

I ask unanimous consent to be named as a cosponsor to his amendment.

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

Mr. MITCHELL. I thank the colleague, and ask that any Senator who wishes to do so be added as a cosponsor.

Mr. BENNETT. Mr. President, I ask unanimous consent that I be allowed to be a cosponsor.

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

The Senator from Maine has the floor.

Mr. FORD. Will the Senator from Maine add me as a cosponsor? I appreciate it.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Kentucky [Mr. FORD] be added as a cosponsor.

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

Mr. MITCHELL. Does the Senator from Wisconsin wish to address this subject?

Mr. FEINGOLD. Yes.

Mr. MITCHELL. Then, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I am glad this amendment is getting at least a few questions and some discussion. I do not want to join in the amendment.

I thought earlier in the day that we had established that this, in fact, can be viewed as more spending. When something is done to the Tax Code that ends up benefiting certain elements of the business community and not others, and costs the public dollars, that causes the deficit to go up, too.

I think the purpose of this bill is deficit reduction. This is another $3.6 billion of new spending. For those Members of the opposition here who just joined as cosponsors, they have just signed on to a $3.6 billion new spending program. It is not a spending cut. It is money out of the public treasury that is going to go to make the deficit worse, that is going to make this bill less in the direction of deficit reduction.

I have been here for the last 5 hours and I listened to all the talk on that side of the aisle about how they want across-the-board spending cuts and believe they can reduce the Federal deficit.

But this item spends public dollars—not across the board, not for all individuals, not for an across-the-board income tax cut.

I find it hard to understand, in the context of a bill that is about deficit reduction, how this helps us. I think it hurts us. We should either leave it in for deficit reduction, or we should use it to minimize the Medicare items that I would like to see removed.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I will just take a moment to explain to my fellow friend and colleague, Senator FEINGOLD, why with all the rhetoric we have had about this side—and I have joined as a cosponsor to this bill—I am one who believes that the scoring process that we get out of the Congressional Budget Office has only a slight acquaintance with reality in the business world. And I believe that if small businesses flourish more as a result of this circumstance, they will create more jobs; the people who work at those jobs will pay more taxes; and that, in the 5-year period, as a result of encouraging small business in the way the distinguished majority leader seeks to do with this amendment, the Federal Government will receive more—not less—revenue.

It cannot be scored, because the Congressional Budget Office does not have a crystal ball that equips them to adequately forecast human behavior.

But my experience with the business community tells me that anything that will encourage job creation among small business, however difficult it is to score will, in fact and in reality, create more tax revenue for the Federal Government.

So I see this as a move to reduce the deficit and produce greater Federal revenues.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, one, I wish to compliment my friend and colleague, the Senator from Utah, for his statement, and also for the fact that he has some private-sector experience and expertise and he has created a lot of jobs.

I might mention I have a little business background as well.

This is a provision—in my opinion, probably one of the few provisions in this entire tax bill—that will have a positive economic impact.

I might also tell my colleagues, we are telling people, yes, they can expense it; but they have to write a check. We are not talking about large amounts. We are talking about up to $20,000.

I would like to see it even higher, so if you have a business person that is

making a purchase, a capital item that is more than $20,000, if they have to write the check immediately, they will be able to expense it immediately.

I tell you, when you are on the business side of the equation, you want to write the check. You want to be able to expense items as rapidly as possible, particularly when you are writing those checks.

I think this is a provision that will have a positive stimulative impact on the economy.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank the Chair.

Something bothers me about the opposition to this amendment. Either we are being held hostage for something, or they do not believe in helping small business.

My judgment is that those who are concerned about Social Security, those who are concerned about Medicare and Medicaid, should think that this is a wise investment of our tax dollars, because the wise investment here will create jobs.

When you create jobs, you are able to then have Social Security payments. Instead of having fewer paying into Social Security, you will have more paying into Social Security. We want to do it tonight and collect tomorrow.

And in this Government of ours, we have an attitude of people, they want to get rich overnight. Somehow or other, we are going to have to look at the long-term.

So if you can help a small business—and I say to my friend from Utah, who understands it well. Not many in this Senate had their credit cards, only a few years ago, cut up; could not pay; were looking for help. But he got some help, and he was able to make it.

So he is bringing his experience, as it relates to the wise use of tax dollars, to the Senate. He says: "I have experienced this, and it works." He is a cosponsor now of the amendment.

So I would think and I would hope that those who would be opposed to this amendment for other reasons—not particularly against the amendment itself, but against it for other reasons—ought to look at the long-term effect.

I see many small business people in my State struggling, as they do, to have, rather than $10,000, a $20,000 or $25,000 line of credit.

So I hope that those who are holding up this amendment, that are holding us for a vote, will let us go ahead and do it by voice vote. Even those who oppose our budget said that the expenses would be at least $20,000 when it came back from conference. So when it gets into conference, what we lose here or gain here is going to be changed there, anyhow.

With the influence of several people that are on the floor, I understand what is going on.

This is an amendment that needs to be passed. This is an amendment that I think we can be proud of, because it is going in the right direction to develop and encourage small business people to employ people and invest in their business.

So I hope we can get on with this. If we have to, we will vote on it tomorrow. I think there will be an overwhelming vote. The only thing is that we will have another 20 minutes we will have to stay here on the floor to vote on another amendment, which we could do well by voice vote tonight.

Mr. FEINGOLD. Mr. President, I want to assure the Senator from Kentucky that my purpose in opposing this amendment has nothing to do with anything other than my desire not to see this $3.6 billion in deficit reduction go by the wayside.

If it is approved, I will still vote for the President's package, with the Finance Committee package. I am not holding it hostage in any sense. I simply do not want to see another $3.6 billion that can be used in deficit reduction go away.

I realize the Senator from Utah has tremendous business experience, and I do respect that. It is possible, maybe likely, that if we had this provision in effect, the result he is talking about would occur, but it is not for sure. It is no more for sure when you look at the trickle down economic philosophy that the investment business community will always produce the result that will ultimately reduce the deficit.

Similar arguments were made in the economic stimulus package. Many people with an awful lot of experience suggested the items in that package would result in job creation, that it would create income and, therefore, would create revenue and, therefore, would create deficit reduction. But it was not for sure.

The only thing I know here is that there is $3.6 billion that we can have for deficit reduction. And if we do avoid this amendment, that is more in that direction for sure. That is a bird in the hand. The rest is hopeful, but it is speculative. The history of the last 12 years is that these kinds of mechanisms may work, but they may not. In the meantime, the deficit has gone out of control.

Perhaps later in the year, if things go well, this kind of a provision would be appropriate. But this bill is about deficit reduction.

So I do not understand what a $3.6 billion upper that will take us away from deficit reduction has to do with this process. That is why I have opposed it. It has nothing to do with trying to accomplish some other end. It is only that I would like to see that money left for that purpose.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I just want to address myself to this amendment for 1 minute, because everybody is anxious to jump on it. It is going to be a great amendment for small business.

It is going to cost $3.6 billion. And I want to stand here on the floor of the Senate and say that not one single businessman or women in this country has any real interest in this amendment. Oh, they will take the tax deduction, but if anybody thinks there is somebody who is going to go into business because that is now in the law, you are kidding yourself.

The Senator from Oklahoma was a small businessman, and I say to him, you are not going into a new business. You know that you are in that business. You have been in the business for quite a while, and there is nothing that exciting about the fact you are going to get a chance to write it off in the first year instead of being able to expense it over 5 years or 7 years or 10 years, as the case may be.

So I think this is a figment of the imagination. This is taking a flag, walking down the street, and saying: "Small business people, we are doing a wonderful thing for you. We are going to pass this amendment and we are going to affect the budget by $3.6 billion."

Now the votes will be here for it tomorrow, because it looks like it is something special. But if you went out across America tonight or tomorrow or any other time and asked the small business people: "Did you know we were considering that?"

"No."

"Did you know what you can do?"

"That sounds good."

There will not be any new business people saying, "Well, I am going into business because of this amendment." That is just not within the realm of reality.

So what you are doing is affecting the budget. As the Senator from Wisconsin has pointed out, it is $3.6 billion that we could be using to either reduce the deficit or to reduce the whole question of Medicare deductions that are provided for in this measure.

I say, we are kidding ourselves. We are sitting in the Senate and playing in the world of make believe. We think that somehow we are doing something, we are doing something for the small business persons of this country. They do not know about it. Some of them may have asked about it. Their professional organizations may send out a bulletin saying all the great things they did by getting this amendment in.

But I say, in the world of reality, in the world that is out there, in the communities of Oklahoma and New York and Kentucky and Wisconsin and Ohio and Maine and all the other places, this is a meaningless amendment. It is $3.6 billion that we could be using to reduce the deficit.

Will the small business people say, thank you? Probably so, when they get around to filing their tax returns. But tonight, when they go to bed or tomorrow morning when they wake up and they hear we passed this amendment, they will probably say, "That is nice." But they would say it is a lot nicer if we were to pass the budget reconciliation bill and reduce the deficit a substantial amount more than $3.6 billion, as in this instance.

Mr. FORD. Will the Senator yield?

Mr. METZENBAUM. Yes.

Mr. FORD. If this amendment is not passed, will the Senator then support the bill in total?

Mr. METZENBAUM. Will I support it?

Mr. FORD. If this amendment is not passed, does that satisfy the Senator?

Mr. METZENBAUM. It very well may.

Mr. FORD. The Senator said, "it very well may." I learned from the distinguished Senator a long time ago that you had an amendment the question was, was it good enough to get him on the bill. I just use some of the experience I learned from him.

Mr. METZENBAUM. I say this to the Senator from Kentucky: "If there are no Medicare cuts, the answer is an unequivocal, yes, I will."

Mr. FORD, Well, there are already some cuts in there that came over from the House.

Mr. METZENBAUM. There is $50 billion over there from the House and $19 billion more in the Senate. I am hoping we could eliminate that $19 billion additional.

Mr. FORD. I am not sure it is $19 billion more. I think it used the $19 billion from the President's $47 billion and not added to the $50 billion; is that not correct? It is $19 billion from the $47 billion that the President had in his bill and not the $50 billion. So when you subtract $3 billion from the $19 billion, I think you have already saved $3 billion. I think I am correct on that.

Mr. METZENBAUM. The answer to my friend from Kentucky is, I definitely will support the bill if it did not have any Medicare cuts, and I very well may support it notwithstanding that. But I will say this: That does not answer the argument as to why we should be giving away $3.6 billion.

Mr. FORD. I say to my friend, there are a lot of amendments he has in this bill I do not like and my business people do not like.

Mr. METZENBAUM. I have?

Mr. FORD. Yes; that came out of the Labor Committee.

So there are some things I do not like that the Senator wants and a lot of thing I want the Senator does not. Somewhere, as Henry Clay said, "Let us compromise." And compromise is a negotiated hurt.

Mr. METZENBAUM. I have been spending more hours today on trying to compromise than the Senator from Kentucky would care to count. I have been in meetings all day trying to compromise.

Mr. FORD. I know that. The Senator is good. I have been with him at 2 or 3 o'clock at night to hear him pound the table. So I understand how good the Senator is and how well he negotiates.

Mr. METZENBAUM. I do not say I am good. I say I am willing to compromise.

Mr. FORD. We have a compromise.

I just want to make one point, and I know we are going here too long and I should not do it, but I am going to do it anyhow.

Nothing is for certain. They say you cannot guarantee this. Well, if you can guarantee anything, you are in the wrong place. We are just hopeful, and we are making the best point we can to help small business people.

The Senator from Ohio talked about Kentucky. Nobody there wanted it; nobody is interested in it. Let him speak for Ohio. I am representing Kentucky, and I think I have a lot of small business people this means a lot to. I have talked with them, and they asked me to raise it. So I know a little bit about my State and my small business people, and I have some struggling ones. And if they are in business and get a chance to have a tax break that will expand their business and given them an opportunity to have a breakthrough, why not? That is my point.

We will work out these other things. But small business will create jobs. Small businesses will give more Social Security. Small business will do the things that I think will increase the substance and economic development of this country.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I will try not to prolong this discussion. I would just like to make a few comments about the bill that is before us, and specifically the provision that is before us that is called expensing.

There are not many benefits in the Tax Code that are increased by 50 percent in 1 year. You talk about depreciation. Is depreciation increased 50 percent in a single year? No. Is the benefit for research and development increased by 50 percent in 1 year ever? No. Are benefits for low-income housing increased 50 percent? No.

In this bill that is before us now, expensing is increased by 50 percent. Currently, you can expense $10,000. This bill will allow expensing of $15,000. That is a 50-percent increase. What the amendment before us now suggests is that we move that to $20,000. And the rationale offered is that it will encourage investment.

If someone is already investing $20,000 a year, this will not encourage investment. He has been investing $20,000 a year anyway. He makes the investments because he needs to improve his business. With new investments, new business, he makes money. On the margin the only company this is going to affect, possibly, is the company that is investing under $20,000.

It is simply a gift. It is not an investment incentive. It is a gift to those companies—many of them are small businesses, but some are not so small—that already invest every year, because when they invest money they make money. This simply says: You get a bigger gift.

A lot of these are subchapter S corporations. I lot of them are doing pretty well, pretty well indeed. In fact, with this provision the 36 percent rate will not increase your taxes until you get to $125,000 in income. With this expensing provision, in such a subchapter S corporation, it means that the 36 percent rate will increase your taxes zero. So the proponents of this amendment argue this is really a small business amendment.

What it really is is a relief amendment for small business people incorporated in a subchapter S form that makes more than $125,000 a year. That is what it is pure and simple. It is a direct transfer. They will not have to pay any more tax with a 36-percent rate. And there we are, back to the point made earlier on the floor. We can all beat our chests and say, "We raised the rates on the rich, we raised the rates on the rich."

That is true. You raised the rates on the rich but you gave it right back. They do not have to pay it. So what is the purpose? It is kind of ludicrous, argue higher rates and then give the money right back. Earlier in this tax bill, of course, we were going to raise corporate rates two points, $30 billion, and then give it all back to people with an investment tax credit.

Wisdom prevailed and we decided not to do that. But this is a mini version of that. Raise the rate to 36 percent—oh, we hit the rich, hit those rich people making more than $140,000, or more than $200,000. You hit them with the rates but, then, if they are making under $125,000 they are not paying it now because you have given it right back to them. I do not have any doubt that this is going to be a rather decisive vote, when we take it tomorrow. But I think it is important to at least make the record and lay it out for people to know that this is essentially not a small business amendment. It is relief for those making between $125,000 and $260,000 a year.

It would be much better if we had been satisfied with the 50 percent increase up to $15,000, which is what we have in the bill, as opposed to trying to go one step more and get it to $20,000. And those people who think that, given the criticism—I think unjustified—about small business taxes in this bill,

that that criticism is going to be allayed by saying oh, no, I gave you expensing from $15,000 to $20,000, I think that is not going to be a big winning argument in the rooms of some of the subchapter S companies of this country.

So I look forward to tomorrow. I do not think there will be a long debate. I know the majority leader wants to move on. We will see tomorrow.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I see no other Senator seeking recognition to comment on this amendment. If there is none, I therefore ask unanimous consent that my amendment now be set aside and that Senator NICKLES be recognized to offer his amendment; that on Thursday, June 24, when all time is used on the Nickles amendment, that amendment be temporarily set aside and the Senate then return to the Mitchell amendment, No. 507, with no time remaining for debate on the amendment, and that no amendment be in order to the amendment nor any language which may be stricken; that without any intervening action or debate the Senate vote on the Mitchell amendment, No. 507, to be followed by a vote on or in relation to the Nickles amendment.

Mr. SASSER. Mr. President, reserving the right to object and I shall not object, I want to inquire of the distinguished Senator from Oklahoma, how long he would anticipate speaking on his amendment this evening?

Mr. NICKLES. In response to the Senator, I know Senator SHELBY, Senator KOHL, Senator GRASSLEY, Senator D'AMATO, and Senator BOND did want to. So I would say 40 minutes.

Mr. MITCHELL. May I suggest, then, the possibility of getting a time agreement and limitation tonight so we could know when it is we are going to finish? Would that be agreeable with the Senator?

Mr. NICKLES. I would be happy to enter into that, if our side gets 40 minutes tonight and then I am told we get 30 minutes tomorrow, equally divided?

Mr. MITCHELL. That is right.

Mr. NICKLES. That is fine with me.

Mr. SASSER. So, 40 minutes this evening equally divided?

Mr. NICKLES. No, 40 minutes on this side. We might be able to do it shorter than that. I will try to accommodate the Senator from Tennessee. I know he is tired and has had a long day. I will try to be brief as well.

Mr. MITCHELL. I renew my request.

The PRESIDING OFFICER. Without objection the unanimous-consent request is agreed to.

Mr. MITCHELL. Mr. President, I inquire of the Chair, is it in order now for me to get the yeas and nays on my amendment, the vote on which will now occur at 9:30 tomorrow?

The PRESIDING OFFICER. The amendment of the majority leader has just been set aside by consent.

Is there objection to requesting the yeas and nays on the majority leader's amendment?

Without objection, it is so ordered.

The majority leader requests the yeas and nays on his amendment?

Mr. MITCHELL. I do. 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. MITCHELL. Mr. President, I now ask unanimous consent that Senator NICKLES be recognized to offer his amendment and that there be a total of 60 minutes for debate on that amendment this evening, 40 minutes under the control of Senator NICKLES, 20 minutes under the control of Senator SASSER, and that when all that time is used or yielded back, the Senate stand in recess until 9 a.m. tomorrow, at which time the Senate will proceed pursuant to the previous agreement.

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

The Senator from Oklahoma is recognized for the purpose of offering an amendment.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. Is the Senator from Oklahoma prepared to offer an amendment?

Mr. NICKLES. I think I am, but I think he is going to ask to make a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that I be allowed to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SASSER. Mr. President, reserving the right to object, now some of us have been here since 10 o'clock this morning. It is 9 o'clock in the evening. I know of nothing that could be so urgent that we would have to take it up this evening.

Mr. President, I am advised that the leadership staff was advised of this some time ago, so I shall not object.

The PRESIDING OFFICER (Mr. SIMON). Without objection, the Senator from Idaho is recognized for up to 5 minutes.

COMMUNITY REGULATORY RELIEF ACT

Mr. KEMPTHORNE. Mr. President, I appreciate the indulgence of all the Senators. I know the hour is getting late. But on May 20, 1993, I introduced the Community Regulatory Relief Act. The act itself would stop unfunded Federal mandates.

Since this introduction, mayors, county commissioners, Governors throughout the United States have been calling in support of this act. They have been asking for our help to deal with this issue of unfunded Federal mandates.

We have received the endorsement of a number of mayors from throughout the United States, and to mention just a few, we have received the endorsement of the mayor of Chicago, Rich Daley, Maynard Jackson of Atlanta; Victor Ashe of Knoxville; Jerry Abramson of Louisville and president of the U.S. Conference of Mayors, Bill Althaus from York; David Dinkins from New York; Paul Helmke of Fort Wayne; Ed Rendell of Philadelphia; Brent Coles of Boise; and Greg Lashutka of Columbus.

The President of the U.S. Conference of Mayors, Jerry Abramson, has now established to task force designed to help us with this legislation to stop unfunded Federal mandates.

At the U.S. Conference of Mayors this weekend, they passed a resolution which now establishes the "National Unfunded Federal Mandates Day." Later in September, a thousand mayors are going to be asked to stand in front of their city halls and to help us explain to the citizens the dilemma of unfunded Federal mandates. For too long, Mr. President, I believe that Congress has been passing the bill and then passing the buck to local units of government and State governments, and that practice truly needs to stop.

Another State official stated at that same U.S. Conference of Mayors that he was opposed to unfunded Federal mandates and has been a long-time outspoken spokesman against these unfunded Federal mandates. That statement was made by the President of the United States, President Clinton, the former Governor of Arkansas.

Mr. President, I ask unanimous consent that the article from the Washington Post referencing the President's comments be printed in the RECORD.

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

[From the Washington Post, June 23, 1993]

CLINTON EXTENDS HAND TO MAYORS

(By William Claiborne)

NEW YORK, June 22.—President Clinton vowed today to form a "new relationship" with the big-city mayors with whom he formed a new relationship about this time last year.

"I'll never forget what you did," Clinton told the mayors today in a satellite address from the White House, referring to their bipartisan support for his economic program. "And I don't want you to think that the battle you waged more ferociously than any other single group in the United States * * * was for nothing, because the battle you waged was about an idea that we're still going to have to fight to get back into our national consciousness."

Avoiding any direct reference to criticism by some mayors the last several days that

his administration has moved too slowly and cautiously on its urban agenda, Clinton promised "a new relationship, a new partnership" with the nation's cities that would be based on "an understanding that you ought to have more flexibility to do your work without so much micromanagement and regulation from the national government."

The president's remarks echoed many of the promises that he made when he unveiled his "Putting People First" economic plan at last year's annual meeting of the U.S. Conference of Mayors in Houston.

Clinton said today that he will work more closely with mayors to modify federal programs that are putting a strain on city budgets at a time when expenses are increasing.

He paid particular attention to the mayors' growing anxiety over unfunded federal mandates—burdensome federal regulations that are imposed on state, city and local governments. The mayors have complained that unfunded mandates cost cities hundreds of billions of dollars each year and threaten to bankrupt their budgets unless they get some relief. Conference officials estimated that federal environmental regulations alone are costing cities $2.6 billion a year.

Clinton said that as a former governor he was opposed to unfunded federal mandates, and he promised to consider supporting a bill introduced by Sen. Dirk Kempthorne (R-Idaho), former mayor of Boise, that would require the federal government to fund such regulations.

In response to a question by Mayor Paul Helmke (R) of Fort Wayne, Ind., Clinton said, "I have told our administration clearly that I don't want us up there on the Hill supporting bills to load up a bunch of new burdens on the mayors and the governors when they're broke, when we're not increasing funding to the states and the cities as we should."

Clinton appeared receptive to a request by New York Mayor David N. Dinkins (D) that funding for federal transportation programs and other programs be channeled directly to the cities, and not through state governments, which, he said, often skim off the bulk of the money. The president suggested that the mayors designate a task force to make specific proposals for grant changes to Vice President Gore's task force on reinventing government.

Clinton warned that there might be opposition to such a proposal. "But I think it's very important that we examine this," he said, "because one of the things that I'm concerned about is the colossal amount of money we waste every year trying to micromanage these grants, trying to have extra layers of regulation, and I think that a lot of these things need to be reexamined."

The newly elected president of the conference, Mayor Jerry E. Abramson (D) of Louisville, said Clinton's speech was a "reaffirmation of where the president has been since day one" on issues crucial to cities. Dinkins, speaking of the legislative obstacles facing funding for cities, said he was "hopeful there are things that can be done by executive fiat and imagination."

Mr. KEMPTHORNE. Mr. President, I appreciate the President saying that he is opposed to unfunded Federal mandates and that he will consider supporting the Community Regulatory Relief Act. I look forward to the bipartisan support that will be necessary for passage, and with the President and Members of the other side of the aisle helping, we can accomplish this.

Mr. President, I ask to add, through unanimous consent, the following Senators as cosponsors of this bill: Senators HARLAN MATHEWS, MITCH MCCONNELL, DAVE DURENBERGER, LAUCH FAIRCLOTH and ALAN SIMPSON.

Too often, as cities struggle to comply with Federal mandates, they must make the difficult decision of what local services to cut or delay in meeting the needs of a community, such as not adding police officers in crime-torn neighborhoods because you cannot meet all the financial costs of more officers to protect the community and the Federal mandates. But there is not really a decision for the local officials to make, because the Federal mandate has been dictated by the Federal Government and compliance is demanded. So while the crime rate may rise, the compliance of the unfunded Federal mandates is the priority. This ignores what may be the priority in the cities because the mandates debate is conducted in a vacuum dealing only with the particulars of the issues at hand, as deemed appropriate in Washington, DC.

Only by putting responsibility squarely where it belongs by requiring Congress to pay for Federal mandates can this Nation truly begin to establish the national priorities of this country.

I thank the Chair for the time. I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to congratulate my colleague for his statement. I also ask unanimous consent to be added as a cosponsor.

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

OMNIBUS BUDGET RECONCILIATION ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 508

(Purpose: To eliminate the imposition of the 4.3 cents deficit reduction rate)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES], for himself, Mr. SHELBY, Mr. GRASSLEY, Mr. KOHL, Mr. HELMS, Mr. BURNS, Mr. BOND, Mr. PRESSLER, Mr. D'AMATO, Mr. COVERDELL, Mr. CRAIG, Mrs. HUTCHISON, and Mr. MURKOWSKI proposes amendment numbered 508.

Mr. NICKLES. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 614, line 23, strike all through page 625, line 10.

On page 627, lines 2 and 3, strike ", and" and all that follows to the period.

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

Mr. NICKLES. Mr. President, the amendment that I offer today on behalf of myself and Senator SHELBY, Senator GRASSLEY, Senator KOHL, Senator HELMS, Senator BURNS, Senator BOND, Senator PRESSLER, Senator D'AMATO, Senator COVERDELL, Senator CRAIG, Senator HUTCHISON, and Senator MURKOWSKI, is very simple. It strikes the gasoline tax that is proposed in this package.

The package has a gasoline tax increase. It has tax increases on diesel fuel. It has a tax increase of 4.3 cents per gallon on aviation fuel. It will cost a lot of money. It will cost some people money they cannot afford. It will put some people out of work. It hits the aviation industry especially hard. It hits people who live in rural communities especially hard. It hits certain areas of the country a little harder than others.

Mr. President, I have a lot of cosponsors. Many are staying late this night, so I am going to be very brief. But I will say President Clinton, as a candidate, spoke out against an increase in gasoline tax. I noticed in his book, "Putting People First," on page 91 dealing with his energy policy it says, "oppose Federal excise gas tax increase."

Very simple, very plain, he states that he is opposed to Federal excise gas tax increase. But this bill has a gas tax excise increase. I think we should be consistent. I might mention the House has an even larger tax increase. Some of my colleagues have told me that they might support me, but, well, it is less than a nickel a gallon and they would support maybe up to a nickel but not above that. I will tell my colleagues that when this bill comes back from the House of Representatives, it is going to have more than 4.3 cents per gallon. The House-passed package has a Btu tax that has the equivalent of about 8 cents per gallon, and if you are making a compromise between 4.3 cents per gallon and 8 cents per gallon, you are going to see an increase. So our colleagues should be aware of that.

I might mention, too, President Clinton not only said it in "Putting People First," but he mentioned it several times. As a matter of fact, I am looking at 14 different quotes—I will enter these into the RECORD—where he stated during debates that he was opposed to a gasoline tax increase. I am opposed to it as well. I think most of the American people are opposed to it. I might mention, I for one do not think it will be used for deficit reduction. I think it will be used for Congress to have more money to spend.

I am also especially concerned about what it does to certain industries. I do not know if my colleagues noticed in the paper the other day, Northwest Airlines was talking about taking

bankruptcy. The cost to Northwest over a 5-year period of time is $233 million.

In my State of Oklahoma, American Airlines is the largest private employer. Last year, they lost $975 million. They are very big in Illinois. The cost to American Airlines at 4.3 cents per gallon over 5 years is $478 million. The cost to United, again very big in Chicago and Illinois, the cost to United over a 5-year period of time is $355 million. Collectively, the airline industry has been losing billions of dollars. Actually, I think they have lost $10 billion over the last 3 years.

So this is a punitive tax that is going to cost jobs. It is a punitive tax that is going to cost rural areas. It is a punitive tax that is going to increase prices and be inflationary. It is a regressive tax that hits high income, it hits middle income, it hits low income. It hits my daughter who is 17 years old who has almost no income. She has a part-time job and makes minimum wage and she has to pay for gasoline in her car, so it costs her as well.

But she is not going to get an earned income tax credit. She is not going to get the other so-called safety net incentives such as food stamps or other things in this package. This is going to increase her tax bill. It is going to increase anybody's tax bill who drives a car. It is going to increase anybody's tax bill who drives a truck. It is going to increase anybody's tax bill who flies an airplane, and it is going to increase the losses to the airline industry.

So I make these comments, Mr. President. Again, this amendment is very simple. It strikes the 4.3-cent transportation tax. And I might mention, too, if this amendment does not pass, I will almost bet that when it comes back from the House of Representatives, it will be a much higher tax.

I might also point out to my colleagues that different parts of the country are impacted quite heavily. The Northwest-Central area of the country is 54 percent what it is throughout the average part of the country. In the mountain areas, about the same thing, about 50 percent more. The same thing out in the Southwest-Central part. That is in my part of the country. Southeast-Central, Northeast-Central. It impacts these areas and impacts them very strongly.

Mr. President, I hope my colleagues will concur. I hope they will listen to their constituents. I hope they will also keep in mind that States which have historically had the majority of the gasoline tax have been able to take care of local highway needs.

This bill is not for highways. This bill is not to raise money to fix roads and bridges. This is a gasoline tax to send the money to Washington, DC, so we can spend it in other areas. I happen to disagree with that.

Mr. President, I ask unanimous consent to insert in the RECORD several quotes from President Clinton.

I also ask unanimous consent to insert in the RECORD an itemized list of the cost of this tax to various airlines throughout the country.

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

CLINTON SPEAKING OUT AGAINST A GAS TAX

(1) "I just get—it is frustrating to me to be told that the only morally appropriate way to wean America off cheap foreign oil is a nickel-a-gallon gasoline tax on the middle class and the family farm for a decade."—South Dakota Primary Debate, February 23, 1992.

(2) Gov. Brown: ". . . This is a substitution, no Social Security tax, no gasoline tax as our friend Paul Tsongas wants—" Gov. Clinton: "Oh, I agree with that."—ABC News Special, the Super Tuesday Debate, March 5, 1992.

(3) "The only people you [Tsongas] asked to do more in your plan are the poor working stiffs that you want to raise the gas tax on 5 cents a year for a decade."—Chicago Primary Debate, March 13, 1992.

(4) "This country doesn't need a new program for every problem, and we won't get change simply by spending more on programs already on the books."—Wharton School of Business, Philadelphia, PA, April 16, 1992.

(5) "After telling the 1988 Republican Convention: 'Read my lips: no new taxes,' Bush agreed to the second-largest tax hike in U.S. history, including higher taxes on the middle class like $25 billion in increased gas taxes." The Senate Finance Committee gas tax will raise $24.2 billion in gas tax revenues over five years.—Clinton campaign release, Little Rock, Arkansas, August 6, 1992.

(6) "Oppose federal excise gas tax increases. Instead of a backbreaking federal gas tax, we should try conservation, increased use of natural gas, and increased use of alternative fuels."—Putting People First, September 1992, p. 91–92.

(7) "I think—you know, raising taxes on Social Security recipients or middle class people, the fifty cent gas tax and all these tax increases when the economy is not growing is an error."—Remarks to press pool at Drake Field Airport in Fayetteville, Ark., October 23, 1992.

(8) "I recommend that we adopt a BTU tax on the heat context of energy . . . unlike a gas tax that's not too tough on people who drive a long way to work."—State of the Union address, February 17, 1993.

(9) "People have been arguing for years that America ought to have a big increase in the gas tax, because we have the lowest gas tax in the world. . . . And I don't want a big increase in the gas tax because I don't think that was fair to people who lived in rural areas or people who had long commuting times and no options for mass transit. It's great if you live in the city and get on the subway every day, but if you have to drive to and from work and you drive long distances, it can be very burdensome."—Santa Monica, CA, February 22, 1993.

(10) "For years there have been those who say we ought to reduce the deficit by raising the gas tax a whole lot. That's fine if you live in a city and ride mass transit to work. It's not so good if you live in he country and drive yourself to work. There are a lot of working people in America today that have no access to mass transit and can't carpool, so I rejected a big gas tax."—Boeing Company, Everett, Washington, February 22, 1993.

(11) "There were those, principally in the east, who said we needed a huge gas tax. I can hear the groan from my folks up there in the gallery. It's tough on people who live in the west or who have to drive long distances to work where there's no public transport, where there's no practical carpooling. It really could have an adverse impact on sectors of our transportation economy."—U.S. Chamber of Commerce rally, Washington, DC, February 23, 1993.

(12) "Then there were people who said, 'We have real low gas taxes.' We do, but states also set gas taxes. 'We have real low gas taxes. You ought to have a gas tax.' I thought that was unfair to the rural areas, particularly west of the Mississippi where they have much higher per-vehicle usage."—Cleveland, Ohio, May 10, 1993.

(13) "A 4.3 percent tax flat is not nearly as onerous as that. I wish we didn't have to do that."—Press conference, Washington, DC, June 17, 1993.

(14) "* * * I did not want just a big old gas tax; I thought that was unfair."—Clinton interview with Phil Adler of KRLD Radio, Dallas, June 21, 1993.

[From Aviation Forecasting & Economics]

FUEL TAX WOULD "DEVASTATE" AIRLINE INDUSTRY; ANALYSIS SHOWS "LOSE-LOSE PROPOSITION" FOR ALL CARRIERS

ARLINGTON, VA, June 22, 1993.—The transportation fuel tax pending before the U.S. Senate would be a disaster for the U.S. airline industry, thwarting its much-hoped-for financial comeback and falling most heavily on financially distressed carriers.

A careful examination of the proposed 4.3-cent-per-gallon tax by Aviation Forecasting & Economics projects financial losses of approximately $2.5 billion over five years and job losses equivalent to the work force of a medium-size airline.

The analysis found that financially distressed, Chapter 11, and smaller "niche" carriers would be hit three times as hard as other airlines by the proposed tax. Because those carriers depend on low prices to be competitive, their passenger and revenue losses stand to be proportionately greater if they attempt to pass the higher tax on to consumers.

"There is a tragic irony in the fact that just as a blue-ribbon commission is considering how to revitalize the airline industry, Congress is considering a proposal that could further devastate it," said Darryl Jenkins, Aviation Forecasting's managing partner for statistical analysis.

"This is a lose-lose proposition for the airlines and for any policy designed to restore vitality to the airline industry," Jenkins said. "No matter how the airlines respond to such a tax, the results are horrendous—creating losses that few carriers, if any, are in a position to bear."

Airlines can deal with the higher cost of fuel in two ways; they can try to pass it on to consumers in the form of higher ticket prices or a special surcharge, or they can absorb it as part of their operating costs. Using a proprietary airline-specific computer model that assumed 2 percent real annual GDP growth, Aviation Forecasting found little difference in the financial outcome, regardless of actions taken by the airlines.

Without a ticket surcharge, the tax would add an estimated $2.3 billion to airline operating costs over the next five years. With a surcharge, it would deprive the airlines of an estimated $2.8 billion in cash flow loss.

"If they try to pass the tax on, higher ticket prices mean fewer passengers, which means less revenue. If they don't, they're saddled with higher costs. Either way, the impact is enormous, especially when viewed against the record losses of the last few years," said Michael Lowry, Aviation Forecasting's managing partner for financial analysis. "If you compare these projected revenue losses with the equity levels of some of these airlines, it becomes painfully apparent that this tax poses one of the greater threats at present to the U.S. airline industry," Lowry added.

"It is a fact of the price-sensitive nature of the airline industry that higher fares, especially during a soft economy, result in less traffic and less revenue," Jenkins said. "For carriers struggling to emerge from Chapter 11, this could prove fatal. For others, it could jeopardize their efforts to avoid bankruptcy."

"Even for larger carriers, this would result in a serious erosion of equity," Jenkins said. "Due to the importance of the airline industry to the national economy and the important contribution these carriers make to local economies across the country, we strongly urge Congress to reconsider this ill-timed and ill-advised legislation."

The fuel tax analysis was conducted as part of an ongoing investigation by Aviation Forecasting & Economics of the financial effects of bankruptcy on the U.S. airline industry. Its exhaustive study, titled The Bankruptcy Virus in the U.S. Airline Industry: Causes and Cures, was published in April in cooperation with the International Institute of Tourism Studies at The George Washington University.

LOSSES FROM PROPOSED FUEL TAX ON U.S. AIRLINES PROVIDING DOMESTIC SERVICE OVER 5 YEARS

[Alternative scenarios, in millions of dollars]

	Ticket surcharge	Added fuel cost without pass-thru
Carrier:		
Alaska	$76	$43
America West	191	63
American	406	478
Continental	291	205
Delta	365	419
Northwest	279	233
Southwest	157	86
TWA	257	146
United	386	355
USAir	320	243
Others	78	67
Total	2,806	2,338

Mr. NICKLES. Mr. President, I also ask unanimous consent that Senator GRAMM of Texas and Senator MCCAIN be added as cosponsors.

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

Mr. NICKLES. Mr. President, I yield the Senator from Wisconsin 10 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. I thank you, Mr. President.

I would like to join with my colleague, Mr. President, to offer this amendment to strike the gas tax.

Mr. President, let us not be mistaken about what this tax is. Some people call it a gas tax because it sounds innocent. It suggests that we are going to tax gas and not people.

Mr. President, no matter what we call it, it is really nothing but a tax on middle-income Americans. I oppose that tax on middle-income people for two basic reasons: the first is a matter of principle, and the other is a matter of economics.

First, the principle. Middle-income Americans are hurting, Mr. President. They look at their budgets and they do not know how to make ends meet, how to meet all their responsibilities and satisfy a few of their desires. There are their kids who need clothes, mortgages and rents that need to be paid, birthdays and anniversaries to celebrate, vacations that they want to take, presents they want to buy, and just a few movies they perhaps want to see.

They have seen their wages fall while their costs increase. In more and more families, both parents have been literally driven into the work force in order to just keep their heads above water. These are people who are losing the ability to achieve the American dream—losing the ability to even believe in the American dream. They are people Government ought to help, people Government ought to care about and ought to reach out to.

In many ways, this bill does reach out to them, and I support those elements of the bill and congratulate the President for offering them. But the gas tax does not reach out. It reaches in—into their pockets—and it takes out $24 billion, money that middle-income Americans cannot afford and ought not to be asked to pay.

What bothers me most is that we all know it is not just $24 billion. That is what the Senate may pass, but the House has over $70 billion in energy taxes. And the final result that comes from conference will surely be more than we are asked to approve today. So today is the time to stop it. And let middle-income Americans who have given so much and asked so little finally be left alone. That is the principle on which I am proud to stand.

But in addition to principle, there is a strong economic argument. Let us look at the economic impact that a gas tax will have on certain sectors of our economy. Airlines have lost $11 billion in the last 5 years. They will spend an additional $2.53 billion of their already depleted funds on higher fuel costs. Those who work in the industry may see their jobs threatened yet again. Those who fly will see the price of tickets go up yet again. And everyone who hopes for an economic recovery will see their hopes dashed yet again.

Look at trucking. This industry uses 12 billion gallons of gasoline and 24 billion gallons of diesel. Take out your calculators and add it up. The net result is higher costs, lower profits, fewer jobs, and less economic growth.

And it is not just airlines or trucking. It spills over. The truck stop folks have told me what they think would happen to their industry if gas taxes increase—cab drivers, gas station owners, rural folks, people who need to drive to work. It spills over. The gas tax hurts everybody.

I do not generally put a lot of faith in economic studies. There are too many of them that reach too many different conclusions, motivated by too many different political interests, but there are a lot of them which say that a gas tax will harm the economy.

The Republican staff of the Joint Economic Committee said that in 1991, a 5-cent gas tax would reduce GNP by $32 billion over 5 years and cost 233,000 jobs in the first 2 years. You do not have to accept the conclusions of a Republican staff study, but I suspect that it was the dampening economic impact which lead the DRI to conclude that we only get 27 cents for deficit reduction from every dollar we raise through gas taxes. And I suspect that is what led Secretary of Transportation Peña to say that a gas tax was not the way to go.

Mr. President, I commend President Clinton for his commitment to deficit reduction. He is the first President in 12 years who has had the courage to bring a serious deficit reduction package to Congress. But I believe there are other ways to achieve real deficit reduction without a gas tax.

We could, for example, cancel the space station. That would save us $10 billion. We could cancel the superconducting super collider. That would save us $2.3 billion. We could cancel the D-5 missile. That would save us $3 billion. We could cancel the advanced solid rocket motor. That would save us $1.6 billion. We could stop testing nuclear weapons. That would save $1 billion. We could cut Federal overhead by 2 percent and that would save us $15 billion. And right there is more than $30 billion total, more than enough to offset the revenues we would take in under this gas tax.

Mr. President, if I offered those offsets, it would violate the Senate rules, but in this case those rules have nothing to do with the rule of reason. That kind of offset is precisely what the American people want, not new taxes but less spending. In my view, these are programs on which we ought to spend less. But the Senate rules say that if we offer to pay for eliminating the gas tax, we then need 60 votes to prevail. Well, we do not have 60 votes, but I hope we have 50 votes to eliminate the gas tax.

We do not need to look to a $24 billion gas tax to reach $500 billion in deficit reduction. We can, if we have the will, find an additional $24 billion in savings.

Mr. President, there are a lot of reasons to oppose the gas tax, but I think it comes down to this: Middle-income people cannot afford a gas tax and should not be asked to pay it. The economy will suffer if we impose the gas tax, and we do not need to raise the

gas tax to get the deficit reduction we need.

I thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. D'AMATO. Mr. President, I yield 3 minutes to myself.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. D'AMATO. Mr. President, I support this amendment. I support it for two important reasons: No. 1, President Clinton said that he was opposed—I am quoting him. He said, "I oppose Federal excise tax increases. Instead of a black-breaking Federal Gas tax"—back-breaking Federal gas tax—"we should try conservation, increased use of natural gas and increased use of alternative fuels."

I wish to help President Clinton keep that promise and that commitment. I wish to help working class, middle-income families who Senator KOHL has so aptly described what will take place as it relates to the airline industry, the trucking industry, jobs, and working middle-class families who struggle and who have no alternative but to use their automobile. Let me tell you, for the people in upstate New York, it is not uncommon for them to travel 50, 60, 70, 80 miles one way to a job. People who live in Long Island, many of them of necessity, people in sales, travel at least 50, 60, 70, 80, 100, 100-plus miles, from the island, Westchester, up the Hudson. This does not make sense.

I did not make the promise; Clinton did. He said: Putting people first. He is right. He said, of a back-breaking Federal gas tax; we should try other measures. I suggest that it is as true today as it was when he made that statement.

I know 4.3 cents on a gallon does not sound like much. But that is a 31-percent tax increase as it relates to what the Federal tax is now. That is a pretty hefty tax increase.

You know something: We are not going to be satisfied with that. Because when you get to conference, again as Senator NICKLES from Oklahoma said, that tax is going to up up. They are in there for about 8.5 cents; we are at 4.3. Believe me, the taxasaurus monster is going to want more, he is going to be hungrier, because there are programs they will not want to cut. So why not make this more? It will not be 4.3 cents. So taxasaurus comes and eats. Whenever he can get that money to feed his appetite, he is going to do that.

I just think we are making a great mistake. That is why we should pass this amendment. We should then, in conference, look for offsetting cuts. That is what we have to do. We have to cut spending. We cannot do it here—point of order—but we have to cut spending. By the way, that is going to mean some of us are going to have to lose some of our favorite programs. I understand all of that. I think that is why we have to have the best of capping spending, curtailing that growth in spending. If we do not do that in a bipartisan manner, we are kidding ourselves.

Next year, we will come back here and the taxasaurus dinosaur is going to be bigger, and he will want to eat more, and we will raise the taxes again. After all, we will have a 10 percent surtax on wealthy people; why not 15 percent? Before you know it, the taxasaurus monster is going to eat everything up that produces, and we will have a denuded forest, so to speak. We will have an economy that does not have the ability to sustain itself. We then become a Third World economic power. That is what happens if we continue to feed the taxasaurus.

Now is the time to say no. So that is why I support this amendment.

I yield the floor

Mr. SHELBY addressed the Chair.

Mr. D'AMATO. I yield such time as the Senator from Alabama may require.

The PRESIDING OFFICER. How much time is yielded to the Senator from Alabama.

Mr. D'AMATO. Ten minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SHELBY. Mr. President, in March Senator NICKLES and I stood on the Senate floor during the consideration of the budget resolution and offered an amendment to kill the Btu tax. That amendment was defeated. Since that time, the Senate has seen the reason in the arguments that Senator NICKLES and I made about the disastrous effects that the Btu tax would have on our economy. The motor fuels tax is different from the Btu tax in form only. Like the Btu tax, this tax will hurt economic competitiveness and cost this Nation jobs. The Btu tax would have raised $73 billion in revenue. The transportation fuels tax would raise an estimated 25 billion dollars. The Btu tax was a job killing measure. The transportation fuels tax is similarly an antijobs tax.

Instead, this tax will be only one third as devastating as the previous energy tax. Tonight we are here to eliminate that final third.

Mr. President, I have stated that I believe that this tax plan as a whole will hurt American productivity and economic growth. The plan proposes higher taxes which strike directly at the heart of our economy, the small business enterprisewhy I support this amendment.

I yield the floor

Mr. SHELBY addressed the Chair.

Mr. D'AMATO. I yield3-percent tax on all transportation fuels. This bill presumes that it is not enough that consumers and producers be asked to pay higher taxes on the economic wealth that they create for the economy. In addition, they must assume more costs in producing and consuming this wealth.

The repercussions of this tax alone, as well as its combined effect with the multitude of other taxes contained in this bill, would have wide-spread and long-lasting effects on our economy. Transportation costs are critical to the profitability of many businesses. So, in raising the cost as well as the price of transportation, the tax ripples throughout the economy resulting in decreases in output, employment and income.

Mr. President, this excise tax will place many small businesses in economic jeopardy. Consider the trucking industry. Most of the trucking industry is comprised of small business owners. This tax raises what is invariably their most sensitive cost component. Trucking is part of the backbone of this country's productivity and growth and transportation expenses are an integral cost factor for much of this country's goods and services.

Thus, not only does it devastate the trucking industry, but it inflates the costs of all goods and services and shrinks this country's overall productivity. This tax keeps on going and going and going. It does not stop at the production level and it doesn't end at the pump.

Mr. President, this tax will also severely impact the airline industry. Again, like trucking, it is a vital industry which supports economic productivity and efficiency. It is projected that this tax will cost the domestic airline industry $2.5 billion alone. The airline industry cannot bear this additional tax burden especially in light of the 3 year $10 billion loss the industry has recently experienced.

Not only does this tax threaten to injure our country's economic growth and production, but it hurts consumers who can least afford it. It is regressive.

This tax penalizes lower income Americans and rural communities. As consumers, the cost of motor fuel is critical to these Americans. The tax not only raises the cost of transportation itself but increases the cost of all other goods and services to them. Consumers already pay an average of 34 cents per gallon in Federal and State taxes on gasoline. It has been estimated that this tax could cost as much as $204 per household on average. Again, consider lower income Americans and rural communities. CBO has projected that a tax like this would affect these households significantly more than higher income households. This is because they spend almost twice as much of their income on fuel.

The revenue projected to be gained from this tax is $25 billion.

However, this estimate does not take into account the fact that the resulting decrease in employment and gross do-

mestic product would affect how much the tax generates in revenues. Estimates that consider these real economic effects place the revenue at something like $5 billion rather than $25 billion. Nonetheless, this tax will still cost the economy at least $20 billion, excluding costs resulting from the loss of employment and economic output. What a tax costs the economy and what a tax generates in revenue is never the same. There is no such thing as an economy-neutral tax.

Mr. President, if public opinion on this tax matters, and I hope it does, I would bring to my colleagues attention a recent AAA survey which found that 70 percent of all Americans would oppose an increase in the gasoline tax even if it would reduce the deficit.

Mr. President, this tax is a job killer. It kills a few less jobs than the Btu, but it still kills. It is another tax aimed at the infrastructure of our Nation's economy that will further limit competitiveness and job growth. This tax, like this entire tax bill, is full of disincentives. It cries out, "Don't produce as much, don't consume as much, don't earn as much." Because if you do, the taxman cometh and taketh away.

Mr. President, I would like to conclude by encouraging my colleagues to support this amendment and I thank the Senator from Oklahoma for his continuing leadership on this issue.

Mr. MITCHELL. Mr. President, I yield myself such time as I may use.

Mr. NICKLES. If the Senator will yield for a minute.

Mr. MITCHELL. Mr. President, we have had four speakers on that side.

Mr. NICKLES. I thank my colleague for his leadership and for his excellent statement.

Mr. MITCHELL. Mr. President, when Dorothy traveled the yellow brick road to the land of Oz, she was in a wonderland, but that wonderland could not compare with the U.S. Senate—especially with some of the statements we have just heard. The very people who have filled this Chamber with speech after speech after speech on the need for reducing the Federal budget deficit now stand here and say: Let us reduce the amount of deficit reduction in this program by $24 billion.

The very people who say over and over and over again in press releases, press conferences, speeches back home, speeches on the Senate floor, "We have to cut spending," will not specify what spending they want to cut. They will vote against the specific spending cuts that are in the bill. They will not specify what spending they will cut. And so, in their view, they have the best of all possible political worlds—for spending cuts in the abstract, against spending cuts in the specific; for deficit reduction in the abstract, against any effort to reduce the deficit. And so we see it on this amendment.

Mr. President, this is the height of partisanship and raw politics. When George Bush was President of the United States, in this very Senate Chamber there was a debate and a vote on a 9-cents-a-gallon gas tax increase. More than half of the Republican Senators voted for that gas tax increase. More than half of the Republican Senators. Now, not a single one will vote for a gas tax increase, because the President is a Democrat, Bill Clinton.

What could be more raw politics than to say that when a proposal is made and there is a Republican President, Republicans are for it, and when a similar proposal, actually less than half of that gas tax proposal, is now before us and a Democrat is President, they are against it.

Mr. President, there is only one conclusion that anyone can draw, and it is the truth. The Republican position is, if President Clinton is for it, they are against it. It does not make any difference what the proposal is. If it has to do with the budget, if Bill Clinton is for it, they are against it.

Mr. President, if President Clinton tomorrow sent a bill up here to praise apple pie and motherhood, I predict to you that the Republicans would offer an amendment that says apple pie is evil and motherhood is insidious.

Nowhere in American life is the gap between word and deed, between rhetoric and action more evident than on the budget deficit. The very same Senators who have filled this Chamber with rhetoric have given speech after speech, hour after hour, day after day about the need to reduce the Federal budget deficit. When it comes to vote to reduce the budget deficit, they will not do it. And, to this moment, they will not specify what the spending cuts are that they will vote for.

They offer a vague alternative, nonspecific, changing the mechanisms, using euphemisms like "caps," "freezes," anything to prevent their having to stand up squarely in front of the American people and say: "I voted to cut your spending." They will not say that.

This is pure, raw politics. It is not surprising, Mr. President, that every poll on the subject in recent months shows that about 60 to 70 percent of the American people believe that the Republican opposition to President Clinton is purely political in nature. They do not have an alternative. All they are is against—against this, against that, against the other, against any meaningful effort to reduce the budget deficit, so long as they can keep giving speeches about reducing the Federal budget deficit.

The gap between the rhetoric on the budget deficit and action on the budget deficit makes the Grand Canyon look like a little creek.

Mr. President, every single dollar of this tax will go to reduce the deficit—every one. What does this ask of Americans? It asks $29 per person per year, on average, to reduce the deficit. We all know what our colleagues are most concerned about. They know that President Clinton's plan requires that 80 percent of the deficit burden be borne by those with incomes above $200,000 a year, that those whose incomes are below $20,000 a year are not going to have to bear the burden, and those in the middle class will bear only an average of $29 a year per person.

In their desperate efforts to protect those whose incomes are above $200,000 a year, they are trying to sabotage the whole program. They are saying to the American people: Come on down here and join in the fight against deficit reduction. But if you make more than $200,000 a year, you should not have to participate in deficit reduction. If you are in the middle class, they want to sock it to you.

We are saying that this is a serious national problem. All Americans have to participate, and they should participate according to their needs. And this is a modest request of the American people, people whose incomes are $40,000 to $50,000 a year, a couple who pay about $4 or $5 a month. Is that asking too much to contribute to reducing the national deficit, to reducing the national debt? I think most Americans would say no. Yet, we have this rhetoric, this fog of rhetoric asking us not to cut the deficit, because there can be no dispute about it; if this amendment is adopted, the amount of deficit reduction in the bill goes down by $24 billion. The deficit is $24 billion larger than it otherwise would be. That is indisputable. That is the effect of this amendment.

Mr. President, I ask the American people to consider who is serious about this deficit. We have had 12 years during which this deficit has exploded. We now must confront reality. And reality demands that we have a serious plan that combines substantial spending cuts with some tax increases and that the tax increases be based upon ability to pay so that everyone is asked to contribute and everyone is asked to contribute according to their ability to pay.

For those who succeed in American life, we applaud that, we commend it, and we encourage it. It is a signal part of the American dream—the chance to rise and succeed. All we say is that, if you do succeed, you ought to be willing to help the country meet this serious problem. Our colleagues say that, if you make less than $200,000 a year, you ought to bear the whole burden of deficit reduction, and those making more than $200,000 a year should be permitted to stand on the sidelines, free of any requirement, free of any burden, free of any participation in the effort.

I think it is wrong. I think it is unfair. I believe when most Americans understand it they will agree.

With respect to this amendment, the spectacular irony of this whole debate is that it is supported by those people who most talk about reducing the deficit.

I want to read you off the names of those Republican Senators who voted for a gas tax increase more than twice as large as this one when the President was a Republican: BOND, Boschwitz, CHAFEE, COCHRAN, DANFORTH, DOLE, DOMENICI, DURENBERGER, Garn, HATCH, Heinz, JEFFORDS, KASSEBAUM, LUGAR, McClure, MURKOWSKI, PACKWOOD, RUDMAN, SIMPSON, SPECTER, STEVENS, THURMOND, and WARNER.

Almost all of them are still here. Every one of those still here will vote for this amendment, because a Democrat is the President.

What was good when a Republican is President is bad when a Democrat is President.

Mr. President, that is one of the things that is wrong with this whole system and with this whole approach.

Anything President Clinton is for our colleagues are against, with speeches about deficit reduction, and no votes for deficit reduction. Talk about spending cuts, no, no. No proposals for spending cuts. As long as it is vague, as long as the mechanism is vague, as long as they are not affected by it, the colleagues vote for it. When you get down to where the rubber meets the road, where we actually vote to reduce the deficit, where we take the tough votes that will actually bring about a reduction in the deficit, our colleagues are AWOL.

Mr. President, the Senate should reject this amendment. We have to deal with the deficit—painful, difficult, tough, yes. That is why we were sent here to do what is right for the country. Whether the President is Republican, whether the President is a Democrat, whether the President is from one part of the country or another, whatever party we are, whatever State we represent, for once, just once why cannot we say let us do what is right for this country?

And everybody in this Chamber knows we have to deal with the deficit, and the only plan that is going to do that is the plan that is now before the Senate.

If that plan goes down, if that plan is sabotaged by amendments like this, we are not going to have any deficit reduction, and our colleagues know that.

Mr. President, for once, let us do what is right for the country. And I think the country will not only respect it, they will applaud it.

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

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Oklahoma has 15 minutes and 50 seconds, and Senator MITCHELL has 6 minutes and 50 seconds.

Mr. NICKLES. Mr. President, I wish to respond to the majority leader.

One, I think he made the allegation that Republicans have not had the courage to make tough votes on spending cuts. I just totally disagree.

We had an amendment offered earlier today on behalf of Senator DOLE, and I believe all Republicans voted for it, all but one maybe, that had $367 billion in spending cuts. It had caps on entitlements. It had caps on entitlements for good reason, because of lot of these entitlement programs have been growing totally out of control.

Mr. President, I have inserted in the RECORD a chart showing outlays for the last several years including last year. It will show that Medicaid last year grew at 29 percent. It will show the earned income tax credit grew last year by 55 percent, unemployment compensation grew last year by 47 percent, food stamps grew last year by 20.9 percent, AFDC aid for families with dependent children grew last year by 15.6 percent, and Medicare grew last year by 14.3 percent.

Yes, Republicans had the guts to say we think there should be caps on the growthof these for inflation plus 1 percent. That saves big money.

I am glad the najority leader could not read my name on the list of the 1990 budget which raised gasoline taxes by 5 cents, if my memory serves me correctly.

Mr. MITCHELL. Would the Senator like me to read what it said?

Mr. NICKLES. I believe the final package had a 5-cent gasoline tax increase. I may stand corrected. If I am incorrect, will the Senator please correct me?

Mr. MITCHELL. I will just read the Senator the provision from the description of the bill.

Mr. NICKLES. The final passage had more than 5 cents?

Mr. MITCHELL. I am reading a document that I believe describes the bill as passed finally. It does not say that on this document. But I believe it is correct. It was provided to me by staff.

Mr. NICKLES. I will double check it. It is not that significant in this debate.

This Senator voted against the 1990 budget package, because it had big tax increases, but it did not really have anything to contain entitlements which is about half the Federal budget and which were growing out of control.

So the budget resolution the Republicans offered today did have caps on entitlements. Frankly, if you do not cap them we are wasting our time. That is like saying half the Federal budget is going to continue to grow and accept how much it costs at the end of the year. I do not think that is responsible, and many Republicans do not think that is responsible.

Many Republicans did support the 1990 budget package which I might refer to, because the 1990 budget package said it was going to reduce the deficit by almost an identical amount as the package we had before us. It said it was going to reduce the deficit by $492 billion.

I might also tell my colleagues that it proposed that two-thirds of that was going to be in spending cuts, but frankly those spending cuts did not happen. Some of those caps were waived by this administration. This administration when it put caps in earlier this year said we should waive the caps for the urgent supplemental, we should waive the caps for unemployment compensation, we should waive the caps at the beginning of the year where the administration had some discretion whether or not we would have additional funds apply towards caps or not. They had that discretion and waived the caps.

That is the reason many of us say the spending cuts proposed in this package are bogus, they are not real. And many of the cuts that were proposed in the 1990 package were not real.

Those spending cuts that were proposed in 1990 some of those were to take effect in 1994 and 1995. This administration said those do not count. Forty-four billion dollars of the so-called spending cuts were under the existing law; this administration said no, they are going to use the higher baseline so we can recapture those $44 billion.

I find that policy misleading and very deceptive.

My point is we are quite willing to make the tough decisions to cut spending, and I think we have shown that time and time again. We are also willing to cut and cap entitlements. Frankly we need to do both. The budget package we had had a 5-year hard discretionary spending freeze.

The only thing I really found that this administration wants to cut is defense. Some of us think we need to cut defense and cut other areas and cut entitlements.

This amendment that we have pending eliminates the gasoline tax increase. And again I heard the majority leader say that the rhetoric is quite different from the votes and the actions.

I will say where the rhetoric is different from reality is in President Clinton as compared to Candidate Clinton. And I will say that if Candidate Clinton campaigned on this economic package he would still be a candidate. He would not be President.

When he was a candidate he was against the gasoline tax increase. When he was a candidate he was for tax reductions for the middle class. When he was candidate he said he wanted to reduce the deficit by one-half in 4 years. The deficit in 1992 was $292 billion. One-half of that is $146 billion. The budget resolution we have pending does not reduce the deficit to $146 billion by the

year 1996 or 1997. No, it is still around $200 billion. That is assuming that everything happens as they allege it will happen.

The majority leader also said that, we believe in having taxes by the ability to pay. I will tell the majority leader there are a lot of airlines that do not have the ability to pay, that if we do not pass this amendment to eliminate the gasoline tax you are going to be pushing more airlines towards bankruptcy. Northwest may already be there, and this just may push them over the edge. This tax increase that is proposed in the Senate bill will cost Northwest airlines, $233 million. It will cost United $355 million. Airlines are not making money. Maybe they can pass some of this along to their customers. Maybe they cannot. American Airlines, which I believe is certainly one of the largest if not the largest, lost almost $1 billion alone last year, and this is going to cost $80 million to $100 million. This will cost American Airlines $478 million over a 5-year period of time. If they can pass that on they would not have lost $1 billion last year. They may be able to pass some of it on. I do not know. This tax is not based on ability to pay. This is a tax on my daughter who buys gasoline. She does not have the ability to pay. She just has a minimum wage job.

So my point is, when I hear this comment, "Well, we are only socking it to the wealthy," this gasoline tax is not just on the wealthy. It is on the airlines, it is on the truckers, it is on the farmers, it is on anybody that lives out in the rural areas. It is punitive. It is a regressive tax. It is a tax that is going to cost jobs. I hope it is a tax that will be deleted from this package.

I also will repeat my statement that we are not only talking about 4.3 cents per gallon. I know, and my colleagues should know, this is a $24 billion tax.

The majority leader is right. The House has an energy package that has $72 billion. when this goes to conference, my guess is we are going to be looking at a tax package that will probably be compromised and you are going to be looking at a revenue component of around $50 billion. And how they raise the $50 billion, if it is the Btu tax, I do not know, but I will tell you, the Btu tax will cost jobs. If it is a gasoline tax, that also costs jobs.

To raise the $50 billion, they are going to have to increase the tax to at least 10 cents a gallon. The way to deal with this, and eliminate that possibility, is to pass this amendment, hopefully tomorrow morning.

Mr. President I reserve the remainder of my time.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I suppose Americans sitting at home watching this on television might ask themselves: "How can I know who is right? Charges, countercharges, statistics one way, statistics another. We do not believe any of those politicians anyway."

Let me just read a brief comment from today's Philadelphia Inquirer on the question of honesty in budgeting. I now quote the article:

> Clinton's budget presentation is "more honest than any other budget I have seen in a decade," said Stan Collender, director of Federal budget analysis for Price Waterhouse, the big accounting firm, and author of the book on the Federal budget process.

The article goes on to describe the Republican attacks on President Clinton's program as "'very misleading,' said Collender, who believes Clinton's program will achieve $500 billion in 5-year deficit reduction by striking a rough 1 to 1 balance between tax increases and spending cuts."

I do not know Mr. Collender. I have never met him. He is presented as an expert. He has written a book on the subject.

What he said is President Clinton's budget is "more honest than any budget I have seen in a decade," and the Republican attacks on that budget are "very misleading."

And I think we have heard that documented here this evening.

Mr. President, let us talk about the Republican alternative. First, the only specifics in the Republican proposal were those that they lifted from the Democrat proposal. No other specifics.

Then they added on top of that something called mandatory cap savings. That is so vague, so indefinite, so meaningless, the Congressional Budget Office stated: "These savings are not scoreable for purposes of the Budget Enforcement Act of 1990."

Translated into simple English, that means this is so vague, so indefinite, so uncertain, nobody can say whether it will save a dollar or not.

And these claims to save those large sums with caps, limits, and other mechanisms that avoid the real cuts do not mean anything. They are not worth the paper they are written on. They are a transparent political effort to avoid the responsibility for meaningful action, so that our colleagues can keep saying, "We are for more spending cuts," but never have to define where those spending cuts are; so our colleagues can keep saying, "We are for more deficit reduction," but always vote against any meaningful deficit reduction plan.

It is a transparent effort to bridge the chasm, the huge gap between their words and their inaction.

Mr. President, I just want to say again, this is a tougher package that is before us, the first time we really have to do something about the deficit, as opposed to just talk about the deficit.

This Chamber is filled with masters of deficit speeches. There is not anybody in the world who can give a better speech about the need to reduce the Federal budget deficit than a Republican Senator in the U.S. Senate. There has been a lot of practice at it. Day after day, night after night, they get up here and say, "Oh, this deficit is so awful hanging over our heads."

Some of the most gripping statements I have heard about how horrible the future will be if we do not do something about the deficit come from my Republican colleagues. And I grant them that—the best deficit speech makers in the country.

But when it comes to actually voting to reduce the deficit, when it comes to actually doing something about the deficit, when it comes to actual bringing the deficit down, when it comes to actually cutting spending or raising taxes, the speech makers are nowhere to be found. The speech makers become the "do-nothingers," who will not vote in a manner consistent with their speeches.

Mr. President, let me say to my colleague, on the issue of the amount of the gas tax in 1990, I think we were both right. I was reading from the document dated October 19, 1990, final passage of the bill in the Senate, which was a 9-cent gas tax, and there were 23 Republican Senators who voted for that.

The Senator was no doubt—although he did not have the document—referring to the vote on October 27, 1990, which was the conference report on the bill, which was the 5-cent gas tax for which 19 Republican Senators voted.

Mr. NICKLES. I appreciate the clarification.

Mr. MITCHELL. I think that is correct.

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

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. How much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 7 minutes and 30 seconds remaining.

Mr. NICKLES. Mr. President I wish to thank my friend and colleague, Senator MITCHELL, for his clarification, because we did find that we did have a 9½-cent gasoline tax increase as part of the Senate-passed package, which had bipartisan support. I might mention, it did not have this Senator's support, but it did have bipartisan support. And final passage did have a nickel a gallon gasoline tax.

I might also add a historical note, we had a big battle, my colleague from Kentucky will remember, in December 1982, prior to the Christmas break, over a nickel a gallon gasoline tax.

The Senator might remember we had a significant filibuster. I remember Senator Baker was majority leader at that time, and it was a very long, very

difficult debate. I happened to be one who participated in that filibuster for some period of time. Our arguments were against raising gasoline taxes a nickel, thinking that should be a prerogative of the State, that the money should not be sent to Washington, DC, with its added rules and regulations that would be tacked on. Ultimately, that nickel a gallon tax passed, I might mention. But there was a long, significant debate for several days—if I remember, at least 3 days, if not 4 days—over the issue of whether or not we would have a nickel a gallon gasoline tax in December 1982.

Mr. President, I yield to my friend and colleague, Senator BURNS from Montana, 2 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. BURNS. Mr. President, I thank my colleague from Oklahoma. I just want to bring up one point. Remember back in 1980, we talked about inflation and how it picked the pockets of a lot of our citizens in this country and why there was a change, a massive change in this Government?

If there is one tax that feeds inflation, it is this one. Because everything we touch, everything we wear, and everything we eat has to be transported and processed, and the use of gasoline is at every stage of that chain—every stage. Some of us can pass that along. Some of us cannot. But this hits at the necessities of life, not at those things that we buy that we could probably live without. This is probably the basis to light the torch of inflation again.

Agriculture at the production level cannot pass it along. I advise my colleagues, if they take a look at this, it also erodes the State's ability to levy taxes against gasoline in their own States. What is driving State budgets? Why is every State budget in trouble? It is because of their inability, sometimes, to levy taxes, maybe on gasoline. Taxes on gasoline in my State of Montana will be the fourth highest in the Union. We travel more distances, have longer winters. My goodness, we do not have to look around very long. But this trips inflation and inflation robbed us all and led to the eighties: High inflation, high interest rates, and a lot of broke people on our farms and ranches in the State of Montana. Why was it a lot of people sat around when that happened? Because they did not see it. They did not witness it. That makes a lot of difference on the way we make decisions.

So I wanted to make that point tonight as we go down to the vote on this. I do not think we want to trip that inflation again.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The majority leader is recognized.

Mr. MITCHELL. Mr. President, I believe all time has been used, or we are prepared to yield it back.

Mr. NICKLES. We yield back the remainder of our time.

Mr. MITCHELL. We yield any time we have remaining.

The PRESIDING OFFICER. All time has been yielded back.

THE NICKLES AMENDMENT NO. 508

Mr. BOREN. Mr. President, I cannot support the amendment before the Senate that would strike the tax on transportation fuels. My opposition stems principally from the fact that this amendment would reduce revenues by $24.2 billion without replacing it with other revenues or spending cuts. The budget reconciliation legislation before us now reduces the Federal budget deficit by approximately $510 billion over 5 years. Because the Nickles amendment includes no offset for the $24.2 billion revenue loss, the deficit would be reduced by only $492 billion if it were adopted. I simply cannot support any amendment that results in our falling short of the deficit reduction target set by the President and by the budget resolution.

We are at a critical point in our country's history. We must turn around the economic health of the country now and not wait until it is too late to make a difference. The people want real deficit reduction now so that the future of our country and our children will not be imperiled by a growing mountain of debt. The Federal debt has quadrupled over the last 12 years—growing from under $1 trillion in 1980 to over $4 trillion in 1992. Unchecked, interest alone will eat up 25 percent of Federal spending by the year 2000, and 43 percent by 2010.

As part of the effort to address the Federal deficit, the American people are willing to pay more taxes. They are willing to make this sacrifice in the context of a package that reduces the deficit more through spending cuts than through tax increases. Our challenge as legislators is to raise revenues in as a progressive a way as possible. Moreover, we must be aware of the effect of tax provisions on the ability of our Nation's companies to do business productively and to compete effectively in the global marketplace. I believe that the tax on transportation fuels that has been proposed by the Senate Committee on Finance better meets these goals than the Btu tax proposed by the President and adopted by the House of Representatives.

Inherent in the Btu tax was a tax on all fuels used for transportation, and this tax was significantly greater than the transportation fuels tax in this package. The Btu tax would have resulted in a gas tax of over 8 cents per gallon; the transportation fuels tax is set at only 4.3 cents per gallon. And we cannot forget the dirty little secret of the Btu tax, Mr. President. This tax would have increased automatically every year beginning in 1998 as inflation increased. Who knows how high the Btu tax on motor fuels would have been in the future—10 cents, 12 cents, even higher. Of course, as the tax increased the price of products, inflation would rise, the tax would increase automatically, prices would go up futher—it is clear that this tax would feed on itself.

I also opposed the Btu tax because it was anti-competitive and incompatible with a strong and growing economy. Although the Btu tax would have increased the costs of production for all businesses in the United States, it was not constructed so that it could be imposed on imported products or removed from our goods as they entered the world market. One study indicated that a Btu tax at half the level of the one proposed by the administration would reduce GNP by $17 billion a year and result in the loss of 300,000 jobs within 10 years of implementation. Moreover, the tax was so riddled with exemptions and multiple rates that it would result in market distortions that we could not even begin to imagine.

I am concerned that any tax on the consumption of energy would fall heavily on low- and middle-income Americans. The Finance Committee has attempted to alleviate the tax burden on these Americans by reducing the size of the energy tax by $47 billion. A study by the Congressional Research Service indicates that a Btu tax is more regressive than a tax on motor fuels because that ratio of total energy expenditures to income declines more rapidly as income rises than the ratio of transportation fuels expenditures to income. In part because of the modification to the comprehensive energy tax and because of the progressive earned income tax credit, the tax burden on Americans with incomes lower than $30,000 is actually reduced by the budget reconciliation bill.

Finally, Mr. President, the change from the Btu tax to a transportation fuels tax is an improvement because the administration of the latter is infinitely more efficient than the administration of the ill-conceived Btu tax. The administrative system for the transportation fuels tax has been in place for over 60 years. We know how to collect this tax and can do so with very little increase in costs to the Treasury. The Btu tax, with its plethora of exemptions and multiple rates, was an entirely new kind of tax. We were told that it would cost approximately 20 percent of the money that we collected from the tax simply to administer it.

Mr. President, there is no magic way to reduce the deficit. But the American people know that we have to increase taxes, as well as cut Federal spending, before we can make any dent in the Federal deficit. They do not want us to act irresponsibly by eliminating revenues in this bill without offering alternate sources of money to allow us to

meet our deficit reduction targets. I must therefore oppose this amendment.

Mr. WOFFORD. Mr. President, yesterday, I proposed cutting almost $65 billion in Government spending over the next 5 years beyond the approximately $500 billion in deficit reduction proposals put forth by President Clinton and enacted by the Congress in the budget resolution.

I support the President's deficit reduction plan. But he has challenged us to find ways to go even further. I have looked through the Federal budget to identify spending on Government programs which are wasteful, inefficient, overlapping, or just plain not important enough to pay for in these lean times. We can't afford to continue programs just because the were in last year's budget. And while most Americans are struggling harder to make ends meet, we certainly can't accept expensive perks for current and former elected officials.

Just like any family, government has to live within its means. This means making hard choices. This means going beyond the easy cuts of wasteful programs and government perks and cutting even those programs which have merit, but which we can no longer afford.

Despite their prospective economic and scientific value, the NASA space station and the superconducting super collider research project are such programs. Given the magnitude of the deficit problem and the importance of minimizing the need for new taxes, the space station's $10.5 billion 5-year price tag and the super collider's $2.8 billion price tag are simply too steep. I have decided to withdraw my past support for the space station and the super collider.

In addition, I am proposing cuts in funding to Congress itself along with a wide range of Federal programs. The list includes Federal tobacco subsidies, helium reserves, foreign broadcasting, and military spending. It also would reduce the amount Congress spends on itself through free mass mailing privileges, furniture discounts for departing members, and expenses for former Speakers of the House, as well as for former Presidents.

I have already pledged not to use taxpayer financed, self-promotional mass mailings at a savings of some $550,000 for the American taxpayers. By eliminating funding for taxpayer-financed "junk-mail," the Congress could save upwards of $7 million a year.

I urge my colleagues to support these deeper spending cuts. At a time when it's critical for us to increase our public investment in jobs, education, technology, and other building blocks of economic growth, we have to make the hard choices the taxpayers demand of us. We have to cut bureaucracy and slash Government spending on programs which may be useful, but aren't essential to our country's future.

Mr. President, I ask unanimous consent that the full list of my proposed spending cuts be inserted into the RECORD following my remarks.

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

SENATOR HARRIS WOFFORD PROPOSED DEEPER SPENDING CUTS—JUNE 22, 1993

	Years	
	1	5
Space, Science:		
Cancel the NASA space station	$2.29B	10.5B
Cancel the superconducting Collider	640m	2.8B
Cancel NASA's advanced motor rocket (The advanced motor rocket is designed to replace the rocket currently used to launch the space shuttle)	280m	1.95B
Government operations:		
Cut payments to former Presidents	1m	5m
Cut payments to former Speaker of the House (Each past President receives $600,000 each year for their pension and to maintain an office staff. We are currently spending also approximately $600,000 per year on staff and office expenses for former Speaker of the House)	0	1.2m
Eliminate funding for taxpayer financed political "junk-mail" (Currently members of Congress can send self-promotional mass mailings to their constituents paid for by taxpayers)	7m	35m
Eliminate departing members' discounts on government office equipment and furniture	1m	5m
Defense:		
Eliminate the Trident II D-5 Missile (Upgrading existing Trident I missiles is more cost-effective than this program. Also, the Trident II was designed using cold war strategies. Its purpose is to strike "hard" targets in the former Soviet Union.)	900m	5.6B
Reduce intelligence budget (Intelligence is performed by a number of agencies that often duplicate each other's functions. The Intelligence budget is secret, but estimated at 29–30 B, and masks expensive and wasteful programs.)	1.26B	21.87B
Reduce star wars budget (This proposal would cut $1.8 billion from the current star wars budget of $3.8 billion. There are questions of whether SDI would be effective. Also, cutting the budget would enable us to comply with the anti-ballistic missile treaty we have signed with Russia while allowing us to deploy a limited ground-based system)	1.8B	10B
Halt development and production of all new weapons systems for 1 year (The Clinton administration is planning a study and analysis of our defense and weapon system needs. Freezing spending of this kind for 1 year would yield savings until we had adequate information to assess and prepare for our defense needs)	600m	600m
Reduce nuclear research and end nuclear testing (This proposal would cut nuclear research and development by 10 percent until 1996 and 40 percent after. Also all nuclear testing would be ceased. An American commitment to no further nuclear testing will be crucial in negotiating an expanded Non-Proliferation Treaty which will be up for renewal in 1995.)	132m	1.45B
Eliminate Minutemen III missiles (This land based missile is designed to hit target deep within the former Soviet Union. They cost approximately $1 billion per year to keep operational. The Start II agreement, which the United States recently signed, would very likely require us to dismantle these soon. Without these missiles, the United States would still maintain sufficient nuclear deterrence.)	290m	3.29B
Cancel the Ground Wave Emergency Network Program (This program would create an electromagnetic communications system that would operate in the aftermath of a nuclear war, when conventional radio communications might be inoperable.)	7m	35m
Agriculture:		
End subsidies to tobacco producers	70m	350m
Cancel the Tobacco Loan Program (These proposals would eliminate both direct subsidies and government loan to tobacco farmers. Currently, with these loans, farmers are guaranteed minimum market prices if they adhere to specific production quotas. The priorities of two Government agencies, the Department of Health and Human Services, which has launched an aggressive anti-smoking campaign, and the Department of Agriculture, which continues to support tobacco production, are in direct conflict.)	15m	75m
Reform the Western Water Subsidy Program (Under the current program, farmers from western states receive access to federally subsidized water to produce in desert areas. Farmers should not receive subsidized water to grow subsidized crops.)	110m	600m

SENATOR HARRIS WOFFORD PROPOSED DEEPER SPENDING CUTS—JUNE 22, 1993—Continued

	Years	
	1	5
Commerce:		
Cut 50 percent of the U.S. Travel and Tourism Administration (The work of this agency, which promotes tourism, duplicate efforts by private travel agents and transportation industries.)	11m	55m
Eliminate the Federal Information Center (This agency provides information on the Federal Government that is readily available elsewhere.)	3m	15m
Energy:		
Close or Privatize Federal Helium Reserves (The Federal Government has supported helium reserves since the 1960's when it believed that helium was critical to our national security and that supplies in this country were limited. Today, we know that helium reserves greatly exceed projected need.)	34m	170m
Transportation:		
Eliminate the Essential Air Service Program (This program provides grants to States for small, rural airports.)	39m	195m
Foreign affairs:		
Cut government funded broadcasting	26m	125m
Limit unobligated foreign economic assistance (This proposal would return any foreign economic assistance funds that have not been spent in three years unless the President waives this requirement.)	2B	5B
Total savings	10.5B	64.7B

DIRECT LOAN SERVICING CONTRACTS AND STATE AGENCIES

Mr. HARKIN. I would like to enter into a colloquy with the distinguished chairman of the Labor and Human Resources Committee concerning direct student loans. Is it the intent of the legislation that the Federal Government seeks to implement the direct student loan program in a manner which maximizes services to students and postsecondary educational institutions within the various States?

Mr. KENNEDY. Yes. The direct student loan program shall be implemented to provide the maximum level of service to students and postsecondary educational institutions.

Mr. HARKIN. Is it the intent of the legislation that those agencies of State government whose employees are civil servants and which currently are effective in providing superior service to students and postsecondary educational institutions in their States be given some opportunity to continue such appropriate services within the direct student loan program in their State?

Mr. KENNEDY. State agencies will be eligible to bid on contracts from the Department of Education to provide services as determined by the Secretary. Such contracts will be awarded on a competitive basis.

Mr. HARKIN. Is it also the intent of the legislation that, in letting the contracts for supplies and services in section 456 of the bill, the Secretary shall give consideration to, and in no way shall discriminate against, the State financial aid agency in such State for such contracts for purposes such as training, information services, policy interpretation, program reviews, loan origination, debt counseling, default prevention, and loan servicing and collection for students and postsecondary educational institutions approved to

participate in the direct student loan program in that State?

Mr. KENNEDY. That is correct. It is the intent of the legislation that the Secretary shall give consideration to and shall not in any way discriminate against the State financial aid agency for such contracts.

Mr. HARKIN. One final question. Is it the intent of the legislation that nothing in section 456 of said bill shall be construed as a limitation of any State agency to enter into an agreement for the purposes of that section as a member of a consortium of State agencies?

Mr. KENNEDY. Yes. That is the intent of the legislation.

EFFECT OF INCREASED TAXES ON AVIATION INDUSTRY

Mr. BOREN. Mr. President, the commercial airline industry of this country is in serious trouble. Last year alone, the airline industry suffered collective losses of more than $4 billion. Over the past 3 years, these losses have totaled more than $10 billion. The condition of the aircraft manufacturing industry is not much better, because of the defense build down, canceled or delayed commercial airline orders, and increased competition from abroad.

These losses have resulted in serious job loss in the industry. In the past 2½ years, 50,000 airline workers—about 10 percent of the total—have been laid off. The loss of these jobs has had a ripple effect of the economy because many industries are dependent on selling their products and services to the airlines. Indeed, for every airline job that is lost, it is estimated that five additional jobs are lost in related industries.

Because of the current economic conditions and the dim prospects for a short-term recovery in the airline and aircraft industries, Congress created the National Commission to Ensure a Strong Competitive Airline Industry. This Commission is charged with identifying the problems of these industries and recommending solutions to the Congress and the President. The Commission must accomplish its mission within 90 days from May 24, when the first meeting of the Commission was held.

The Commission is off to a fine start. Under the leadership of former Virginia Governor, Gerald Baliles, the Commission appears to be well on course to meet its demanding schedule. However, while the Commission is evaluating the financial condition of the industry and before it has released its recommendations, the Congress is considering whether or not to levy additional taxes on the industry.

Mr. President, we are working now on a bill designed to assist our ailing economy. Unfortunately, the transportation tax in this bill would mean an additional tax burden of more than $1 billion on the airline industry. This industry already makes a huge contribution to the Federal treasury. For example, in fiscal year 1992 alone, the airline industry paid a total of $5.389 billion in taxes, including domestic ticket taxes, cargo waybill taxes, international departure taxes, and various user fees. Additionally, the industry paid a total of $1.56 billion in payroll taxes and alternative minimum taxes.

Mr. President, we must remember that the Senate version of the comprehensive energy tax is a vast improvement from the House Btu energy tax. The House tax would have placed a tremendous burden on the airline industry. Inherent in the Btu tax is a 8.5 cent tax on fuel that increases with inflation every year after 1996. The transportation tax is less than half this figure and will not automatically increase. Nonetheless, I am still concerned about the effect of the transportation tax on the economic well-being of this important domestic industry.

The Commission is now evaluating whether there is a need for tax relief rather than an increase in taxes. Tax increases will simply increase costs for this industry. As ticket prices increase, passenger loads decrease and the financial problems of the industry multiply. One problem for the industry today is that not enough people are flying; higher ticket prices will mean that even fewer people will fly.

These issues are critically important. Although the administration and the Congress are committed to a broad-based energy tax, I urge the conferees to consider the tax's impact on the airline industry and to work to find responsible ways to alleviate the burden on this desperately ill industry.

ESTATE AND GIFT TAXES—EFFECTIVE DATE

Mr. BOREN. Mr. President, I am pleased that as a matter of fundamental fairness the Committee on Finance followed its traditional practice of eliminating the retroactive application of changes in individual income tax rates. We were not able within the committee to achieve the same result with respect to the reinstatement of the top estate and gift tax rates. These rates were reduced in accordance with existing law on January 1, 1993. It would be especially unfair to apply the reinstated higher rates with respect to the estates of individuals who died earlier this year before we acted to raise the rates again. The executors of these estates have had to make plans based on the law as it exists—not as it may be—when they sold assets to pay taxes, which are due 9 months after death. We should not now change the rules of the game for these estates.

We discussed this issue within the Committee on Finance on a bipartisan basis. I am pleased to inform the Senate that with the concurrence of our chairman, the distinguished Senator from New York, we agreed that this issue should and can be addressed in the forthcoming conference with the House. I know a number of Senators who do not sit on the Committee on Finance are concerned about this issue and I will work with the chairman and others in the conference to achieve this result.

Mr. President, I was also somewhat disappointed that we made these higher tax rates permanent without considering proposals to reform our estate and gift tax system and to make other changes to protect our Nation's independent businesses and to promote a renewed level of savings and investment. The time for structural reform of our tax system is drawing close, and estate and gift tax reform should be part of this effort.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent there now be a period for morning business.

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

THE 10TH ANNIVERSARY OF SECTION 119

Mr. PELL. Mr. President, 10 years ago the Congress enacted my legislation creating a new mandate for the Agency for International Development; to conserve biological diversity. The initiative grew out of a controversy during the previous year within the U.S. delegation attending the World Environmental Conference marking the 10th anniversary of the United Nations Environment Program. Under Secretary of State James Buckley, one leader of the delegation, sought to commit the United States to the principle that biological diversity was worth conserving. He was ultimately thwarted by the then EPA Administrator Ann Gorsuch who doubted the value of biological diversity. By my legislation, I resolved to settle a policy debate that was proving embarrassing to the United States and simply mandate the protection of biological diversity.

My bill created a new provision, section 119 of the Foreign Assistance Act, making the conservation of biological diversity an important objective for U.S. foreign assistance. At that time so little was known of the issues related to biological diversity that one of my colleagues, upon encountering the term, asked in jest whether the bill had been cleared with the moral majority. AID, however, embraced section 119 and from its very modest beginnings it has now become a $10 million a year program. It operates in countries ranging from Thailand and Nepal to Kenya and Costa Rica. Because of this legislation there are species still around that might otherwise have been exterminated, many without ever being identified.

On this occasion, the 10th anniversary of section 119, the endangered spe-

cies provision of the Foreign Assistance Act, I ask unanimous consent that my original proposal be reprinted in the RECORD. I would also like to acknowledge the contribution of Peter W. Galbraith, the long-time staff member of our committee and now our new Ambassador to Croatia, who attended the 1982 UNEP Conference on my behalf. It was he who brought the issue to my attention and he who crafted the language that ultimately became section 119.

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

SEC. 119. ENDANGERED SPECIES.—(a) The Congress finds the survival of many animal and plant species is endangered by overhunting, by the presence of toxic chemicals in water and air, and by the destruction of habitats. The Congress further finds that the extinction of animal and plant species is an irreparable loss with potentially serious environmental and economic consequences for developing and developed countries alike. Accordingly, the preservation of animal and plant species through the regulation of the hunting and trade in endangered species, through limitations on the pollution of natural ecosystems, and through the protection of wildlife habitats should be an important objective of the United States development assistance.

(b) In order to preserve biological diversity, the President is authorized to furnish assistance under this part to assist countries in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs. Special efforts should be made to establish and maintain wildlife sanctuaries, reserves, and parks; to enact and enforce anti-poaching measures; and to identify, study, and catalog animal and plant species, especially in tropical environments.

(c) The Administrator of the Agency for International Development, in conjunction with the Secretary of State, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality, and the heads of other appropriate Government agencies, shall develop a United States strategy, including specific policies and programs, to protect and conserve biological diversity in developing countries.

(d) Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this subsection. Not later than one year after the date of enactment of this section, the President shall submit a comprehensive report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the United States strategy to protect and conserve biological diversity in developing countries.

TRIBUTE TO COMDR. MARY ANN KING

Mr. PELL. Mr. President, I rise today to commend Comdr. Mary Ann King, who will soon retire from a distinguished 20 year career in the U.S. Navy. Commander King's dedicated service has been an invaluable asset to our country and to the proud institution in which she serves. She has demonstrated outstanding leadership in several offices, including Chief of Intelligence in Northwood, United Kingdom; Executive Officer in Puget Sound, WA, and Director of Manpower and Personnel Readiness in Norfolk, VA. These positions represent only a few highlights of her faithful service to the Navy.

Commander King's unselfish devotion to duty and to her country has not only maintained, but helped raise our Armed Forces' commitment to excellence. She has served as a teacher and a role model for young men and women. She has been a leader; and in leading she has instilled a sense of purpose and pride in those around her. I believe, Mr. President, that Commander King's legacy in the Navy will continue through those she has taught.

I am particularly delighted to note that Commander King began her career at the highly selective Officer Candidate School in Newport, RI, and that she decided to return to Rhode Island to teach English at the Naval Academy Preparatory School, where she is also a senior academic adviser.

Mr. President, Commander King's accomplishments show the multitude of her talents. Her work from an analyst, to a director of personnel readiness, to a chief of intelligence, to an instructor of English, indicate this diversity. I further believe that Commander King's service exemplifies the kind of dedication and ability that epitomizes our country's ideals and potential. That is why, Mr. President, on behalf of all those who have served with and had an opportunity to learn from Commander King, I wish to commend her for her dedication to the Navy and thank her for her tireless service to the United States.

CONFERENCE ON "TAIWAN IN THE NEW ERA"

Mr. PELL. Mr. President, I am unable to attend today's conference in Taiwan but I wish to thank my Taiwanese friends for inviting me to the very timely conference occurring today on recent developments in Taiwan. I apologize for not being able to make this speech in person, but as a long time student of Taiwan political affairs, I am pleased to note dramatic changes occurring there.

On December 19, Taiwan held the first full legislative elections in its 40 year history. All life-long members who were originally from mainland China retired and their seats were open for election. As a result of these dramatic steps forward, a significant minority of the legislature is now composed of members of the opposition, the Democratic Progressive Party [DPP]. The legislature has become more accountable to the people, acting as a greater check on other branches of the government.

Another encouraging development is that, among native Taiwanese as well as among those of Chinese descent, there is a growing sense of Taiwanese identity, separate from that of China. Native Taiwanese are being appointed and elected to senior political positions. The first Taiwanese Premier in Taiwan's history, Lien, was elected following the resignation of Premier Hau Pei-tsun, a mainlander. These developments give me a new sense of optimism about the opportunities for peaceful political evolution elsewhere in the world.

The rapid political developments in Taiwan have been accompanied by great economic change, as economic policies must increasingly be accountable to the people of Taiwan. There are many positive developments such as President Lee Teng-hui's initiation of a $50 billion development plan. Other economic problems such as the need for greater social welfare, the growing deficit, and the deteriorating trade relations with other countries, will have to be addressed by the new legislature and the President.

I applaud Taiwan's democratization and encourage its further development. The peaceful evolution of this island nation toward democracy is a model to which other countries, struggling to improve their systems of government, should look.

TEX RICKARD'S MINISTRY

Mr. RIEGLE. Mr. President, today I rise in the Senate to celebrate Reverend William Rickard's elevation to emeritus status in the United Methodist Church of Michigan. This event culminates nearly half a century of ministering to the people of Michigan. It is fitting that as Reverend Rickard—"Tex" to his innumerable friends—is elevated to emeritus status he is serving the congregation which licensed him to begin his ministerial studies 54 years ago. I understand that during his long and faithful ministry more than 27,000 people joined his congregations and he performed wedding ceremonies for more than 4,000 couples.

In addition to serving individual congregations throughout the State, Reverend Rickard served as one of the youngest district superintendents in the history of the Detroit Conference, supervising over 100 churches and riding an annual circuit that took him from the northern Detroit metropolitan area to Port Austin in the Thumb.

Mr. President, I am happy to join thousands of people throughout the State of Michigan in wishing him well as he celebrates the culmination of his distinguished career. I wish also to congratulate his wife, Mary Rickard, who has been an active and essential partner in his ministry.

RECOGNIZING THE NOTABLE CONTRIBUTIONS MADE BY THOMAS L. NOTTINGHAM

Mr. MITCHELL. Mr. President, I send to the desk and ask for immediate consideration a resolution expressing the Senate's appreciation for the services of Thomas Nottingham upon his retirement. This resolution is offered on behalf of myself, Senator DOLE, Senator FORD and Senator SIMPSON.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 125) relating to the retirement of Thomas Nottingham.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, Tom retires at the end of June after 31 years of service to the Congress. He first came to Capitol Hill as a member of the U.S. Capitol Police force, but most to his years on Capitol Hill have been with the U.S. Capitol Guide Service.

The Capitol Guide Service has evolved significantly in the 30 years that Tom has worked there. Among the most significant of those changes are the ones he made.

When he first joined the office, it charged a small fee for guided tours. Today, Americans who come to see their Government in action can tour the Capitol for free. This is appropriate for the holders of the sovereign power in a system of government that rests on the consent of the governed. It was the result of legislation passed in 1971, at Tom's urging, to professionalize the Guide Service and bring it fully under congressional control.

Tom became chief of the Guide Service in 1971 and it is from that position that he will soon retire.

Tom's affection for the Capitol Building and his respect for its history have guided his leadership of the service. Every day of the year, and especially during school break periods and vacation weeks, each of us has seen a group of enthralled Americans gathered around a Capitol guide, learning something of their Nation's history, and its civic traditions.

I know each of us has, in his or her files, enthusiastic letters of praise for the Guide Service from constituents who have visited Washington and toured the Capitol Building.

Tom's enthusiasm for the work of the Guide Service has been the driving inspiration which makes our guides the pleasant, helpful professionals they are. The formal training and classes for guides he established have helped them learn the facts and gain the skills that result in interesting and informed tours of the Capitol.

Few of us realize that over 1½ million Americans visit the Capitol Building each year. No other working legislature in the world is as accessible to its people as is the Capitol where the U.S. Congress does it work. Tom Nottingham has presided over the guide services to this immense flow of visitors with efficiency and great skill. His dedicated staff of guides work long hours and earn the praise they receive. He has earned our thanks for his efforts in making this service what it is today.

All who have had the pleasure of working with Tom will miss him, but his retirement is a well-deserved reward for his many years of service. I expect his retirement will allow him to spend more time with Carol, his wife of 35 years and his children, Joseph and Dawn. I am confident he looks forward to that opportunity.

I hope Tom leaves Congress with a sense of pride over his accomplishments with the Capitol Guide Service. He certainly should. Adoption of this resolution would be a fitting and appropriate tribute to his long and successful career. I ask unanimous consent that the resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 125) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 125

Whereas the Senate has been advised of the retirement of Thomas L. Nottingham, Chief of the United States Capitol Guide Service effective June 30, 1993, and

Whereas a professional Capitol Guide Service has been essential in expanding learning and appreciation about the Capitol to the million and a half Americans who visit each year, and

Whereas Thomas L. Nottingham worked tirelessly for passage of legislation in 1971 to establish a professional salaried Guide Service, and

Whereas he has devoted 30 years of his life to promoting the Capitol and educating the American people about the historic building housing the Congress, and

Whereas he has gained the admiration and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate recognizes the notable contributions made by Thomas L. Nottingham to the Senate and to his country and expresses to him its appreciation and gratitude for his long, faithful and outstanding service.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Thomas L. Nottingham.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. NICKLES. 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 Kentucky is recognized.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 233. Judith Heumann, to be Assistant Secretary for Special Education and Rehabilitative Services;

Calendar 234. Augusta Souza Kappner, to be Assistant Secretary for Vocational and Adult Education;

Calendar 236. Karen Beth Nussbaum, to be Director of the Women's Bureau;

Calendar 237. Olena Berg, to be an Assistant Secretary of Labor; and

Calendar 238. John D. Donahue, to be an Assistant Secretary of Labor.

I further ask unanimous consent that the nominess 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:

DEPARTMENT OF EDUCATION

Judith Heumann, of California, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

Augusta Souza Kappner, of New York, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

DEPARTMENT OF LABOR

Karen Beth Nussbaum, of Ohio, to be Director of the Women's Bureau, Department of Labor.

Olena Berg, of California, to be an Assistant Secretary of Labor.

John D. Donahue, of Indiana, to be an Assistant Secretary of Labor.

STATEMENT OF JUDY HEUMANN

Mr. HARKIN. Mr. President, I rise in strong and enthusiastic support for Judy Heumann, who has been nominated by President Clinton to serve as the Assistant Secretary for Special Education and Rehabilitative Services in the U.S. Department of Education.

I first met Judy in 1988 when she presented powerful testimony before the Subcommittee on Disability Policy, which I chair, regarding the discrimination she has faced over her lifetime and the urgent need to enact the Americans with Disabilities Act. Since that time, we have worked together on numerous projects and as a result I know that Judy will be an exceptional Assistant Secretary.

Judy has the vision, experience, leadership, and consensus-building skills necessary to implement President Clinton's national disability policy. According to the President, this policy will be based on three simple creeds: Inclusion, not exclusion; independence, not dependence; and empowerment, not

paternalism. Judy enjoys the respect of parent groups, service providers, as well as groups representing individuals with disabilities.

I look forward to working with Judy to make the promise of inclusion, independence, and empowerment realities for all individuals with disabilities.

Judy contracted polio at age 2. Her first encounter with discrimination was at the age of 5 when, because of her wheelchair, she was declared a fire hazard by the public school in her Brooklyn, NY, neighborhood. Four years later, her parents managed to get her enrolled in public school which held health conservation classes for special children in the basement.

After graduation from Long Island University with a bachelor of arts in speech and theater, she faced a major battle for equality when she was denied a position as a school teacher because of her disability. She refused to be discriminated against and filed a lawsuit against the board of education of the city of New York. She subsequently became the first person using a wheelchair to be hired to teach in the New York City school system. She enjoyed teaching elementary school for 3 years.

Judy received her masters in public health in administration and planning from the University of California at Berkeley, School of Public Health. She was later honored by the school as Alumni of the Year.

Judy also served as a legislative assistant for nearly 2 years to Senator Harrison Williams, who was then chair of the Committee on Labor and Public Welfare. In that capacity she worked on the Education for All Handicapped Children Act and section 504 of the Rehabilitation Act of 1973.

In 1975, Ms. Heumann accepted the position of deputy director at the first independent living center in the world, the Center for Independent Living in Berkeley. She was a key figure in expanding the scope of the organization to encompass the needs of people with disabilities of all ages and people with various types of disabilities. Ms. Heumann helped design the California and Federal independent living legislation which has resulted in the creation of more than 200 such programs.

Gov. Jerry Brown appointed Ms. Heumann in 1982 as special assistant, community affairs, to the director of the California Department of Rehabilitation. She was the liaison between community agencies and the State.

In 1983, Ms. Heumann was the cofounder of the World Institute on Disability, the first public policy, research, and training organization with a primary focus on issues affecting people with disabilities. As the current vice president and the director of the Research and Training Center on Policy and Independent Living, she has been instrumental in the development of this organization from a staff of 3 to 32. During this time, she has also contributed chapters for several major books concerning disability and has written articles for national publications.

Over the years, Ms. Heumann's professional strengths lie in the areas of communication, coalition development, planning, and development, and government relations. She enjoys working in challenging situations and on issues that are multifaceted. She played a major role in the passage of such civil rights legislation as section of title V—the Rehabilitation Act—and the American with Disabilities Act [ADA].

The breadth of Ms. Heumann's experience is indicated by the many boards on which she serves. They include: Assistant National Secretary, U.S. Council on International Rehabilitation; Adviser, President's Committee on Employment of People with Disabilities; Adviser, National Council on Disability; member, board of directors, National Council on Independent Living; chairperson, Disabled People's International, USA; board member, Center for Independent Living; board member, Over 60's Health Center Project; director, Research and Training Center on Public Policy in Independent Living. She was a cofounder of the American Coalition of Citizens with Disabilities.

Ms. Heumann has received numerous awards, including the prestigious Henry B. Betts Award; the Disability Rights Education and Defense Fund Edward M. Kennedy Life Achievement Award; and designation by Ms. magazine as one of the "80 women to watch in the 80's."

I urge my colleagues to support the nomination of Judy Heumann to serve as the Assistant Secretary for Special Education and Rehabilitative Services in the Department of Education.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar 96, S. 20, the Government Performance and Results Act of 1993.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in Federal Government 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 (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes which had been reported from the Committee on Governmental Affairs with amendments; as follows:

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

S. 20

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 "Government Performance and Results Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and

(3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES.—The purposes of this Act are to—

(1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;

(3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;

(4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;

(5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and

(6) improve internal management of the Federal Government **[**and the intent of this Act is not to create any right or benefit, substantive or procedural, enforceable at law by any party against the United States, or any agency or office of the United States**]**.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"§ 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget *and to the Congress* a strategic plan for program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"[(e)] *(f)* For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.".

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.".

(b) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"§ 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the *Director of the* Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless [permitted] *authorized to be in* an alternative form under subsection (b);

"(3) *briefly* describe the operational processes, skills and technology, and the human, capital, information, [and] *or* other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the *Director of the* Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, [and] quantifiable, *and measurable* form, the *Director of the* Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A)*(i)* a minimally effective program, and

"[(B)] *(ii)* a successful program, *or*

"(B) such alternative as authorized by the Director of the Office of Management and Budget, with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of [either] *the* description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) [In preparing a comprehensive and informative plan under] *For the purpose of complying with* this section, an agency may aggregate, disaggregate, or consolidate program activities, [provided] *except* that any aggregation or consolidation [does] *may* not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may prepare a classified or non-public annex to its plan covering program activities or parts of program activities relating to—

"(1) national security;

"(2) the conduct of foreign affairs; or

"(3) the avoidance of interference with criminal prosecution or revenue collection.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"[(e)] *(f)* For purposes of this section and sections 1116 through 1119, and [section] *sections 9703 and* 9704 the term—

"(1) 'agency' [means an Executive agency defined under section 105 of title 5, United States Code, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission;] *has the same meaning as such term is defined under section 306(f) of title 5;*

"(2) 'outcome measure' [refers to] *means* an assessment of the results of a program activity compared to its intended purpose;

"(3) 'output measure' [refers to] *means* the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(4) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement [shall] *can* be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) 'performance indicator' [refers to] *means* a particular value or characteristic used to measure output or outcome;

"(6) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"§ 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each program performance report shall set forth the performance indicators established in the [departmental or] agency performance plan *under section 1115*, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"[(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.]

"(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met[,] *(*including when a program activity's performance is determined not to have met the criteria of a successful program activity under [section 1115(b)(2)] *section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)*—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

"(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"(e) [The] *An* agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program per-

formance reports under this section shall be performed only by Federal employees.

"§ 1117. Exemption

"The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 *of this title* and section 306 of title 5, any agency with annual outlays of $20,000,000 or less.".

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

(a) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

"§ 9703. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the *Director of the* Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) [shall be] *may not be included in a performance plan unless it is* endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years *as specified by the Director of the Office of Management and Budget in approving the waiver.* A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.[".]

"*(f) For purposes of this section, the definitions under section 1115(f) shall apply.*".

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

"§ 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall—

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of [1992] *1993*;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of [1992] *1993*, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and [9704] *9703* of this title, and this section.".

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

"§ 9704. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under [section 1118(b) the following] *section 1118(c)*—

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For purposes of this section the definitions under section 1115[(c)]*(f)* shall apply.".

(c) PERFORMANCE BUDGETING.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

"§ 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting [pilots] *pilot projects* which shall—

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of [1992] *1993*, section 306 of title 5, sections 1105, 1115, 1116, 1117, [1118, and 9704] *and 9703* of this title, and this section.

"(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105.".

SEC. 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

"Sec.
"2801. Definitions.
"2802. Strategic plans.
"2803. Performance plans.
"2804. Program performance reports.
"*2805. Inherently Governmental functions.*

"§ 2801. Definitions

"For purposes of this chapter the term—

"(1) 'outcome measure' refers to an assessment of the results of a program activity compared to its intended purpose;

"(2) 'output measure' refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(3) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

"(4) 'performance indicator' refers to a particular value or characteristic used to measure output or outcome;

"(5) 'program activity' means a specific activity related to the mission of the Postal Service; and

"(6) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

"§ 2802. Strategic plans

"(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

"§ 2803. Performance plans

"(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

"(3) *briefly* describe the operational processes, skills and technology, and the human, capital, information, [and] *or* other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective [and], quantifiable, *and measurable* form, the Postal Service may use an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A) a minimally effective program, and

"(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, [provided] *except* that any aggregation or consolidation [does] *may* not omit or minimize the significance of any program activity constituting a major function or operation.

"(d) The Postal Service may prepare a nonpublic annex to its plan covering program activities or parts of program activities relating to—

"(1) the avoidance of interference with criminal prosecution; or

"(2) matters otherwise exempt from public disclosure under section [401] *410*(c) of this title.

"§ 2804. Program performance reports

"(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

"(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met[.] *(including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))*—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

"(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.["]

"§2805. Inherently Governmental functions

"The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.".

SEC. 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO REPORT.—No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

SEC. 9. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 10. APPLICATION OF ACT.

No person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act. No provision or amendment made by this Act may be construed as creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity.

SEC. 11. TECHNICAL AND CONFORMING [AMENDMENT] AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

"306. Strategic plans.".

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) AMENDMENT TO CHAPTER 11.—The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

"1115. Performance plans.
"1116. Program performance reports.
"1117. Exemptions.
"1118. Pilot projects for performance goals.
"1119. Pilot projects for performance budgeting.".

(2) AMENDMENT TO CHAPTER 97.—The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

"9703. Managerial accountability and flexibility.
"9704. Pilot projects for managerial accountability and flexibility.".

(c) AMENDMENT TO TITLE 39, UNITED STATES CODE.—The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

"28. Strategic planning and performance management ..... 2801".

[SEC. 12. EFFECTIVE DATES AND PROCEDURES.

[(a) IN GENERAL.—The provisions of this Act and amendments made by this Act shall take effect on the date of the enactment of

this Act, except sections 3, 4, 5, 6(c), and 7 of this Act, and the amendments made by such sections, shall take effect on the date of enactment of the resolution described in subsection (b).

[(b) RESOLUTION APPROVING PERFORMANCE PLANS.—

[(1) RESOLUTION DESCRIBED.—A resolution referred to in subsection (a) is a joint resolution the matter after the resolving clause of which is as follows: "That Congress approves the development of departmental and agency strategic plans, performance plans and reports pursuant to section 306 of title 5, United States Code, sections 1105(a)(29) and 9703 of title 31, United States Code, sections 1115, 1116, 1117, and 1119 of title 31, United States Code, and chapter 28 of title 39, United States Code (as amended by sections 3, 4, 5, 6, and 7 of the Government Performance and Results Act of 1992).".

[(2) INTRODUCTION OF RESOLUTION.—No later than 30 days after the transmittal by the Comptroller General of the United States to the Congress of the report referred to in section 7(b), a resolution as described in paragraph (1) shall be introduced in the Senate by the chairman of the Committee on Governmental Affairs of the Senate, or by a Member or Members of the Senate designated by such chairman, and shall be introduced in the House by the chairman of the Committee on Government Operations of the House of Representatives, or by a Member or Members of the House designated by such chairman.

[(3) REFERRAL.—A resolution described in paragraph (1), shall be referred to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be. The committee shall make its recommendations to the Senate or the House of Representatives, respectively, within 30 calendar days following the date of such resolution's introduction.

[(4) DISCHARGE OF COMMITTEE.—If the committee to which is referred a resolution introduced pursuant to paragraph (2) (or, in the absence of such a resolution, the first resolution introduced with respect to the same departmental or agency plans and reports) has not reported such resolution or identical resolution at the end of 30 calendar days after its introduction, such committee shall be deemed to be discharged from further consideration of such resolution and such resolution shall be placed on the appropriate calendar of the House involved.

[(5) PROCEDURE AFTER REPORT OR DISCHARGE OF COMMITTEE; VOTE ON FINAL PASSAGE.—(A) When the committee has reported, or has been deemed to be discharged (under paragraph (4)) from further consideration of a resolution described in paragraph (1), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

[(B) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is passed or rejected shall not be in order.

[(C) Immediately following the conclusion of the debate on the resolution and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

[(D) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in paragraph (1), shall be decided without debate.

[(E) If, prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to departmental or agency strategic plans, performance plans and reports from the other House, then—

[(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

[(ii) the vote on final passage shall be on the resolution of the other House.

[(F) It shall not be in order in either the Senate or the House of Representatives to consider a resolution described in paragraph (1), or to consider any conference report on such a resolution, unless the Comptroller General of the United States transmits to the Congress a report under section 7(b).

[(6) RULEMAKING POWER OF CONGRESS.—The provisions of this section are enacted by the Congress—

[(A) as an exercise of the rulemaking power of the Senate and the House of Representatives and as such shall be considered as part of the rules of each House, and shall supersede other rules only to the extent that they are inconsistent therewith; and

[(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedures 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.]

Amend the title so as to read: "A bill to provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.".

AMENDMENT NO. 509

(Purpose: To provide that certain portions of performance plans may be in an appendix, to clarify the application of the Act, and for other purposes)

Mr. NICKLES. Mr. President, I ask unanimous consent that it be in order to consider, en bloc, two Roth amendments, which I now send to the desk. I ask unanimous consent that the amendments be agreed to, en bloc, and the motion to reconsider be laid upon the table, en bloc; and I ask unanimous consent that a ROTH statement regarding the amendments and the bill appear at the appropriate place in the RECORD.

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

The amendment (No. 509) was agreed to, as follows:

On page 8, strike out lines 15 through 21, and insert in lieu thereof the following:

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

On page 27, strike out lines 24 through line 5 on page 28, and insert in lieu thereof the following:

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

Mr. GLENN. Mr. President, I rise today to urge my colleagues to support the Government Performance and Results Act of 1993, which I cosponsored with Senator ROTH. This bill is very similar to legislation passed by the Senate last year. And, just as that bill was strongly supported by the Bush administration, this legislation is strongly endorsed by the Clinton administration.

The Government Performance and Results Act will help to improve the effectiveness of Federal programs by promoting a new focus on results and on ensuring that agencies have the capacity to deliver promised services to the American public. The act will also improve our own decisionmaking here in the Congress, by providing us with more objective information about agency progress toward statutory goals, which in turn will help us make wiser spending choices.

This legislation is important not only for its specific requirements, but also for its relation to other laws that have also originated in the Committee on Governmental Affairs. As my colleagues know, the committee is authorized to oversee the efficiency and economy of operations of all branches and functions of the Government. While for some this jurisdiction is a MEGO [my eyes glaze over], we know that it is the only forum capable of addressing the demand for financial accountability and program performance across the Federal Government.

Throughout the years I have served on the committee, and since 1987 as chair, we have been instrumental in building a management framework that can serve and deliver for the Federal Government. Some of our most important legislation have been:

The Chief Financial Officers Act of 1990, which established a Federal financial management system to produce accurate, useful and timely informa-

tion on agency financial performance. This included creating an OMB Office of Federal Financial Management and Chief Financial Officers in 23 major Federal agencies. The act also consolidated OMB's management responsibilities under a Deputy Director for Management to create a single OMB official directly responsible for Government management;

The Cash Management Improvement Act of 1990, which required the creation of equitable cash transfer procedures to ensure more efficient management of the billions of dollars transferred each year between the Federal and State Governments;

The Inspector General Act of 1978 and the Inspector General Act Amendments of 1988, which established inspectors general across the Federal Government with independent authority for audit and investigation to fight waste, fraud and abuse involving Government programs;

The Single Audit Act of 1984, which streamlined audit requirements for grants to States and local governments;

The Federal Managers Financial Integrity Act of 1982, which requires agency heads to report annually to Congress and the President on the state of internal controls that should prevent or detect fraud, waste, abuse, or misappropriation of funds;

The Prompt Payment Act of 1982 and the Prompt Payment Act Amendments of 1988, which required the Federal Government to pay its bills on time; and

The Paperwork Reduction Act of 1980, which consolidated agency responsibility for an OMB supervision of Federal information resources management, particularly as it involves reducing paperwork burdens on the public.

When it is enacted into law, as I hope it will soon be, the Government Performance and Results Act will join with these other laws to integrate attention to program performance with existing financial and general management requirements. Let me stress that I am confident of its complementary nature, given that the committee has considered the legislation in three Congresses. We have had a number of hearings, considered several models for the legislation, and consulted with the General Accounting Office, OMB, academic specialists, in government administration, and officials in State, local, and foreign governments. We have also consulted with our counterpart committee in the House, the Committee on Government Operations.

This consultation with the House leads me to offer two amendments at this time to bring the language of the relevant sections of S. 20 into conformance with those of the now-passed House bill (H.R. 826). They represent no major, substantive changes to the bill reported out of our Committee.

The amendment to subsection 4(d) would allow an agency to submit with its annual performance plan a classified appendix covering goals dealing with the national defense or foreign policy, pursuant to criteria established by Executive order. As reflected in the committee's report on S. 20, it is conceivable that other performance reporting might reveal strategies relating to criminal prosecution or revenue collection, to the detriment of those interests if publicly stated. These interests may be protected, however, through the appropriate aggregation, disaggregation, or consolidation of program activity information as authorized under subsection 4(c).

The amendment to section 10 clarifies that this legislation is not intended to provide any person who is not a Federal officer or employee any right, privilege, benefit, or entitlement, or standing to file any civil action to enforce any provision of the act; nor is the act intended to supersede any of the rulemaking notice and comment requirements of 5 U.S.C. 553.

With Senate enactment of S. 20, as amended in this manner, the House and Senate bills will be identical but for our bill's separate treatment of the Postal Service. It is our understanding and hope that upon passage of the amended S. 20, the House will take up the legislation and pass it, thus obviating the need for further amendments or conference.

Again noting the administration's strong support for S. 20, and its agreement with the amendments and plan of action I have just described, I urge my colleagues to vote for my amendments and for S. 20 as amended.

Mr. ROTH. Mr. President, this legislation, the Government Performance and Results Act of 1993, represents a major and fundamental reform in the way the Federal Government does business. It will bring about a new form of accountability to the American taxpayers—accountability by Federal agencies for the results they achieve when they spend tax dollars.

For much too long, this focus on program performance and results has been missing from the Federal Government. Agencies and managers are expected to follow proper procedures and spend their funds in an appropriate manner—to cross all the t's and dot all the i's—but rarely are their programs held accountable for achieving measurable results toward any preestablished goals. Is it any wonder, then, that program performance suffers, and that public frustration with Government increases?

In an effort to address this problem, I introduced S. 20, the Government Performance and Results Act. A similar version of the bill was passed by unanimous consent in the Senate last year. The bill has over 20 cosponsors this year—with an even partisan balance that spans the entire ideological range of the Senate. And I am pleased to acknowledge the interest and support of the chairman of our committee, Senator GLENN, in this bill and in helping to shape the final product and bring it to the floor.

The legislation also has the strong support of the administration, and has been described by OMB Director Leon Panetta as being "the foundation for much of what we seek to do as we go about the task of reinventing government."

That this bill is really aimed at improving Government performance in a positive way, is reflected in the strong support this reform has received from the National Academy of Public Administration and the American Society for Public Administration. Both organizations, whose members include many esteemed present and former Government managers, not only endorsed the need for this type of legislation, but also made valuable suggestions in the shaping of the bill now before us.

This is because most Government managers truly do want to do a good job. But to do this, they need a clear understanding of specifically what it is their program should accomplish, and then accurate, timely information on program performance. In this way, they are no different than managers in the private sector.

So too does Congress need information on program performance and results—especially for purposes of oversight. We need an objective way for determining whether a program is working well—for measuring its efficiency and effectiveness. Unfortunately, all too often that information is not available or is difficult to obtain, and its interpretation is entirely too subjective.

What is needed is for each agency to develop a strategic plan, with a set of specific, long-term goals. Each agency should then develop an annual performance plan, with measurable program goals, aiming its day-to-day activities at achieving the long-term objectives. And then each agency needs to publish an annual performance report, showing what it achieved compared to those goals.

This is what the Government Performance and Results Act is all about. It begins by implementing these concepts—5-year strategic plans, annual performance plans, and annual performance reports—on a pilot project basis, in 10 agencies for 3 years. These pilot programs would then serve as role models for other agencies, as the requirements are implemented governmentwide.

The legislation also provides for managerial flexibility waivers. Program managers could ask that certain administrative restrictions on their discretion, such as in the use of resources, be waived—in return for a

commitment to a specific level of increased program performance. In other words, managers would be encouraged to be innovative, in an effort to do more with less. Accountability would still exist, but its emphasis would be less on following a complex set of rigidly mandated procedures, and more on what the manager's program actually accomplished.

And finally, the legislation would set the Federal Government on the road toward performance-based budgeting. After governmentwide implementation of the bill's other provisions, there would begin five 2-year pilot projects in incorporating program performance levels directly into the budget. This would include indicating alternative levels of performance for alternative levels of funding. A program performance budget is a much more effective policymaking document and management tool, because it shows not just what activities the money will be spent on, but also what results each dollar should help achieve.

Mr. President, this reform is long overdue. The American people are demanding change in the way Government operates in Washington. They want more value for their tax dollars—more bang for the buck. This legislation is a major reform, which will go a long way toward bringing us to that better governmental performance. It truly is the foundation for reinventing Government—instilling a new emphasis on program effectiveness, service quality, and responsiveness to the customers of Government, the American people.

I ask unanimous consent that an article from the Washington Post be printed in the RECORD.

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

[From the Washington Post, May 5, 1993]

LEGISLATION WOULD JUDGE AGENCIES BY HOW THEIR OWN GOALS ARE MET

(By Stephen Barr)

The Financial Management Service is like the government's personal banker.

It writes checks for Social Security and veterans' benefits and pays many a federal worker each month through an electronic fund transfer. It also handles deposits and collects money. On average, the service has a cash flow of more than $10 billion a day.

But this Treasury Department bureau, the last stop on 14th Street before the bridge to Virginia, is trying to do more than just balance the federal checkbook. The bureau has taken on the mission of improving the quality of government financial management, starting with itself.

The agency, looking inward, has focused on developing "performance measurements"—setting goals or objectives and measuring the progress made toward achieving them.

The Senate is expected to take up a bill fairly soon that would extend performance measurement to virtually every corner of the federal government. The Clinton administration has endorsed the legislation, and House approval is expected later.

For federal managers who have been content to live by the rules of the budget process, emphasizing specific, measurable objectives represents a major bureaucratic shift. For the bad manager, it also represents potential threat to his or her career.

For members of Congress concerned about why programs become scandal-ridden, stay on "high-risk" lists or never seem to improve, performance measurement would give them a better way to redirect or re-orient programs.

Sen. William V. Roth Jr. (R-Del.), who introduced a bill on the topic in 1990, believes the management shift will make the government more accountable to taxpayers.

When the bill was approved by the Senate governmental Affairs Committee, Roth said, "Too often in Washington, there is a tendency to focus just on how a program is spending its money and whether it is following proper procedures—with little concern over what the program is actually achieving. The notion that government should set specific goals when funding a program is just common sense."

At a House hearing on the bill, Office of Management and Budget Director Leon E. Panetta called it "the foundation for much of what we seek to do as we go about the task of reinventing government."

The consensus to move toward performance measurement has been reinforced by recent studies that show, as Comptroller General Charles A. Bowsher put it, "management in federal government is not in good shape."

Since World War II, the federal government has increasingly relied on private-sector consultants, contractors and local municipalities to carry out its work.

As a result, "most federal programs increasingly are becoming a function of the quality of performance by nonfederal entities [which] do not necessarily share federal program objectives," Bowsher said.

The government's traditional management principles need to be reassessed, he added, in order for federal managers to effectively design and manage programs that rely on outsiders, especially in an era of rapidly changing technologies and information systems.

To start the reassessment, Roth's bill would require the government to set up 10 three-year pilot projects to measure program performance and five two-year pilot projects that allow managers more flexibility if they improve program performance at the same funding level.

The bill also calls for experiments in performance-based budgeting, a system pioneered two decades ago in Sunnyvale, Calif., and celebrated in "Reinventing Government," the book written by David Osborne and Ted Gaebler that has influenced the Clinton administration's approach to reshaping the bureaucracy.

Under performance-based budgeting, a program's funding would be linked to measurable objectives developed by an agency. Subsequent reviews would be used to measure how close the program came to reaching its goals.

Joining Roth as original cosponsors are Sens. John Glenn (D-Ohio), Bob Graham (D-Fla.), Howard M. Metzenbaum (D-Ohio), John McCain (R-Ariz.), Daniel K. Akaka (D-Hawaii), Charles S. Robb (D-Va.) and Richard G. Lugar (R-Ind.). Leading the effort in the House are Reps. John Conyers Jr. (D-Mich), William F. Clinger Jr. (R-Pa.) and Joseph M. McDade (D-Pa.).

The administration seems comfortable with the legislation partly because the government has some experience with financial performance measures developed under the 1990 Chief Financial Officers Act, which required agencies to establish effective accounting systems, create internal controls and prepare audited financial statements.

Russell D. Morris, the commissioner at Treasury's Financial Management Service, said that as his agency worked at defining its mission and performance goals, it learned "to more and more look at our measurements through the eyes of our customers."

The service now signs customer contracts with other federal agencies, such as the Social Security Administration and the Office of Personnel Management, to collect and pay out funds more efficiently.

"One of our measures is the degree to which we meet customer expectations," Morris said, adding that "there are some surprises in things that we didn't know were important to them are important to them and we ought to be measuring."

Internally, the service has used an agency team to identify and recommend standards for performance: how to increase the number of electronic deposits as a percentage of total payments, for example.

The agency has found that it costs 36 cents to produce a check and less than a penny for an electronic direct deposit. "The operational savings are incredible," said Karen Pedone, project manager for program performance.

Morris said federal managers historically have focused on process, rather than results, because of legislative and regulatory requirements and because during program reviews the auditors and Congress always want to know if the prescribed procedures were followed.

"There's an awful lot of prescriptiveness that assumes people have to be told exactly what to do and how to do it. . . . Then there are requirements that they report on what they did, and the fact that they did it, and a lot of that is wasteful," Morris said.

Panetta has told congressional committees that he does not want performance measurement to create a new paperwork burden or create more bureaucracy. The administration also hopes that when the time comes to implement the law, the approach will be "bottom up," with agencies taking the lead on drawing up plans.

The administration also hopes that as the process gets going, Congress will not punish federal managers who err and will avoid a too-common reaction—mandating more rules.

Whether performance measurement succeeds, however, will be decided in large part by the group most affected by the legislation—federal managers.

As R. Scott Fosler, president of the National Academy of Public Administration, asked earlier this year, "Can OMB provide unbiased leadership in implementing this bill? And can federal managers do the same in evaluating their programs' performance?"

MAJOR PROVISIONS

Strategic plans: To establish "performance measurement" in the government, each department and agency would draw up a five-year plan setting forth its mission and long-term goals. The plans must be submitted to the Office of Management and Budget by Sept. 30, 1997.

Performance plans: Each agency would prepare annual program performance plans showing what short-term goals need to be achieved to meet the long-term goals in the strategic plan. The performance plans, also mandated by 1997, would establish bench-

marks to measure effectiveness and efficiency. Key elements would be included in a governmentwide performance plan that OMB would submit as part of the budget, beginning with fiscal 1999.

Annual reports: All agencies would issue public reports on how well they achieved their goals or the reasons why goals were not met. The reports would begin with fiscal 1999.

Managerial waivers: OMB would be allowed to grant waivers to agencies seeking flexibility on personnel levels, salaries and budget constraints. In turn, federal managers would be expected to show improved program results for the same level of funding.

PILOT PROJECTS

To test these concepts before implementing them governmentwide in 1997, the legislation would set up a series of pilot projects.

For fiscal years 1994, 1995 and 1996, OMB would organize 10 pilot projects designed to focus on annual performance plans and reports. The projects would reflect various government functions—from social policy to infrastructure to defense.

For fiscal 1995 and 1996, five pilot projects would examine the use of managerial flexibility waivers.

By mid-1997, OMB and the General Accounting Office would submit reports to Congress on the pilot projects.

PERFORMANCE-BASED BUDGETING

Under the legislation, the federal government also would take its first big step toward "performance-based budgeting."

For fiscal 1998 and 1999, five pilot projects would explore the concept, testing the link between expected program performance and funding. Proponents argue that rather than relying on the traditional line-item budget accounts, Congress could use performance-based budgeting to tie program achievement with resources.

The fiscal 1999 budget would include the pilot projects and show their budget process. OMB would have until March 2001 to issue its evaluation of performance-based budgeting.

Mr. ROTH. Mr. President, I would just like to reiterate Senator GLENN's explanation of the two amendments to this legislation. They are minor changes to the bill, modifying already existing provisions. Their adoption will make the language of the two amended sections identical to that passed by the other body. With these two amendments, the only difference between S. 20 and H.R. 826 will be our inclusion of a section dealing with the Postal Service.

It is my understanding that the Postal Service has no objection to this section, which deals with strategic plans and performance plans and reports for its operations. It is also my understanding that with the addition of these two amendments to this bill, there would be no reason why the House could not take up S. 20 and pass it. In that case, there would be no need for a conference on the legislation.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall the bill pass?

So the bill (S. 20), as amended, was passed as follows:

S. 20

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 "Government Performance and Results Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;

(2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and

(3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) PURPOSES.—The purposes of this Act are to—

(1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;

(2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;

(3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;

(4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;

(5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and

(6) improve internal management of the Federal Government.

SEC. 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"§ 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.".

SEC. 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115.".

(b) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"§ 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the Director of the Office of Management and

Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A)(i) a minimally effective program, and

"(ii) a successful program, or

"(B) such alternative as authorized by the Director of the Office of Management and Budget,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term—

"(1) 'agency' has the same meaning as such term is defined under section 306(f) of title 5;

"(2) 'outcome measure' means an assessment of the results of a program activity compared to its intended purpose;

"(3) 'output measure' means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(4) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) 'performance indicator' means a particular value or characteristic used to measure output or outcome;

"(6) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"§ 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

"(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.

"§ 1117. Exemption

"The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 of this title and section 306 of title 5, any agency with annual outlays of $20,000,000 or less.".

SEC. 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.

(a) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

"§ 9703. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

"(f) For purposes of this section, the definitions under section 1115(f) shall apply.".

SEC. 6. PILOT PROJECTS.

(a) PERFORMANCE PLANS AND REPORTS.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

"§ 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall—

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of 1993;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and 9703 of this title, and this section.".

(b) MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.—Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

"§ 9704. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under section 1118(c)—

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For purposes of this section the definitions under section 1115(f) shall apply.".

(c) PERFORMANCE BUDGETING.—Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

"§ 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall—

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9703 of this title, and this section.

"(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105.".

SEC. 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 28—STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

"Sec.
"2801. Definitions.
"2802. Strategic plans.
"2803. Performance plans.
"2804. Program performance reports.
"2805. Inherently Governmental functions.

"§ 2801. Definitions

"For purposes of this chapter the term—

"(1) 'outcome measure' refers to an assessment of the results of a program activity compared to its intended purpose;

"(2) 'output measure' refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(3) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

"(4) 'performance indicator' refers to a particular value or characteristic used to measure output or outcome;

"(5) 'program activity' means a specific activity related to the mission of the Postal Service; and

"(6) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

"§ 2802. Strategic plans

"(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

"(2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the Postal Service;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

"§ 2803. Performance plans

"(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Postal Service may use an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A) a minimally effective program, and

"(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation.

"(d) The Postal Service may prepare a nonpublic annex to its plan covering program activities or parts of program activities relating to—

"(1) the avoidance of interference with criminal prosecution; or

"(2) matters otherwise exempt from public disclosure under section 410(c) of this title.

"§ 2804. Program performance reports

"(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

"(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall—

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

"(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"§ 2805. Inherently Governmental functions

"The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service.".

SEC. 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO REPORT.—No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

SEC. 9. TRAINING.

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

SEC. 10. APPLICATION OF ACT.

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

SEC. 11. TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

"306. Strategic plans.".

(b) AMENDMENTS TO TITLE 31, UNITED STATES CODE.—

(1) AMENDMENT TO CHAPTER 11.—The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

"1115. Performance plans.
"1116. Program performance reports.
"1117. Exemptions.
"1118. Pilot projects for performance goals.
"1119. Pilot projects for performance budgeting.".

(2) AMENDMENT TO CHAPTER 97.—The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

"9703. Managerial accountability and flexibility.
"9704. Pilot projects for managerial accountability and flexibility.".

(c) AMENDMENT TO TITLE 39, UNITED STATES CODE.—The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

"28. Strategic planning and performance management ..... 2801".

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

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

The motion to lay on the table was agreed to.

The title was amended.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, 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 Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:05 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1876. An act to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements.

MEASURE PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 1876. An act to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply congressional fast-track procedures to a bill implementing such agreements.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-110. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Energy and Natural Resources.

"SUBSTITUTE SENATE JOINT MEMORIAL 8009

"Whereas the cause of democracy around the world is the cause of the United States; and

"Whereas the United States extends self-determination especially to those peoples in territories under its jurisdiction; and

"Whereas the Washington State Legislature supports the efforts of each United States territory to attain the political status best suited to its people; and

"Whereas Guam became a territory of the United States in the last century without its people being given the opportunity to freely choose a political status; and

"Whereas Guam became an organized territory of the United States in 1950 with the signing of the Organic Act; and

"Whereas during the past two decades, neighbor island groups in the former Trust Territory of the Pacific Islands have successfully negotiated new political status arrangements with the United States, which have resulted in the formation of the Commonwealth of the Northern Mariana Islands, the Republic of Belau, the Republic of the Marshall islands, and the Federated States of Micronesia; and

"Whereas the people of Guam chose by plebiscite in 1976 the political status of commonwealth; and

"Whereas, after extensive public debate, the people of Guam ratified the draft Guam Commonwealth Act in 1987; and

"Whereas the Guam Commonwealth Act will be debated in the United States Congress; and

"Whereas the people of Guam are United States citizens and should be given all the rights of citizens under the United States Constitution; and

"Whereas Guam seeks to establish through commonwealth status a just political relationship between its people and the United States Government; and

"Whereas commonwealth status would provide for the rights of the people of Guam in areas of vital interest, including land use, immigration, taxation, and the applicability of federal laws constraining Guam development; and

"Whereas there is growing national support for commonwealth status for Guam, including policy statements and resolutions from Members of Congress, the federal administration, the National Governors Association, the National Conference of State Legislatures, the Western Legislative Conference of the Council of State Governments, and the United States Conference of Mayors; and

"Whereas the Washington State Legislature supports the efforts of the people of Guam to achieve commonwealth status within a just and permanent relationship with the United States: Now, Therefore, your memorialists respectfully pray that the United States Government allow the people of Guam to determine their own political, social, and economic future.

"*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the Governor of Guam, the Speaker of the Guam Legislature, the Guam delegate to Congress, the President of the United States Senate, the Speaker of the House of Representatives, and each Member of the Congress from the State of Washington."

POM-111. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION NO. 58

"Whereas, on January 17, 1993, we were reminded of events that occurred one hundred years ago when armed United States Marines landed in Honolulu; the American-dominated Committee on Public Safety conspired to overthrow the Hawaiian Monarchy, and a provisional government was established without the consent of the indigenous Hawaiian people; and

"Whereas, on January 19, 1893, just two days after the overthrow of the Hawaiian Monarchy, the newly formed Revolutionary government sent five members to Washington, D.C. to negotiate for a peaceful annexation which resulted in Hawaii becoming a territory of the United States; and

"Whereas President Grover Cleveland withdrew the bid for annexation and demanded that Queen Liliuokalani be restored to the throne, saying the Unites States had unduly aided in the overthrow; but President Sanford B. Dole, of the provisional government refused to yield, maintaining President Cleveland had no authority; and

"Whereas, after a few years of negotiations, annexation was achieved by the passing of a joint Resolution by both houses of Congress; and the transfer for sovereignty occurred on August 12, 1898, with the raising of the American flag over Iolani Palace, and all lands belonging to the Hawaiian Monarchy passed to negotiations between the Federal and Revolutionary governments, and later sold for $5.00 an acre; and

Whereas, during World War II as American fighting men liberated the Philippines, Italy, France, Germany, and other lands, the United States did not confiscate lands from any country, other than Hawaii; as facts show that the United States leases areas in the Philippines for naval and airfield uses; and

"Whereas, through the negotiation efforts of Prince Kuhio, Congress passed the Hawaiian Homes Commission Act, stipulating that Hawaiians with fifty percent or more native blood be eligible for 99 year leases at a nominal fee; and

"Whereas people in the sugar and pineapple businesses were allowed to import laborers of other ethnic backgrounds, thereby increasing the number of inter-marriages wherein many Hawaiians had their blood quantum reduced below fifty percent; and

"Whereas Congress did not appropriate any Federal funds for the rehabilitation program provided for by the Hawaiian Homes Commission; and

"Whereas, as a condition of statehood, the Federal Government transferred the responsibility of the Hawaiian Home Lands Trust to Hawaii; however, the Trust was not whole, due to a number of wrongful acts previously committed; now, therefore, be it

"*Resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993*, That Congress place the awarding of Hawaiian homestead lands to native Hawaiian people high on its agenda, review the wrongs done to them, and provide direct Federal resources to address the following needs:

"(1) Funding for the Hawaiian Home Lands Program;

"(2) Infrastructure for Hawaiian home lands;

"(3) Compensation for past and present federal use of Hawaiian home lands; and

"(4) Accurate inventory of Hawaiian home lands on all islands and restoration of trust lands where necessary.

"*Be it further resolved*, That all aspects of the Hawaiian Home Lands Program be reviewed quarterly by the United States Department of the Interior and reviewed annually by the United States Congress; and

"*Be it further resolved*, That certified copies of this Resolution be transmitted to the United States Department of the Interior, President of the United States Senate, Speaker of the United States House of Representatives, the Governor, the Department of Hawaiian Home Lands, and the Office of Hawaiian Affairs."

POM-112. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"Whereas, in the early 1900's, widespread concern for the plight of the Hawaiian people began to emerge as many had moved to urban areas and were without the means of making a living and without decent shelter; and

"Whereas the number of full-blooded Hawaiians had declined from an estimated 142,650 in 1826 to 22,600 in 1919; and

"Whereas the Hawaiian Homes Commission Act of 1920 was enacted by the United States in 1921 to provide for the rehabilitation of "native Hawaiians," persons of at least 50% Hawaiian blood; and

"Whereas the Hawaiian Homes Commission Act set aside 200,000 acres, more or less, of public lands to be administered as a trust for the exclusive benefit of native Hawaiians; and

"Whereas, when the State of Hawaii took over the responsibility for the Hawaiian Home Lands Trust in 1959, the Trust turned over to its management was not whole because a number of wrongful acts had occurred before statehood, when the federal government was responsible for the Trust; and

"Whereas wrongful acts that occurred before statehood included illegal use of Hawaiian home lands, the use of lands without compensation to the Trust, and the sale of lands belonging to the Trust; and

"Whereas the State of Hawaii has acted to compensate the Trust for the illegal use of Hawaiian home lands that had been set aside for public purposes and is acting to resolve other claims covering the period from statehood to the present time, but the federal government has yet to recognize its responsibilities to the Trust; and

"Whereas the Solicitor of the Department of the Interior on January 19, 1993, the eve of his departure from office, issued an opinion that the United States did not ever have any trust responsibilities under the Hawaiian Homes Commission Act, thereby overruling the previous position of the Department of the Interior as expressed in an opinion letter sent in 1979 to the Western Regional Office of the U.S. Civil Rights Commission; and

"Whereas, the 1979 opinion letter by a Deputy Solicitor of the Department of the Interior concluded that the role of the United States under section 5(f) of the Hawaii Admission Act, with respect to the Hawaiian Home Lands is essentially that of a trustee; and

"Whereas, both the Bush and Reagan administrations have viewed native Hawaiians as a "racial class" and not as indigenous native American people, thereby questioning the constitutionality of federal assistance to native Hawaiians; now, therefore, be it

"*Resolved by the Senate of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993*, That President William Clinton and the U.S. Congress are requested to establish a simple administrative process by which claims relating to the Hawaiian Home Lands Trust can be expeditiously resolved with the federal government; and be it further

"*Resolved*, That President Clinton and Congress are requested to formally recognize native Hawaiians as an indigenous native American people and not as a racial class; and be it further

"*Resolved*, That President Clinton and Congress are urged to formally affirm, honor, and fulfill the federal trust obligations to the native Hawaiian people as provided under the Hawaiian Homes Commission Act; and be it further

"*Resolved*, That certified copies of this Resolution be transmitted to President William Clinton, the Secretary of the Interior, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to each member of Hawaii's Congressional Delegation."

POM-113. A resolution adopted by the House of the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources.

"HOUSE RESOLUTION NO. 24

"Whereas, upon the annexation of the Republic of Hawaii by the United States, the United States received approximately 1.8 million acres of government and crown land under the terms of the Joint Resolution of Annexation of 1898, with the condition that the revenues of such lands, subject to national needs, be used 'solely for the benefit of the inhabitants' of Hawaii; and

"Whereas, in 1921, the Congress of the United States enacted the Hawaiian Homes Commission Act which designated native Hawaiians as beneficiaries and which set aside approximately 203,000 acres of public lands to be awarded to native Hawaiians, that is, per-

sons of at least 50% Hawaiian blood, through the 99-year leases at a nominal fee; and

"Whereas, Congress enacted the Hawaiian Homes Commission Act to rehabilitate native Hawaiians by returning them to the land through leases for homesteads, ranches, and pastures, because the social and economic conditions of the native Hawaiians were rapidly deteriorating after contact with western culture; and

"Whereas, the Hawaiian Homes Commission Act established a trust relationship between the United States and native Hawaiians whereby Congress set aside certain designated parcels of land for the use and benefit of the native Hawaiians; and

"Whereas, the United States became the trustee of these lands, with the Territory of Hawaii acting as agent for the trustee; and

"Whereas, the Hawaiian Homes Commission Act manifested an intention to construct a fiduciary relation between the Federal government and the native Hawaiians which gave rise to equitable duties by the Federal government to deal with the lands for the benefit of the native Hawaiians; and

"Whereas, the United States retained legal title to the Hawaiian homes lands from 1921 until 1959 when Hawaii became a State; and

"Whereas, although the Hawaiian Homes Commission Act was the responsibility of the federal government from 1921 to 1959, federal financial support for the program was non-existent; and

"Whereas, thousands of native Hawaiian beneficiaries of the Hawaiian Homes Commission Act were unable to obtain homesteads during the period from 1921 to 1959 due to the failure of the trustee to carry out the terms of the Act; and

"Whereas, the President of the United States appointed Hawaii's territorial governor from 1990 through 1959, with the advice and consent of the United States Senate; and

"Whereas, although the citizens of Hawaii, including native Hawaiians, did not elect their territorial governor, the territorial governor was the chairman of the Hawaiian Homes Commission from 1921 to 1935; and

"Whereas, although the United States transferred title to Hawaiian home lands to the State of Hawaii in the Admission Act of 1959, under sections 4 and 5 of the Admission Act, the federal government continued its trustee responsibilities by retaining oversight responsibility for aspects of the administration of the Hawaiian Homes Commission Act, including the requirements of congressional concurrence for any state legislative amendments to the Hawaiian Homes Commission Act and the approval of the U.S. Secretary of Interior for any land exchanges involving Hawaiian home lands; and

"Whereas, the federal government also retained the power to review and approve amendments to the provisions of the Hawaiian Homes Commission Act and the power to sue to enforce its terms; and

"Whereas, the United States continues to occupy, for nominal rent of $1.00 for a term of 65 years, more than 320 acres of Hawaiian home lands in Kekaha, Kauai and Pohakuloa, Hawaii; and further claims ownership of 1,498 acres of valuable Hawaiian home lands at Lualualei, Oahu that were illegally set aside and for which no payment has ever been made; and

"Whereas, the United States Constitution permits Congress to exercise plenary power in enacting legislation to benefit aboriginal and indigenous people of America based upon the unique historical and legal status of native peoples within the United States; and

"Whereas, like American Indians, Alaskan natives, and Aleuts, native Hawaiians: (a) inhabited and once exercised absolute sovereignty over lands now within the United States; (b) never voted to or affirmatively approved annexation of Hawaii's former public, crown, and government lands; and (c) enjoy a culture, language, and practices which exist only in Hawaii; and

"Whereas, Congress has long recognized native Hawaiians as a distinct aboriginal group and has dealt with them in a manner similar to other native American groups; and

"Whereas, Congress has recognized its fiduciary responsibilities to native Hawaiians in legislation requiring native Hawaiians to be included in programs for Native Americans and in the funding of native Hawaiian programs in employment training, educational improvement, health promotion, and library services; and

"Whereas, a former Deputy Solicitor of the U.S. Department of the Interior, Mr. Frederick Ferguson, in an August 27, 1979 opinion letter to the Director, Regional Office, U.S. Commission on Civil Rights, concluded that under the Hawaiian Homes Commission Act, the United States was a trustee between 1920 and 1959 and that it retained this role after statehood; and

"Whereas, the betterment of the conditions of native Hawaiians is a public purpose which the United States required of Hawaii in the 1959 Statehood Act which enjoys broad support as well as substantial legislative funding in the State of Hawaii; and

"Whereas, the State of Hawaii has intensified its effort to correct the problems that have occurred in the administration of the Hawaiian home lands since statehood in 1959 and to better the conditions of native Hawaiians through programs to preserve Hawaiian culture and to improve the health and education of all Hawaiians; now, therefore,

"*Be it resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993*, That the United States President and Congress of the United States are urged to formally affirm, honor, and fulfill the federal trust obligations to the native Hawaiian people as provided under the Hawaiian Homes Commission Act; and

"*Be it further resolved*, That the Legislature requests the Secretary of the Interior to rescind the January 19, 1993 opinion by former Solicitor of the Department of the Interior, Thomas L. Sansonetti, which denies any federal trust responsibility towards the Hawaiian Homes Commission Act, 1920, as amended, which was released on the last day of the Bush Administration; and

"*Be it further resolved*, That the Legislature declares its support and authorization of the State's vigorous pursuit of federal claims to restore and strengthen the Hawaiian home lands trust; and

"*Be it further resolved*, That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chair and members of the United States Senate Committee on Energy and Natural Resources, and the members of the Hawaii Congressional Delegation."

POM-114. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources.

"ASSEMBLY JOINT RESOLUTION NO. 22

"Whereas, The Nevada Legislature passed Senate Joint Resolution No. 18 during the 1991 legislative session, urging Congress to reject legislation which would have repealed and reformed the general mining law as amended to the extreme disadvantage of many businesses and communities in the western states; and

"Whereas, The 103rd Congress has seen the reintroduction of two bills, one in the House of Representatives, H.R. 322, and one in the Senate, S. 257, which would again attempt to repeal and reform the general mining law as amended; and

"Whereas, H.R. 322 and S. 257 are in direct contradiction with the basic tenants of the general mining law which are essential to a viable mining industry, specifically granting freedom of access and the assurance that development and mining of mineral deposits can proceed according to all applicable laws and regulations without undue intervention; and

"Whereas, Both bills provide for a royalty on the gross income from mineral production of not less than 8 percent, an extreme level which would result in the closure of mines and a significant reduction in exploration for new mines; and

"Whereas, In 1992, approximately 58 percent of Nevada's total hardrock mineral production was produced on public lands and would be subject to proposals currently being considered in Congress; and

"Whereas, The State of Nevada estimates, based on a survey of the producers of 98 percent of Nevada's nation-leading production of gold and silver, that an 8 percent royalty on the gross value of production would result in the following decreases in the first year from current levels:

	From	To	Percent decline
Direct mine employment	8,930	7,480	16
Production in ounces of gold	6,541,000	6,091,000	7
Mineable reserves in ounces	81,961,000	72,061,000	12
Number of mining claims held	40,362	23,856	41
Net proceeds of mine tax paid	$23,639,000	$23,140,000	13
Sales and use tax paid	$44,617,000	$41,435,000	7
Exploration expenses	$88,884,000	$62,245,000	30
Capital expenditures	$620,064,000	$582,868,000	6
Expenditures on goods and services	$1,046,351,000	$950,357,000	9

and long-term declines are anticipated to be more severe; and

"Whereas, Other hardrock minerals produced in the state, including copper, lead, zinc, gypsum, barite and diatomite, together with substantial resources of tungsten, antimony, molybdenum and mercury would be similarly affected; and

"Whereas, Any higher royalty on the gross value of production, such as the 12.5 percent royalty proposed in the Administration's budget, would result in even higher decreases in employment, economic activity, revenues to the State of Nevada, loss of exploration and the shortening of mine lives; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Nevada Legislature continues its rigorous objection to the proposed reformation of the general mining law and hereby urges Congress to reject the concept of a gross value royalty which is proposed in H.R. 322 and S. 257, and work toward a reasonable compromise with the mining industry; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President as presiding officer of the Senate, the Speaker of the House of Representatives, and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-115. A joint resolution adopted by the Legislature of the State of Nevada; to the

Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 13

"Whereas, Congress enacted the provisions of 16 U.S.C. §§1331 et seq., otherwise known as the Wild Free-Roaming Horses and Burros Act of 1971, to protect wild horses and burros on public lands from capture, branding, harassment or death; and

"Whereas, The Wild Free-Roaming Horses and Burros Act of 1971 requires the management of the wild horses and burros on public lands and authorizes the Secretary of the Interior to address problems of overpopulation; and

"Whereas, Over 65 percent of the wild horses and burros in the United States are located in the State of Nevada and that population is increasing at a rate of 18 percent each year; and

"Whereas, The control of the reproduction of wild horses is necessary to preserve the integrity of the genetic composition and bloodlines of the wild horses; and

"Whereas, The Bureau of Land Management is currently recommending the creation of a program to control the fertility of wild horses and burros on public lands and the establishment of a national center for wild horses and burros in Northern Nevada; and

"Whereas, Both projects would greatly benefit the State of Nevada and the wild horses and burros located within its borders; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Legislature of the State of Nevada hereby supports the proposed creation of a program to control the fertility of wild horses and burros on public lands and the establishment of a national center for wild horses and burros in Northern Nevada; and be it further

"*Resolved*, That the Bureau of Land Management and the United States Forest Service are hereby encouraged to expedite the establishment of these projects; and be it further

"*Resolved*, That Congress is hereby urged to provide adequate funding for the creation of such a program and the establishment of such a center in Northern Nevada; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Secretary of the Interior, the Director of the Bureau of Land Management, the Chief of the United States Forest Service, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, each member of the Nevada Congressional Delegation and the Commission for the Preservation of Wild Horses; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-116. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Energy and Natural Resources.

"SENATE JOINT RESOLUTION NO. 11

"Whereas, The Western Area Power Administration of the United States Department of Energy owns, operates and maintains a 230-kilovolt transmission system in southern Nevada, extending from the 230-kilovolt bus at Mead Substation to Basic Substation, and including Amargosa Substation, Basic Substation, Clark Tie, and the Hoover-Basic, Hoover-Mead and Mead-Basic transmission lines, for the purpose of transmitting electricity to the State of Nevada through the Colorado River Commission; and

"Whereas, The Western Area Power Administration, as the entity which manages the federal network for the transmission of electricity in the western United States, plans to replace a portion of the 230-kilovolt transmission system with other facilities which would not adequately meet the requirements for electricity of the residents of southern Nevada; and

"Whereas, Upon the completion of the facilities that have been planned to replace a portion of the 230-kilovolt transmission system, the Western Area Power Administration intends to operate the 230-kilovolt transmission system in a manner which would not maximize the efficiency of the transmission of electricity in southern Nevada; and

"Whereas, Since 1990, the rates for the transmission of electricity from the 230-kilovolt transmission system have substantially increased and additional increases in the rates are planned for the near future; and

"Whereas, Transferring the ownership of the 230-kilovolt transmission system from the Western Area Power Administration to the Colorado River Commission would reduce the expenses of Western Area Power Administration relating to the operation and maintenance of its network for the transmission of electricity; and

"Whereas, The customers provided electricity from the Colorado River Commission, which include five utilities that provide electricity to all of Clark and Lincoln counties and part of Nye County, have formally requested that the Commission acquire the 230-kilovolt transmission system from the Western Area Power Administration; and

"Whereas, The Colorado River Commission has the statutory authority to purchase facilities for the generation or transmission electricity for the greatest possible benefit to this state, and the Commission has determined that it is in the best interests of this state for the Commission to acquire the 230-kilovolt transmission system; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada, jointly*, That the Nevada Legislature urges Congress and the President of the United States to adopt legislation authorizing the transfer of all property and improvements, including equipment, structures and rights of way, associated with the 230-kilovolt transmission system in southern Nevada extending from the 230-kilovolt bus at Mead Substation to Basic Substation, from the Western Area Power Administration to the Colorado River Commission on behalf of the State of Nevada; and be it further

"*Resolved*, That the Secretary of the Senate prepare and transmit copies of this resolution to the President of the United States, the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-117. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources.

"HOUSE JOINT MEMORIAL NO. 6

"Whereas, western United States territories, before and after joining the Union of States, presented unique transportation and settlement challenges with little or no governmental oversight; and

"Whereas, the 1800's saw this western settlement occur with sometimes unorganized surges of immigrants who had no governmental authority to guide them in the establishment of roads, schools, village boundaries, township lines and related infrastructure; and

"Whereas, economic opportunities attracted thousands of settlers who traversed the lands in search of gold and other minerals, furs and homesteads and who caused to be constructed roads, paths and trails for the common use; and

"Whereas, Congress in 1866 amended the mining law in order to recognize legal rights-of-way for those roads, paths and trails by adding Section 2477, commonly referred to as Revised Statute 2477; and

"Whereas, many of the surface trails for horses, dog teams and man became permanent transportation links between settlements; and

"Whereas, the phases of exploration, settlement and transportation did occur concurrently, in intervening years, and in current times in Alaska and other western states where the Revised Statute 2477 grants are still applicable; and

"Whereas, there is a growing threat to surface access to private "inholding" properties in some conservation units, certain national parks and wildlife designations, and in other federal land withdrawals; and

"Whereas, there are increased efforts to pressure Congress to extinguish the Revised Statute 2477 authorization and grants.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein*, That we urge Congress to recognize its legal and historic commitment, under Revised Statute 2477, to rights-of-way access to unreserved, or formerly unreserved, public lands.

"*Be it further resolved*, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho, in the Congress of the United States."

POM-118. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources.

"HOUSE JOINT MEMORIAL NO. 4

"Whereas, on February 4, 1992, the National Parks and Conservation Association and the Hells Canyon Conservation Council jointly called for a special congressionally-authorized study to evaluate prospects for the proposed Hells Canyon National Park/Chief Joseph National Preserve; and

"Whereas, the proposal asked Congress to do a study to consider creating a 1.52 million acre complex of two national parks, a new recreation area and a national preserve; and

"Whereas, Forest Service officials, who currently manage the area, and agricultural officials have the opinion that if the proposed land became a national park/reserve, it would be detrimental to the biodiversity of the area due to the far greater amount of people impacting the land; and

"Whereas, the National Parks Service lacks money to adequately oversee existing parks, let alone be able to fund a new park to the system; and

"Whereas, multiple use of the area such as ranching, logging, mining, and power boating has worked well, we want to continue these activities which would be prohibited in a park; and

"Whereas, there are large areas of trees existing now that are disease infested and prohibiting these areas from management would create a greater hazard for wildfires; and

"Whereas, increased tourism will not make up for the loss of natural resource jobs.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* go on record as being against any proposal for a national park in the Hells Canyon area.

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-119. A concurrent resolution adopted by the Legislature of Hawaii; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 118

"Whereas, in recent years, the number of federal "riders" or conditions attached to federal funds earmarked for the states has increased dramatically; and

"Whereas, these riders threaten the state with subsequent loss of the federal funds if the state does not adopt certain policies or laws; and

"Whereas, this practice of conditional funding, impacting non-compliant states in a significantly negative way; amounts to de facto extortion and greatly diminishes the states' abilities to manage their own affairs; and

"Whereas, a recent federal law requires states to revoke or suspend the driver's licenses of all convicted drug offenders or risk losing part of their federal highway funds is only the latest instance in which states are being coerced to adopt an externally imposed measure; and

"Whereas, the law contains a nullification clause that provides that federal funds would not be withheld if both the Governor and the State Legislature provide written certification that they are opposed to the federal law requiring states to enact a mandatory driver's license revocation or suspension law; and

"Whereas, because the first certification of compliance is required by April 1, 1993, the Legislature and the Governor must act this year to reject the federal mandate; now, therefore,

"*Be it resolved by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, the Senate concurring,* That the federal government's use of monetary penalties to coerce states to adopt federal laws and implicitly, federal ideologies is vilified as a violation of the philosophy of state's rights and the very concept of federalism upon which this nation is based; and

"*Be it further resolved,* That federal law 23 U.S.C. §519(a)(3)(A) which requires states, in the absence of compelling circumstances warranting an exception, to revoke or suspend the driver's licenses of drug offenders or suffer the loss of part of their federal funds is specifically rejected as an unwelcome and offensive intrusion by the federal government into the rights of the states to manage their own affairs; and

"*Be it further resolved,* That the adoption of this Concurrent Resolution serve as written certification that the Legislature of the State of Hawaii is opposed to the federal law which requires states to enact or enforce a law requiring the revocation, or suspension for at least six months, of the driver's license of any individual who is convicted of any violation of the Controlled Substances Act or any drug, offense, or a delay in the issuance or reinstatement of a driver's license to such an individual for at least six months after the individual applies for the issuance or reinstatement of a driver's license if the individual does not have a driver's license, or the license of the individual is suspended, at the time the individual is convicted, as described in 23 U.S.C. §159(a)(3)(A); and

"*Be it further resolved,* That certified copies of this Concurrent Resolution be transmitted to the President of the United States, the Secretary of Transportation, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of Hawaii's Congressional Delegation, and the Governor of the State of Hawaii."

POM-120. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE JOINT MEMORIAL NO. 3

"Whereas, the people of the State of Idaho are diligent, hardworking citizens who exemplify the characteristics which typify the spirit of America; and

"Whereas, Idahoans, like people throughout America, have experienced the challenges posed by economic slowdown, and are anxious now to return to the work of building America; and

"Whereas, under the auspices of the Endangered Species Act, the Bruneau Hot Springs Snail (Pyrgulopsis bruneauensis) has been listed as endangered; and

"Whereas, the Endangered Species Act requires the determination for listing a species be based upon the best scientific data available; and

"Whereas, scientific data showing additional colonies of the Bruneau Hot Springs Snail (Pyrgulopsis bruneauensis) was not considered in the listing of this species as endangered, thus placing this listing in a questionable position.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That we urge the United States Fish and Wildlife Service to withdraw the endangered listing under the auspices of the Endangered Species Act for the Bruneau Hot Springs Snail (Pyrgulopsis Bruneauensis).

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Honorable Bill Clinton, the Secretary of the United States Department of Interior, Bruce Babbitt, the President of the Senate and Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-121. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE JOINT MEMORIAL NO. 2

"Whereas, the people of the state of Idaho are diligent, hard working citizens who exemplify the characteristics which typify the spirit of America; and

"Whereas, Idahoans, like people throughout America, have experienced the challenges posed by economic slow down, and are anxious now to return to the work of building America; and

"Whereas, within the operation of the Endangered Species Act, various species in Idaho have been studied, listed or protected; and

"Whereas, the protection afforded by the Endangered Species Act is important to maintaining the quality of life which we treasure in Idaho; and

"Whereas, recent conflicts involved in protection of various species have raised important issues regarding the necessity of considering and protecting social and economic welfare along with environmental welfare; and

"Whereas, it is in the interests of Idahoans and citizens of the nation that we resolve these conflicts to the advantage of all concerned.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That we do hereby urge the administration to propose and the Congress to enact appropriate revisions to the Endangered Species Act which give the necessary consideration to social and economic issues faced by the people who live and work in Idaho. Every alternative must be examined for ways to assure that the economic impact of listings under the Endangered Species Act be given full consideration along with the need and justification for protection.

"*Be it further resolved,* That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward a copy of this Memorial to the President of the United States, the Honorable Bill Clinton, the Secretary of the United States Department of Interior, Bruce Babbitt, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-122. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 33

"Whereas, in recent years the number of federal riders or conditions attached to federal funds earmarked for the states has increased dramatically; and

"Whereas, these riders threaten the states with subsequent loss of the federal funds if they do not adopt certain policies or laws; and

"Whereas, according to the National Governors' Association, states currently face thirteen different financial penalties under which they can lose from five to one hundred percent of their highway funds for failure to comply with federal requirements; and

"Whereas, the government of the United States has a difficult time conceiving of the proposition that each state is a sovereign general purpose government and the proposition that the government of the United States is a limited purpose government; and

"Whereas, it is imperative that the State of Idaho assist in the education of the government of the United States with regard to the concept of sovereignty of the states; and

"Whereas, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, the Congress of the United States has man-

dated that the Secretary of Transportation is required to withhold five percent of a state's portion of the federal aid to highways funds where the state has not enacted a law which complies in every respect with the federal concept of revoking or suspending the driving privileges of convicted drug offenders; and

"Whereas, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, the Congress of the United States has provided that so as not to lose its federal aid to highways funds a state's legislature may adopt a resolution expressing its opposition to being coerced by the federal government into enacting a law to revoke or suspend the driving privileges of convicted drug offenders; and

"Whereas, in order not to lose federal aid to highway funds, the governor of the state must also certify to the Secretary of Transportation that his state is opposed to being forced by the federal government into the enactment and enforcement of a law revoking or suspending the driving privileges of convicted drug offenders solely for the purpose of avoiding federal sanctions.

"*Now, therefore, be it resolved by the members of the First Regular Session of the Fifty-second Idaho Legislature, the House of Representatives and the Senate concurring therein,* That the Idaho Legislature certifies to the Secretary of Transportation, under the provisions of Section 333 of the Department of Transportation and Related Agencies Appropriations Act of 1991, that it is opposed to the enactment and enforcement of a law relating to the revocation, suspension, issuance and reinstatement of the driving privileges of persons convicted of violations of the Idaho Uniform Controlled Substances Act simply for the purpose of complying with another federal mandate; and

"*Be it further resolved* That the Idaho Legislature, so as not to lose federal aid to highways funds, and in order to help the government of the United States understand its limited mission, urges the Governor of the State of Idaho also to certify to the Secretary of Transportation that this state is opposed to being forced by the federal government to enact and enforce a law revoking or suspending the driving privileges of convicted drug offenders; and

"*Be it further resolved* That certified copies of this Concurrent Resolution be transmitted to the Secretary of Transportation, the President of the Senate and the Speaker of the House of Representatives of Congress, the congressional delegation representing the State of Idaho in the Congress of the United States and the Governor of the State of Idaho."

POM-123. A concurrent resolution adopted by the General Assembly of the State of Indiana; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION 75

"Whereas, the 1991 Federal Intermodal Surface Transportation Efficiency Act, P.L. 102-240, Section 1105(c)(18), designated Indianapolis through Bloomington and Evansville, Indiana to Memphis, Tennessee, as a National High Priority Corridor and appropriated $23,700,000 to be spent over the next six years on engineering, location and design studies on a portion of this corridor which extends Interstate 69 southwestward from Indianapolis to Memphis.

"Whereas, the United States Department of Transportation Appropriation Act of 1993, P.L. 102-388, Section 351, extends the National High Priority Corridor from Memphis, Tennessee, through Shreveport and Bossier City, Louisiana, to Houston, Texas, where another National High Priority Corridor continues to Laredo, Texas, and to the Republic of Mexico; and

"Whereas, construction of a highway built to Interstate standards along a corridor extending from the city of Indianapolis to Houston and to the Republic of Mexico would greatly enhance the economic well-being of the United States; and

"Whereas, the region served by this highway represents the largest and most diverse concentration of manufacturing capacity anywhere in the world and that forty percent of the manufacturing output of this nation is produced in the ten states served by this highway; and

"Whereas, a unique combination of circumstances magnifies the importance of the highway beyond that of any major transportation project undertaken in more than two decades; and

"Whereas, with the recent signing and eventual ratification of the free trade agreement between the United States, Mexico and Canada, the way will be open for much closer economic ties between the three major powers on the North American Continent; and

"Whereas, by the accident of geography, the most direct surface transportation link between the major centers of population and production in Canada and Mexico happens to be the I-69 Mid-Continent Highway through the center of Indiana; and

"Whereas, manufacturing industries located along the road in the United States will have improved access to markets for their products in these countries and, furthermore, have greater access to productive resources in these countries which will contribute significantly to their competitiveness in both domestic and foreign markets; and

"Whereas, the highway has the potential to be the most important addition to the Interstate System since the original basic system grid was laid out in the 1950's because of its tremendous economic impact; and

"Whereas, the number of jobs created in industries such as transportation; food; lodging; entertainment; retail trade and tourism as well as construction could easily number 5,000, perhaps significantly more; and

"Whereas, it will contribute significantly to the efficiency and productivity of businesses using the highway and the cost savings they realize; and

"Whereas, construction of this highway will replace miles of outmoded and unsafe roads in 13 southwest Indiana counties on which, according to the Indiana State Police, 4,214 persons have been killed and 215,356 injured in traffic accidents from 1972 to 1991; and

"Whereas, the most significant locational effect will be increased growth and development in depressed rural areas along the route because these counties are not presently well served by modern transportation systems. Now, therefore,

"*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

"Section 1. That the House of Representatives urge the Congress to take speedy and appropriate action to ensure that Interstate 69 will be extended along a National Highway Priority Corridor from Indianapolis through Bloomington and Evansville, Indiana; Western Kentucky; Western Mississippi; Southern Arkansas to Shreveport; to Houston and the Republic of Mexico, and that adequate funding to plan and construct this highway should be authorized and appropriated.

"Section 2. That the Principal Clerk of the House of Representatives shall transmit copies of this Resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of Transportation and all members of the Indiana Congressional delegation."

POM-124. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Environment and Public Works.

"HOUSE CONCURRENT RESOLUTION NO. 5020

"Whereas, The United States Environmental Protection Agency has established October 9, 1993, as the effective date for all minimum federal criteria for municipal solid waste landfills except the financial assurance criteria which are effective April 9, 1994; and

"Whereas, The Environmental Protection Agency required seven years to adopt these criteria in response to the 1984 Hazardous and Solid Waste Amendments to the Resource and Conservation Recovery Act; and

"Whereas, Only two years' time was allowed the states to adopt necessary rules and regulations and implement measures to comply with the criteria; and

"Whereas, The state of Kansas and its citizens have made a good faith effort to comply with the federal requirements; and

"Whereas, The criteria may require solid waste transfer stations and regional landfills to be established, which would cost counties between $300,000 and $2,000,000, more than the 1% increase in county budgets considered by the Environmental Protection Agency to be a significant economic impact that may exceed the practicable capacity of many counties; and

"Whereas, The problems that areas have low density population face in complying with the federal requirements cannot be resolved within the time allowed for compliance: Now, therefore,

"*Be it resolved in the House of Representatives of the State of Kansas, the Senate concurring therein:* That the Legislature urges Congress to extend the effective date of the financial assurance criteria for municipal solid waste landfills (40 CFR part 258, subpart G) to April 9, 1996, and to extend the effective date for the state to implement all other minimum federal criteria for municipal solid waste landfills (40 CFR part 258, subparts A through F) to October 9, 1995; and

"*Be it further resolved:* That the Legislature urges Congress to take appropriate action to assure that no municipal solid waste landfill unit shall be considered an open dump under the Resource Conservation and Recovery Act by reason of failure to comply with the new minimum federal criteria for municipal solid waste landfills (40 CFR part 258) until on or after October 9, 1995, unless the landfill unit does not comply with the federal criteria which were in effect on October 8, 1991; and

"*Be it further resolved:* That the Secretary of State be directed to send enrolled copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, all members of the congressional delegation from the State of Kansas, the Administrator of the United States Environmental Protection Agency and the Regional Administrator, Region VII, of the United States Environmental Protection Agency."

POM-125. A concurrent resolution adopted by the Legislature of the State of Louisiana;

to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 115

"Whereas, original plans for the construction of Interstate 10 included two lanes exiting the Mississippi River Bridge going east from the western side of the river; and

"Whereas, such plans were changed resulting in a single lane exit going east across the Interstate 10 Mississippi River Bridge; and

"Whereas, such exit is the only single-lane exit on the national interstate highway system; and

"Whereas, the effect of such planning has resulted in the need for three lanes of traffic to converge into one lane in a very short time span; and

"Whereas, the continued development and growth of the metropolitan Baton Rouge area, West Baton Rouge Parish, and the surrounding area parishes has meant increased traffic congestion, both private and commercial, crossing the Mississippi River Bridge and entering Interstate 10 south; and

"Whereas, the poorly planned, single-lane access is inadequate impeding traffic flow on a daily basis resulting in seemingly interminable traffic jams and accidents endangering the welfare and safety of those persons required to travel across the bridge.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to study the traffic problem at Interstate 10 traveling from the western region of the state eastwardly across the Mississippi River Bridge and take whatever steps are necessary to correct the problem.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-126. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION NO. 106

"Whereas, the United States Army Corps of Engineers, New Orleans District, under the authority of a resolution adopted on April 30, 1992, by the Committee on Public Works and Transportation of the United States House of Representatives, is initiating a comprehensive water and related land resources study of the area bounded by the west bank Mississippi River levee on the north, the Bayou Lafourche ridge on the east, and the East Atchafalaya Basin Protection levee on the west, from Morganza, Louisiana, to the Gulf of Mexico; and

"Whereas, such study will address flood control, hurricane protection, navigation improvements, wetlands conservation and restoration measures, wildlife habitat improvements, commercial and recreational fishing enhancement and improvements designed to provide freshwater and sediment diversion within the study area; and

"Whereas, the area to be studied has suffered significant damage due to increased rainfall and hurricanes; and

"Whereas, immediate assistance in and solutions to these problem areas are essential to the well-being of the area and the safety of its residents.

"*Therefore, be it resolved*, That the Legislature of Louisiana memorializes the United States Congress to take all necessary steps to expedite the study and report of the United States Army Corps of Engineers relative to comprehensive water and related land resources from Morganza, Louisiana, to the Gulf of Mexico.

"*Be it further resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-127. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Environment and Public Works.

"JOINT RESOLUTION

"Whereas, the State of Maine has previously enacted legislation, commonly referred to as the Maine Endangered Species Act, aimed at protecting and promoting the recovery of threatened and endangered species, in part through evaluation of activities that affect habitat essential to those species; and

"Whereas, that legislation has made possible significant progress in restoration of the bald eagle population and that of other endangered species, and the continued success of these critical conservation efforts and similar efforts in states across the nation depends on federal support under the federal Endangered Species Act; and

"Whereas, Congress is considering legislation this year to reauthorize the federal Endangered Species Act; and

"Whereas, biodiversity, the fundamental objective of federal and state endangered species laws, ensures preservation and sustainable use of ecosystems upon which the well-being and natural heritage of the people of our State and of all Americans depend; and

"Whereas, experience at both federal and state levels has shown that this vital conservation effort has not significantly impeded economic growth, as only one project reviewed under Maine's endangered species habitat protection laws and 18 of 17,650 projects under federal endangered species review from 1987 to 1991 have been prevented due to endangered species concerns; and

"Whereas, state and federal endangered species laws involve economic and social considerations beyond the biological question of whether a species should be listed; and

"Whereas, despite concerted state and federal efforts, dozens of species across the nation are at increased risk of extinction due to delays in the federal listing process, inadequate funding for states, stalled efforts to designate habitats necessary for the recovery of species and inadequate enforcement; now, therefore, be it

"*Resolved*, That, We, your Memorialists, take this occasion to urge the Congress of the United States to reauthorize the federal Endangered Species Act with provisions to streamline the bureaucratic process for listing threatened and endangered species, to improve critical habitat designation and enhance recovery planning efforts, to ensure adequate funding for vital conservation activities at all levels, to strengthen enforcement provisions and to broaden the scope of the Act to prevent further degradation of biodiversity; and be it further

"*Resolved*, That suitable copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William Clinton, President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of the Maine Congressional Delegation."

POM-128. A resolution adopted by the Hamilton County, Tennessee Board of Commissioners relative to the Chickamauga Lock; to the Committee on Environment and Public Works.

POM-129. A resolution adopted by the Henry County, Tennessee Board of Commissioners relative to the proposed Interstate 69 extension; to the Committee on Environment and Public Works.

POM-130. A resolution adopted by the House of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE RESOLUTION NO. 65

"Whereas, the Port of Hampton Roads is the world's leading exporter of coal, in 1992, 60,300,000 tons of coal were exported through the Port of Hampton Roads; in 1992, there were 2,971 vessel arrivals at the Port of Hampton Roads; and the Port is continuously engaged in international competition for such trade; and

"Whereas, to enhance the Port's competitive position, certain channels were dredged to a depth of 50 feet so as to permit the larger colliers to load at the Port; and

"Whereas, since a significant number of colliers load to a depth of up to 50 feet, there are no adequate deep draft anchorages; and

"Whereas, there are presently insufficient anchorage grounds within the Port of Hampton Roads for vessels with a 50-foot draft; now, therefore, be it

"*Resolved by the House of Delegates*, That the Congress of the United States be hereby memorialized speedily to take all necessary steps to provide for the dredging of anchorages in Hampton Roads having a minimum depth adequate to safely maneuver and accommodate 50-foot draft vessels; and, be it

"*Resolved further*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the United States Congress that they may be apprised of the sense of the House of Delegates in this matter."

POM-131. A joint resolution adopted by the Legislature of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION NO. 567

"Whereas, on October 9, 1992, the United States Environmental Protection Agency promulgated new regulations pursuant to Subtitle D of the Federal Resource Conservation and Recovery Act (RCRA) which establish stringent standards for the location, design and operation of solid waste landfills; and

"Whereas, financial assurance requirements will require local governments to demonstrate the ability to meet the financial costs of closure, 30-year postclosure monitoring, and corrective action; and

"Whereas, financial assurance requirements are expected to impose extreme and unnecessary financial burdens upon local governments; and

"Whereas, local governments will require additional time to develop strategies for meeting financial, assurance requirements; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States is hereby memorialized to direct the United States Environmental Protection Agency to restore the exemption of local governments from demonstrating fi-

nancial assurance regarding the ability to meet the financial costs of closure, postclosure monitoring and corrective actions at solid waste landfills; and, be it

Resolved further, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Virginia Congressional Delegation so that they may be apprised of the Sense of the General Assembly."

POM-132. A joint resolution adopted by the Legislature of the General Assembly of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION NO. 514

"Whereas, in 1991, 130,000 volunteers collected 2,878,913 pounds of trash from 4,347 miles of beach in a three-hour nationwide effort, with 1,211 volunteers in Virginia collecting 18,027 pounds from 56 miles of beach; and

"Whereas, sources of the trash collected include United States-operated vessels, commercial garbage/trash vessels, foreign vessels, commercial fishing vessels, merchant shipping vessels, offshore platforms, passenger vessels and recreational and sport fishing vessels; and

"Whereas, the international agreement known as the London Dumping Convention (LDC), which was adopted by the United States through the Maine Protection, Research, and Sanctuaries Act (MPRSA), regulates, while allowing, the ocean dumping of material taken to sea for that purpose while recognizing the need to continue ocean dumping of dredged spoils from rivers, bays, and harbors; and

"Whereas, Annex V of the International Convention for the Prevention of Pollution from Ships (MARPOL), which was adotped by the United States through the Marine Plastic Pollution Research and Control Act (MPPRCA), prohibits the disposal into the oceans of all plastics and regulates, while allowing at certain distances from shore, the disposal of other refuse produced incidental to the operation of a vessel; and

"Whereas, the MPPRCA applies to all United States vessels anywhere they are located and to foreign vessels found within the United State's 200 mile Exclusive Economic Zone and United States navigable waters, but exempts until the end of 1993 warships, naval auxiliary vessels and other noncommercial ships operated by the United States; and

"Whereas, the LDC, MARPOL, MPRSA and MPPRCA have provisions for the enforcement of their prohibitions; and

"Whereas, these national and international efforts have failed to solve the problems of trash and debris washing onto the shores of the Commonwealth and other coastal states of the nation; and

"Whereas, trash washed ashore injures humans and wildlife, degrades coastal areas and necessitates the expenditure of funds and effort to clean up coastal areas; and

"Whereas, increased enforcement efforts by the states, total bans on ocean disposal by the states and the federal government, and increased public education and citizen participation in reporting violations of the laws and agreements relating to ocean disposal would help to alleviate this problem; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States be memorialized to take action to ban all ocean dumping whether such material is taken onto the seas for that purpose or is generated incidental to the operation of a vessel and to repeal the exemption from MARPOL of warships, naval auxiliary vessels and other noncommerical ships operated by the United States; and, be it

"*Resolved further*, That the coastal states of the United States be memorialized to take action which will ban ocean dumping of materials generated within their borders or created incidental to the operation, of vessels in their waters; and, be it,

"*Resolved further*, That the coastal states of the United States by memorialized to take educational and enforcement actions which will aid in the implementation of the prohibitions against the disposal onto the oceans; and, be it.

"*Resolved finally*, That the Clerk of the House of Delegates transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Virginia Congressional Delegation and the Governors of the coastal states of the United States so that they may be apprised of the sense of the General Assembly."

POM-133. A joint resolution adopted by the General Assembly of the State of Vermont; to the Committee on Environment and Public Works.

"JOINT RESOLUTION NO. 45

"Whereas, Vermont has established ambient air standards for 382 hazardous contaminants, and

"Whereas, such standards prohibit the emission of any hazardous air contaminant from a stationary source if local ambient air levels exceed the levels established by regulation, or if such emission would cause ambient air concentrations to exceed the levels established by regulation, and

"Whereas, ambient air quality in Vermont is greatly affected by emission in other states, over which Vermont has no control, and

"Whereas, there is a great need for national uniformity in ambient air standards, and

"Whereas, the Clean Air Act Amendments of 1991 gave the Environmental Protection Agency the authority to establish ambient air standards which would apply to all states, and

"Whereas, the Environmental Protection Agency has exercised its authority on only a limited number of hazardous air contaminants, and

"Whereas, clean air is an essential factor to the health and quality of life of Vermonters, and

"Whereas, clean air is essential to a healthy economy, now therefore be it

"*Resolved by the Senate and House of Representatives:* That the Environmental Protection Agency should move expeditiously to establish federal ambient air standards for a broad range of hazardous air contaminants, and be it further

"*Resolved:* That the Vermont Congressional Delegation should work towards providing the Environmental Protection Agency with the necessary resources to prepare federal ambient air standards, and be it further

"*Resolved:* That the Secretary of State is directed to send copies of this resolution to the Vermont Congressional Delegation, the President of the United States, the Vice President of the United States and the Director of the United States Environmental Protection Agency."

POM-134. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public Works.

"HOUSE JOINT MEMORIAL 4003

"Whereas, As many as fifteen million wild salmon used to return annually to the Columbia-Snake River system; and

"Whereas, Currently only about two million five hundred thousand salmon return each year; and

"Whereas, Wild salmon are important to the environmental and cultural heritage of the citizens of the State of Washington; and

"Whereas, Certain species of salmon have been designated as threatened or endangered under the authority granted by the Federal Endangered Species Act; and

"Whereas, Fisheries biologists from a variety of disciplines have identified a range of causes of mortality at each stage of the salmon's life cycle, and have agreed that recovery measures must address causes of mortality at each stage of the life cycle; and

"Whereas, Your Memorialists recognize that successful implementation of the comprehensive regional salmon recovery plan will require sacrifices by all economic stakeholders and substantial investment by the citizens of the region; and

"Whereas, The Columbia-Snake River system provides substantial economic benefits to the citizens of the State of Washington in the areas of agriculture, navigation, fisheries, energy, industry, recreation, and flood control; and

"Whereas, Stream flow augmentation is generally believed to provide biological benefits to migrating salmon, but there is continued uncertainty regarding the biological benefits to salmon of flow augmentation achieved by drawing down reservoir levels below minimum operating pool; and

"Whereas, Drawdowns below minimum operating pool on the Snake River, conducted in March 1992 for the limited purpose of evaluating impact to physical structures and facilities, caused the loss of resident fish, altered wildlife habitat, and increased risks of predation, disrupted navigation, and caused physical property damage to public and private facilities; and

"Whereas, Salmon migrating upstream to spawn are unable to pass through fish ladder systems when reservoirs are maintained at levels substantially below minimum operating pool; and

"Whereas, Drawing down Columbia-Snake River system reservoirs below minimum operating pool for extended periods causes substantial economic impacts, including increased costs for Washington's agricultural producers and shippers which jeopardize their ability to compete in global markets; and

"Whereas, Maintaining reservoir levels at minimum operating pool, with modifications to existing irrigation pump stations on the John Day reservoir, enables the river system to support critical economic activity;

"Now, therefore, Your Memorialists respectfully pray that the officials charged with developing the regional salmon recovery plan carefully consider the biological needs of endangered salmon species, and before drawing down reservoirs below minimum operating pool as part of the regional salmon recovery plan, give the strongest consideration to the economic impact of such drawdowns on the citizens of the State of Washington; and

"*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable Bill Clinton, President of the United States, the Director of the National Marine Fisheries Service, the Assistant Secretary of

the Army for Civil Works, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-135. A joint resolution adopted by the Legislature of the Northern Marianas Commonwealth; to the Committee on Environment and Public Works.

"HOUSE JOINT RESOLUTION 8-16

"Whereas, the Federal Government has enacted the "Fiscal Year 1991 United States Department of Transportation Appropriation Act" which mandates withholding of federal aid to highways in the Commonwealth unless the Commonwealth Legislature and the Governor act pursuant to Section 333 of that law (23 U.S.C. Section 159) to enact legislation requiring the revocation or suspension of an individual's drivers license upon conviction of any drug related offense; and

"Whereas, while drug abuse is a very serious problem in need of urgent attention and remedy, the imposition of federal highway fund sanctions upon the Commonwealth does not appropriately address or respond to the problem; and

"Whereas, the Commonwealth Government is immediately responsive to the needs of its unique culture and population, and as such is more qualified to regulate and control the privilege of operating motor vehicles upon Commonwealth roads and highways; and

"Whereas, the enactment of Public Law 7-46 recently increased penalties for drug related offenses in the Commonwealth; and

"Whereas, legislation is currently pending which would impose sanctions virtually identical to those required under 23 U.S.C. Section 159; and

"Whereas, the Commonwealth does not currently possess the technological capability for state to state and state to federal exchanges of drug conviction data required under 23 U.S.C. Section 159; and

"Whereas, 23 U.S.C. Section 159(a)(3)(B)(ii) states that the Commonwealth of the Northern Mariana Islands may avoid federal sanctions by submitting an approved and certified joint resolution of both Houses of the Commonwealth Legislature expressing opposition to the application of that Act to the Commonwealth; now; therefore

"*Be it resolved by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring*, That the Legislature hereby expresses its opposition to the enactment and enforcement within the Commonwealth of the Northern Mariana Islands of a law which would conform to all federal compliance criteria under 23 U.S.C. Section 159; and

"*Be it further resolved*, That this resolution is intended to satisfy the requirement under 23 U.S.C. 159(a)(3)(B)(ii) which will protect the Commonwealth of the Northern Mariana Islands from the loss of Federal Highway funds under 23 U.S.C. 159(a)(3); and

"*Be it further resolved* by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring, that the Legislature shall require that the Department of Public Works shall conduct public hearings in each of the senatorial districts once per year to address the expenditure of federal highway funds appropriated to the Commonwealth; and

"*Be it further resolved* by the House of Representatives of the Eighth Northern Marianas Commonwealth Legislature, the Senate concurring, that the Legislature shall require that a minimum of one-eighth of such funds shall be allocated each to the First and Second Senatorial Districts for highway projects in those districts; and

"*Be it further resolved* that the Speaker of the House of Representatives and the President of the Senate shall certify and the House Clerk and the Senate Legislative Secretary shall attest to the adoption of this joint resolution and thereafter transmit certified copies to the President of the United States; the Governor of the Commonwealth of the Northern Mariana Islands; the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; the U.S. Secretary of Transportation; and to the Resident Representative to the United States."

POM-136. A resolution adopted by the Municipal Assembly of the City of Mayaguez, Puerto Rico relative to Section 936 of the Federal Internal Revenue Code; to the Committee on Finance.

POM-137. A resolution adopted by the Board of Clark County, Illinois relative to the proposed Btu tax; to the Committee on Finance.

POM-138. A resolution adopted by the City Council of the City of Keene, New Hampshire relative to the proposed Btu tax; to the Committee on Finance.

POM-139. A resolution adopted by the Board of Commissioners of Yadkin County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

POM-140. A resolution adopted by the Board of Commissioners of Beaufort County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

POM-141. A resolution adopted by the Board of Commissioners of Lenoir County, North Carolina relative to cigarette sales taxes; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 409. A bill to extend the terms of various patents, and for other purposes (Rept. No. 103-64).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 577. A bill to resolve the status of certain lands relinquished to the United States under the Act of June 1897 (30 Stat. 11, 36), and for other purposes (Rept. No. 103-65).

By Mr. MOYNIHAN, from the Committee on Finance, without amendment:

S. 1003. A bill to provide authority for the President to enter into trade agreements to conclude the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade, to extend tariff proclamation authority to carry out such agreements, and to apply Congressional "fast track" procedures to a bill implementing such agreements (Rept. No. 103-66).

Mr. MOYNIHAN. Mr. President, I am pleased to report to my colleagues that the Finance Committee today ordered favorably reported, by a vote of 18 to 2, S. 1003, a bill renewing the President's negotiating authority for the Uruguay round of multilateral trade negotiations and extending fast-track legislative procedures to a bill implementing the results of the round. I am pleased to file today the committee's report on the bill.

At the same time that the committee took up this measure, the Finance Committee also approved a letter to the President expressing the committee's views on the objectives that the United States should pursue in eight major areas of the negotiations. I ask unanimous consent that a copy of the committee's letter be placed in the RECORD.

Mr. President, it was the consensus of the committee that the President should be granted his request for fast-track authority in order to make one final attempt to conclude the Uruguay round negotiations. The President's goal, endorsed by the committee, is to conclude the round by mid-December. The committee's bill would, indeed, require that the President do so if he wants the implementing bill for the round to benefit from our fast-track legislative procedures. Under the bill, the President must notify the Congress by December 15, 1993, of his intention to enter into the agreement, and actually sign it before April 16, 1994.

United States Trade Representative Kantor has reported to the committee that there is a ray of hope in the Uruguay round. The administration is working with our major trading partners to try to complete a market access package by the time of the G-7 summit in early July. Under the best of circumstances, this would be a formidable task. But it will be an impossible task if the Congress does not grant the President the authority to negotiate.

By today's action, the committee, by an overwhelming margin, has indicated its support for the President's request. I urge my colleagues in the Senate to approve this measure promptly, so that the President may proceed to the G-7 summit with his negotiating authority fully in hand.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, June 23, 1993.

The President,
The White House, Washington, DC.

DEAR MR. PRESIDENT: The Committee on Finance has closely monitored the progress of the Uruguay Round negotiations since they were launched at Punta del Este in September 1986. As you know, the Congress set forth the principal negotiating objectives for the Round in the Omnibus Trade and Competitiveness Act of 1988. These have been, and will continue to be, the overall benchmarks against which we will measure the outcome of these negotiations.

Since then, however, the negotiations have evolved and the issues have become more clearly defined. In particular, in December 1991, GATT Director General Arthur Dunkel tabled his "Draft Final Act," the document which has since become the basis for much of the negotiations.

It is therefore appropriate, as the Congress considers the President's request to renew negotiating authority and "fast track" procedures for the Uruguay Round, to consider once again our goals and objectives in light of the specific issues raised, or left unaddressed, in the Draft final Act. We set

forth below the views of the Committee on Finance on the goals it believes the United States should pursue with respect to eight key areas of the negotiations. It is the Committee's intention to review any final Uruguay Round agreement against these objectives, as well as the objectives set forth in the 1988 Trade Act.

First, as negotiations on market access move forward in anticipation of the July meeting of the leaders of the Group of Seven countries, the Committee reaffirms its longstanding belief that the Uruguay Round must result in more open, equitable, and reciprocal access for U.S. exporters of goods and services. With respect to manufactured products, the United States should seek an agreement that will substantially reduce tariff and non-tariff barriers to U.S. exports and eliminate tariffs where our private sector favors such an action and significant trading partners concur.

In the negotiations on services trade, the United States should seek substantial market access commitments that provide for national treatment, right of establishment, and equivalent competitive opportunities for our firms; countries that fail to make such commitments should be denied the benefits of the services agreement. In addition to a substantial reduction in existing trade barriers, the Round should also establish rules to prevent countries from erecting new ones.

Market access is also an important objective in the negotiations on agricultural trade, where we should seek to obtain meaningful commitments that will expand export opportunities for U.S. producers. In addition, we should aim for significant reductions in export subsidies and in farm support programs that distort world market prices by promoting overproduction and dumping of excess production on the world market. We should also ensure that unjustified sanitary and phytosanitary measures are disciplined, while preserving our right to maintain legitimate measures to protect health, safety, and the environment.

The government procurement negotiations also provide an opportunity for greater market access for U.S. firms. In addition to seeking to reduce barriers in foreign markets, the United States should work to expand the coverage of the Government Procurement Code and improve the fairness and transparency of administrative procedures.

The Committee continues to believe that the United States should seek a stronger GATT dispute settlement mechanism that will ensure, within set timeframes, the prompt and effective enforcement of our rights. At the same time, we must retain the ability to use our trade laws to remedy trade agreement violations and address the unfair trading practices of our competitors. In that connection, the Committee believes that dispute settlement panels hearing challenges to our antidumping or countervailing duty actions should be precluded from substituting their own judgment for the judgment of the U.S. International Trade Commission, the Department of Commerce, or U.S. courts.

The Committee strongly believes that our antidumping and countervailing duty laws must be preserved as effective tools for fighting unfair dumping and government subsidies. We are concerned, in particular, with the provisions of the Draft Final Act on standing, cumulation, cost and profit methodologies, *de minimis* exceptions, non-actionable subsidies, and the termination of antidumping and countervailing duty orders. We should seek stronger disciplines against export and domestic subsidies (including equity infusions, and natural resource and regional subsidies), as well as effective measures to prevent circumvention of antidumping and countervailing duty orders and diversionary dumping. At the same time, we should work toward greater transparency in the antidumping and countervailing duty actions taken by our trading partners, as well as a clarification of substantive rules and stronger procedural standards to prevent the misuse of these rules against U.S. exporters.

In the intellectual property negotiations, the Committee believes that our overarching goal should be an agreement that provides adequate protection and effective enforcement of all forms of intellectual property rights. We believe, however, that the Draft Final Act is deficient in several respects. The transition periods, particularly as they apply to developing countries, should be shortened. The agreement should provide for pipeline patent protection for products subject to pre-market regulatory review. The rules regarding the use of compulsory licenses should be strengthened. And the agreement should fully recognize contractual agreements and transfers, and provide for comprehensive national treatment for U.S. owners of intellectual property rights.

Finally, in the textile and apparel negotiations, we believe that the United States should ensure that all countries provide equitable access to their domestic markets and that measures are put in place to prevent such trade-distorting practices as transshipment, false declarations, smuggling, and other forms of trade rule circumvention. In addition, we believe strongly that any country that does not adhere to the overall Uruguay Round agreement should not benefit from the phase-out of the Multifiber Arrangement (MFA). We also urge you to take into consideration, in any negotiations on textile and apparel tariff reductions, the significant trade-liberalizing effect of the phase-out of the MFA, as well as the impact on employment.

We urge you to keep these objectives, along with those in the 1988 Trade Act, in mind as you work to conclude the Uruguay Round by the end of this year. We look forward to working with you as these negotiations move forward, and stand ready to provide whatever assistance or advice you may find useful.

Sincerely,

BOB PACKWOOD,
Ranking Member.
DANIEL PATRICK MOYNIHAN,
Chairman.

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment:

S. 1150. An original bill to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Sharon Porter Robinson, of Kentucky, to be Assistant Secretary for Educational Research and Improvement, Department of Education, vice Diane S. Ravitch, resigned.

Maria Echaveste, of New York, to be Administrator of the Wage and Hour Division, Department of Labor, vice Paula V. Smith, resigned.

Judith A. Winston, of the District of Columbia, to be General Counsel, Department of Education, vice Jeffrey C. Martin, resigned.

(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.)

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. DECONCINI:

S. 1144. A bill to enhance the authorities and responsibilities of the Office of National Drug Control Policy, and for other purposes; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. AKAKA):

S. 1145. A bill to prohibit the use of outer space for advertising purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 1146. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, Arizona, and for other purposes; to the Committee on Indian Affairs.

By Mr. KEMPTHORNE (for himself, Mr. BENNETT, Mr. BROWN, Mr. COATS, Mr. COVERDELL, Mr. CRAIG, Mr. DOMENICI, Mr. FAIRCLOTH, Mr. GRASSLEY, Mr. GREGG, Mr. HELMS, Mrs. KASSEBAUM, Mr. LOTT, Mr. NICKLES, Mr. MACK, Mr. MURKOWSKI, Mr. SMITH, Mr. STEVENS, Mr. THURMOND, Mr. WALLOP, Mr. HATFIELD, Mr. MCCAIN, Mr. MATHEWS, Mr. MCCONNELL, Mr. DURENBERGER, Mr. SIMPSON, and Mr. COHEN):

S. 1147. A bill to prohibit Presidential nominees from performing certain governmental functions, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BROWN (for himself, Mr. MACK, Mr. D'AMATO, Mr. SMITH, Mr. SIMPSON, and Mr. CRAIG):

S. 1148. A bill to allow for moderate growth of mandatory spending; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other have thirty days to report or be discharged.

By Mr. DOMENICI (for himself and Mr. INOUYE):

S. 1149. A bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes; to the Committee on Indian Affairs.

By Mr. KENNEDY:

S. 1150. An original bill to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable

educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes; from the Committee on Labor and Human Resources; placed on the calendar.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MITCHELL (for himself, Mr. DOLE, Mr. FORD, and Mr. SIMPSON):

S. Res. 125. Relating to the retirement of Thomas L. Nottingham; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 1144. A bill to enhance the authorities and responsibilities of the Office of National Drug Control Policy, and for other purposes; to the Committee on the Judiciary.

OFFICE OF NATIONAL DRUG CONTROL POLICY AMENDMENT ACT OF 1993

• Mr. DECONCINI. Mr. President, today I am introducing a bill which I feel is long overdue on an issue of ongoing concern for this Senator.

The time has come to shine a light on the so-called war on drugs. Historically, the Government has paid lip service to this war while those fighting in the trenches have had to rely on limited resources and support. Mr. President, there are scores of Federal, State, and local law enforcement officers, teachers, counselors, and health care professionals working at cross purposes. We tell them we want an all-out effort and then leave them dangling by a thread.

The Office of National Drug Control Policy [ONDCP], better known as the drug czar's office, was created in 1988 by the Anti-Drug Abuse Act. It was originally intended, as its commonly known name implies, to be headed up by a czar. And what does it mean to be a czar? It means to have absolute authority. This czar, from Washington, DC, is supposed to reign over a national drug control strategy that would rid our schools, playgrounds, and street corners of this plague of drugs.

Unfortunately, the original intent of this Office has been lost to rhetoric. It has been politicized, paid lip service to, and left impotent with no sustainable mission or direction. Since this Office's inception in 1988, methods to fight the drug war have constantly changed. No sooner do we develop drug control strategies than the narcotrafficker changes his methods.

This is not just a matter of being outgunned from a technical standpoint. The greater issue is the commitment at the top. All the money, resources, and technology in the world will do no good without a commitment and vision. And where does this lack of commitment and vision leave the millions of men, women, and children who die each and every year from overdoses and drug-related violence? What do we say to the thousands of children who walk to and from school each day past parks and alleys filled with drug dealers and addicts? Mr. President, it is time to change how we fight this war in Washington.

It gives me no pleasure to criticize the current administration's attitude toward this epidemic. However, I feel it is most unfortunate that the Office of Drug Control Policy has had to bear the brunt of the administration's personnel cuts. The ONDCP has gone from a staff of 112 to 25. It is beyond my comprehension how a staff reduction of this magnitude can permit this Office to fulfill the same mission. Let me add that I wholeheartedly support downsizing and reorganization during these tough budgetary times, but at what cost? Furthermore, I am very pleased with the administrations' choice of Dr. Lee Brown to head up the Office of National Drug Control Policy. However, I fear that without the administration's strong commitment, Dr. Brown will be left understaffed, underbudgeted, overworked, and ignored. A spot at the Cabinet table is no guarantee that he will have the authority he needs. I sincerely hope that the drug czar's status is not just an attempt by the administration to pacify those of us who care so deeply about this problem.

Mr. President, I have long believed that without the necessary authority to coordinate this Nation's comprehensive drug policy, the drug czar's office is largely ineffective, spending more of its time fighting turf battles than it does fighting drug smugglers. I believe the drug czar's office needs to have more flexibility in terms of putting personnel and resources where they are needed most. With that in mind, I would like to review some of the major components of the legislation I am introducing today.

First, many of the problems the drug czar's office faces stems from a lack of input and review when the varying agencies involved in the drug war submit their budgets to OMB. In order to enhance the authority of the Office, my bill would authorize the drug czar to request the head of a department or agency to include in each agency budget submission to OMB specific initiatives that are consistent with the President's priorities for the national drug control policy.

I have also included in my bill a provision which authorizes the Director of ONDCP to request the head of a department or agency to place their personnel who are engaged in drug control activities on temporary detail to another department or agency to better implement the national drug control strategy. I have included this provision because it is important that the drug czar have more control over the drug-related resources of the Government. I have also included a provision which gives the Director of ONDCP authority to transfer funds from one drug control agency to another to better combat the changing methods of the drug trafficker.

In addition, previous administrations have stockpiled ONDCP with political appointees directly affecting the Office's effectiveness. My bill would limit to 10 percent the number of political appointees in the drug czar's office. Furthermore, it would prohibit any Federal officer in ONDCP, who is appointed by the President, to make any public appearance for political campaigns. This bill also contains statutory language to elevate the Office to Cabinet level status and reauthorizes the Office for another 5 years.

Mr. President, it is my strong belief that in order to wage this so-called war on drugs, we need to give our proclaimed drug czar the tools needed to implement a comprehensive and balanced drug control strategy utilizing all the necessary resources. I believe this bill will do exactly that. I urge my colleagues to support this bill. I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 1144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATIONAL DRUG CONTROL PROGRAM BUDGET.

Section 1003(c) of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1502 et seq.) is amended—

(1) by redesignating paragraphs (5), (6), and (7), as paragraphs (6), (7), and (8), respectively; and

(2) by inserting after paragraph (4) the following new paragraph:

"(5) The Director shall request the head of a department or agency to include in the department or agency's budget submission to the Office of Management and Budget funding requests for specific initiatives that are consistent with the President's priorities for the National Drug Control Strategy and certifications made pursuant to paragraph (3), and the head of the department or agency shall comply with such a request.".

SEC. 2. CONTROL OF DRUG-RELATED RESOURCES.

Section 1003 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1502) is amended—

(1) in subsection (d)—

(A) by amending paragraph (2) to read as follows:

"(2) request the head of a department of agency to place department or agency personnel who are engaged in drug control activities on temporary detail to another de-

partment or agency in order to implement the National Drug Control Strategy, and the head of the department or agency shall comply with such a request;

(B) by striking "and" at the end of paragraph (6);

(C) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(D) by adding after paragraph (7) the following new paragraphs:

"(8) except to the extent that the Director's authority under this paragraph is limited in an annual appropriation Act by specific reference to this paragraph, transfer funds appropriated to a National Drug Control Program agency account to a different National Drug Control Program agency account in an amount that does not exceed 2 percent of the amount appropriated to either account, after having received the approval of the Committee on Appropriations of each House of Congress; and

"(9) in order to ensure compliance with the National Drug Control Program, issue to the head of a National Drug Control Program agency a funds control notice described in subsection (f)."; and

(2) by adding at the end the following new subsections:

"(f) FUNDS CONTROL NOTICES.—(1) A funds control notice may direct that all or part of an amount appropriated to the National Drug Control Program agency account be obligated by—

"(A) months, fiscal year quarters, or other time periods; and

"(B) activities, functions, projects, or object classes.

"(2) An officer or employee of a National Drug Control Program agency shall not make or authorize an expenditure or obligation contrary to a funds control notice issued by the Director.

"(3) In the case of a violation of paragraph (2) by an officer or employee of a National Drug Control Program agency, the head of the agency, upon the request of and in consultation with the Director, may subject the officer or employee to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office.

"(g) LIMIT ON NUMBER OF POLITICAL APPOINTEES.—Not more than 10 percent of the members of the officers and employees of the Office of National Drug Control Policy (including the Director, Deputy Directors, and Associate Directors) may be in positions that are—

"(1) positions of a confidential or policy-determining character under Schedule C of subpart C of part 213 of title 5, Code of Federal Regulations;

"(2) Senior Executive Service positions filled by noncareer appointees; or

"(3) positions on the Executive Schedule under subchapter II of chapter 53 of title 5, , United States Code.

"(h) PROHIBITION ON POLITICAL CAMPAIGNING.—No Federal officer in the Office of the National Drug Control Policy who is appointed by the President, by and with the advice and consent of the Senate, may use his official authority or influence for partisan political purposes.".

SEC. 3. SPECIAL FORFEITURE FUND AMENDMENTS.

(a) ESTABLISHMENT OF FUND.—Section 6073 of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509) is amended—

(1) by amending subsection (b) to read as follows:

"(b) TRANSFERS FROM OTHER FUNDS.—

"(1) DEPARTMENT OF JUSTICE DEPOSITS.—(A) On October 1 of each of fiscal years 1994, 1995, 1996, 1997, and 1998, the Attorney General shall estimate, with the concurrence of the Director, the excess unobligated balance anticipated as of September 30 in the Department of Justice Assets Forfeiture Fund established under section 524(c) of title 28, United States Code. For fiscal year 1993, the excess unobligated balance as of September 30 shall be estimated within 15 days after the date of enactment of this paragraph.

"(B) In each of fiscal years 1993, 1994, 1995, 1996, 1997, and 1998, the Attorney General shall transfer to the Fund the excess unobligated balance estimated under subparagraph (A). Such transfers shall be made at the end of each quarter of a fiscal year on a pro rata basis. In order to account for unanticipated fluctuations in the Department of Justice Assets Forfeiture Fund balance during a fiscal year, the transfer at the end of the fourth quarter of each fiscal year shall be adjusted by the Attorney General, with the concurrence of the Director, so that the transfer is equal to the actual remaining excess unobligated balance in the Department of Justice Assets Forfeiture Fund on September 30. Transfers under this subparagraph shall be made only to the extent that the aggregate amount of such transfers during a fiscal year does not exceed $150,000,000.

"(2) DEPARTMENT OF THE TREASURY DEPOSITS.—(A) On October 1 of each of fiscal years 1994, 1995, 1996, 1997, and 1998, the Secretary of the Treasury shall estimate, with the concurrence of the Director, the excess unobligated balance anticipated as of September 30 in the Department of the Treasury Forfeiture Fund established under section 9703 of title 31, United States Code. For fiscal year 1993, the excess unobligated balance as of September 30 shall be estimated within 15 days after the date of enactment of this paragraph.

"(B) In each of fiscal years 1993, 1994, 1995, 1996, 1997, and 1998, the Secretary of the Treasury shall transfer to the Fund the excess unobligated balance estimated under subparagraph (A). Such transfers shall be made at the end of each quarter of a fiscal year on a pro rata basis. In order to account for unanticipated fluctuations in the Department of the Treasury Forfeiture Fund balance during a fiscal year, the transfer at the end of the fourth quarter of each fiscal year shall be adjusted by the Secretary of the Treasury, with the concurrence of the Director, so that the transfer is equal to the actual remaining excess unobligated balance in the Department of the Treasury Forfeiture Fund on September 30. Transfers under this subparagraph shall be made only to the extent that the aggregate amount of such transfers during a fiscal year does not exceed $150,000,000.

(B) by redesignating subsections (c), (d), (e), and (f), as subsections (e), (f), (g), and (h), respectively; and

(3) by inserting after subsection (b) the following new subsection:

"(c) SUPER SURPLUS.—(1) Any unobligated balance up to $20,000,000 remaining in the Fund on September 30 of a fiscal year shall be available to the Director, subject to appropriation and subject to paragraph (2), to transfer to, and for obligation and expenditure in connection with drug control activities of, any Federal agency or State or local entity with responsibilities under the National Drug Control Strategy.

"(2) A transfer may be made under paragraph (1) only with the advance written approval of the Committee on Appropriations of each House of Congress.".

(b) CONFORMING AMENDMENTS.—

(1) DEPARTMENT OF JUSTICE ASSETS FORFEITURE FUND.—Section 524(c)(9) of title 28, United States Code, is amended—

(A) by striking subparagraph (B) and inserting the following new paragraph:

"(B) The Attorney General shall make transfers from the Fund to the Office of National Drug Control Policy's Special Forfeiture Fund in the manner provided in section 6073(b)(1) of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509(b)(1)).";

(B) by striking subparagraph (C); and

(C) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(2) DEPARTMENT OF THE TREASURY FORFEITURE FUND.—Section 9703(g) of title 31, United States Code, is amended by striking paragraphs (3) and (4) and inserting the following new paragraph:

"(3) The Secretary of the Treasury shall make transfers from the Fund to the Office of National Drug Control Policy's Special Forfeiture Fund in the manner provided in section 6073(b)(2) of the Asset Forfeiture Amendments Act of 1988 (21 U.S.C. 1509(b)(2)).".

SEC. 4. COORDINATION WITH EXECUTIVE BRANCH AGENCIES.

Section 1004 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1503) is amended—

(1) in subsection (a) by amending paragraph (1) to read as follows:

"(1) Each Federal Government program manager, agency head, or department head with responsibilities under the National Drug Control Strategy shall provide such information (including reports, memoranda, letters, studies, surveys, and information maintained in data collection systems) for purposes of drug control as the Director may request. Information shall be transmitted timely and in such manner and format as may be prescribed by the Director.";

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(3) by inserting after subsection (a) the following new subsection:

"(b) NATIONAL DRUG CONTROL DATA COLLECTION SYSTEMS.—(1) For each National Drug Control Program agency, the Director may designate certain data collection systems as being essential for drug control purposes.

"(2) The Director may require data collection systems designated under paragraph (1) to be modified in accordance with standards established by the Director to ensure appropriate scope and coverage of data collection."; and

(4) by striking subsection (c)(2) (as redesigned by paragraph (2)) and inserting the following new paragraph:

"(2) An officer or employee of a National Drug Control Program Agency shall not take any action to implement a change in the drug control policy of the agency unless the policy change has been certified in advance by the Director under paragraph (1) as being consistent with the National Drug Control Strategy.".

SEC. 5. TERMINATION OF OFFICE OF NATIONAL DRUG CONTROL POLICY.

Section 1009 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1506) is amended by striking "the date which is 5 years after the date of the enactment of this subtitle" and inserting "September 30, 1998".

SEC. 6. DIRECTOR AS A MEMBER OF THE CABINET.

The Director of National Drug Control Policy shall be a member of the President's Cabinet.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 1011 of the National Narcotics Leadership Act of 1988 (21 U.S.C. 1508) is amended by striking "4" and inserting "9".•

By Mr. JEFFORDS (for himself and Mr. AKAKA):

S. 1145. A bill to prohibit the use of outer space for advertising purposes; to the Committee on Commerce, Science, and Transportation.

SPACE ADVERTISING PROHIBITION ACT

• Mr. JEFFORDS. Mr. President, a few weeks ago a new technology was brought to my attention, that of space billboards. The technology now exists to float billboards in space that would be plainly visible from Earth. What a ghastly thought.

To give credit where credit is due, I take my hat off to the ability of this technology's architects to discern a need where I did not know one existed. Oh, but how I wish that the need for this legislation did not exist.

Without such legislation, I fear that "Moonlight in Vermont" could become "Bud Lite in Vermont."

Mr. President, there are very few places you can go without being subjected to advertising. It's on shopping carts, taxis, buses; it's in airports, on our roadsides, on blimps; it's on our clothing; it's at every public event, even the Olympics. And now, some want to put advertising in the heavens. You won't even be able to go to one of our wilderness areas now and escape commercialism.

"Imagine hiking 20 miles into the wilderness, 3 miles up on the side of a mountain. There's not a soul around. Just you, the Moon, the stars, and a beer ad." These are the words of one space advertising opponent, and what a chilling thought they bring to mind.

The heavens are a common, Mr. President, and one that should not be used for advertising.

For those who are skeptical that someone might want to advertise in space, think about this. Companies will pay $1.7 million to advertise for one minute on the Super Bowl to reach an audience of millions. A space billboard could reach billions for days. At the Superbowl rate, a space billboard is worth about $12 billion. If we don't stop this, Madison Avenue will be selling space in the heavens.

The bill I am introducing today would ban advertising in space. This legislation prohibits the Secretary of Transportation from issuing a license for the launch of any payload containing space advertising. A penalty roughly equivalent to the cost of a launch would be assessed for anyone who finds a way to violate this act. Should our foreign competitors decide to advertise in space, then the importation of their products would be prohibited. Finally, Mr. President, this legislation asks the President to seek an international agreement against the use of space for advertising. We've reached similar agreements in the past on common areas like Antarctica and would hope that, given the few countries with space launch capability, such an agreement would be easy to reach. It is my understanding that the British Government strongly supports such a prohibition.

Mr. President, over two decades ago, I helped lead the effort to remove billboards from Vermont's highways. Vermonters don't like billboards on the ground, let alone in the sky. I think my colleagues will find that most Americans are repulsed by the idea of space billboards. Thus, I see little need to take up much of my colleagues' time on this issue today. We don't need advertising in space.

I look forward to working with my colleagues on the Commerce Committee on this issue, and I hope we can move quickly on this issue.•

By Mr. McCAIN:

S. 1146. A bill to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ, and for other purposes; to the Committee on Indian Affairs.

YAVAPAI-PRESCOTT INDIAN TRIBE WATER RIGHTS SETTLEMENT ACT

• Mr. McCAIN. Mr. President, I am very pleased to introduce legislation to provide for the settlement of the water rights claims of the Yavapai-Prescott Indian Tribe in Yavapai County, AZ. This settlement is a further effort to implement the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, to settle tribal water rights claims fairly and honorably, without lengthy and costly litigation.

The original version of this legislation, which I introduced last year as S. 2975, was the subject of a hearing before the Committee on Indian Affairs. The committee subsequently amended the bill to address concerns that were raised by the administration, the State of Arizona, and other concerned parties, and the Senate passed it as amended. The text of the bill I introduce today is the same as S. 2975 as the Senate passed it, except for minor word changes requested by the settlement parties for purposes of accuracy and clarity.

The history of the Yavapai Apache Tribe in Arizona is a long story of a tenacious struggle to remain and survive on a small portion of the large area that was once considered their territory. In 1935, the United States established a reservation for the tribe adjacent to the city of Prescott. This reservation now includes 1,400 acres of land which is crossed by Granite Creek, a small stream that flows into the Verde River.

The Yavapai-Prescott Tribe's claims to water, like those of other water users in the Verde River basin, are currently before Arizona Superior Court as part of the general adjudication of the Gila River system and source. Initiated by the State of Arizona in 1978, this litigation is intended to determine the respective rights of more than 20,000 claimants who have brought more than 66,000 claims to the waters of the Gila system. As trustee for the Yavapai-Prescott Tribe, the United States has filed claims in the Gila adjudication for 2,670 acre-feet of water annually for domestic, municipal, commercial, industrial, and irrigation purposes.

The Gila adjudication, which is expected to take decades to complete, will eventually quantify and confirm the tribe's reserved water rights. In all likelihood, the water source or sources for this reserved right would be among those already used for the city of Prescott's water supply, and the tribe's water would be taken from that supply. If so, the tribe and the United States might have to build a separate water treatment and distribution system which would needlessly duplicate the city's existing system, at a cost of millions of taxpayers' dollars.

As an alternative to the uncertain and likely unsatisfactory outcomes of litigation, the tribe, the city, the Chino Valley Irrigation District, which has claims to the waters of Granite Creek, and the State of Arizona and the United States negotiated a settlement agreement to resolve all water rights claims between and among them.

The cornerstone of the settlement agreement provides for the tribe's existing water service agreement with Prescott to be continued in perpetuity, with the Tribe having priority access to 550 acre-feet annually during times of severe water shortage. Prescott also will execute a trust agreement whereby it shall hold grandfathered groundwater rights it has under Arizona law as security for its performance of the water service agreement.

A key part of the settlement involves Colorado River water from the Central Arizona Project [CAP]. In the early 1980's, the Secretary of the Interior allocated 500 acre-feet of CAP water to the tribe, and 7,167 acre-feet to the city, assuming that those allocations would be exchanged with downstream Verde River water users for water from the Verde River. It is now clear that for Prescott, a city of 28,000 people, and the tribe, with an enrollment of less than 200 members, the costs of pumping exchange water are prohibitive. In addition, such pumping from the Verde River could have adverse impacts on threatened or endangered species in and along the river.

Without a means to exchanging their CAP water, the need for the city and the tribe to secure adequate water supplies to meet future requirements, while complying with the requirements

of Arizona law, remains acute. To address this need, the settlement agreement contemplates that the tribe and Prescott will negotiate with the Secretary of the Interior for the purchase by the Secretary of the Tribe's contract and the city's subcontract for CAP water. Prescott would use the funds it would receive to acquire water supplies to replace the CAP water relinquished to the Secretary, and thus ensure its ability to continue to serve the Tribe in perpetuity and supply its own future development. The Tribe could use its funds to defray its water service costs or to develop or maintain on-reservation water facilities. The State of Arizona would contribute $200,000 to the Tribe's settlement trust fund.

The Secretary would be able to use the acquired CAP water in his efforts to settle the water rights claims of other tribes in Arizona for whom the United States is also advancing claims in the general stream adjudication. Because the acquired water is categorized as Indian and municipal/industrial priority, it is considered a firm supply compared to other potential supplies, which makes it more valuable to the Secretary as he seeks to secure as much firm water as possible in the settlement of tribal water claims in Arizona.

The settlement agreement provides for the tribe's on-reservation use of ground water for municipal, industrial, recreational, and agricultural purposes to continue pursuant to a water use plan to be developed by the Secretary, in consultation with the tribe. Except as needed to be consistent with the water service agreement, the settlement agreement and the legislation, the plan must be compatible with the groundwater management plan in effect for the Prescott Active Management Area, which was established under Arizona's Groundwater Management Act. The tribe also will have a right to divert and use up to 1,000 acre-feet of the surface waters in Granite Creek, and effluent generated on the reservation could be used either on the reservation or sold to users located off the reservation.

Mr. President, this settlement will advance the goals of Federal Indian policy and will fulfill the trust responsibility of the United States to the Yavapai-Prescott Tribe. It is therefore appropriate that the United States assist in implementing the settlement agreement and contribute funds to firm up Prescott's and the tribe's long-term water supplies.

The cost of this settlement to the United States is, as stated by an administration witness at last year's committee hearing, "probably the lowest-cost way of providing water to the tribe in settlement of their water claims". CBO has estimated that enactment of this settlement legislation would increase federal spending by $5 to $9 million over the next 5 years, assuming appropriation of the necessary funds. This cost is less than a third of an alternative for providing water to the Yavapai-Prescott Tribe that was authorized in the Fort McDowell Indian Community Water Rights Settlement Act of 1990. The bill I introduce today would strike the $30 million authorized for that alternative.

This settlement will enable the tribe to utilize fully its water entitlements in developing a diverse, efficient reservation economy, and thereby give a substantial boost to the tribe's determined efforts to achieve economic self-sufficiency and self-determination.

It will eliminate uncertainties as to Prescott's and the Chino Valley Irrigation District's future water supplies, and reduce litigation expenses of all parties.

Mr. President, the Yavapai-Prescott settlement has broad support within Arizona. Although the Clinton administration has not yet taken a position on the settlement, I am confident that a fair review of its provisions, which satisfactorily addressed the concerns raised by the previous administration, will merit the new administration's support, as well as expeditious consideration by the Congress.●

By Mr. DOMENICI (for himself and Mr. INOUYE):

S. 1149. A bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes; to the Committee on Indian Affairs.

OFFICE OF INDIAN WOMEN AND FAMILIES ACT OF 1993

Mr. DOMENICI. Mr. President, today I am joined by the chairman of the Senate Committee on Indian Affairs, Senator DANIEL K. INOUYE, in introducing a bill to create the Office of Women and Families in the Bureau of Indian Affairs [BIA], U.S. Department of the Interior. I am grateful for the chairman's support of this concept to improve Federal Government attention and services to the condition and programmatic efforts to improve daily living conditions for Indian women and their families. This new office will be responsible for addressing the special needs and Federal policy requirements of Indian women and families within the cultural context of each tribe or village.

The Office of Women and Families in the BIA will be responsible for integrating the needed policy and program changes in the BIA programs and coordinating with other Federal agencies and tribal governments to improve the living conditions of Indian women and their families.

I would like to quote from a letter I received in support of this concept from Dr. Carolyn M. Elgin, president of the Southwestern Indian Polytechnic Institute and Federal Women's Program Manager for the BIA's Albuquerque area. Dr. Elgin says:

> Throughout the National Indian Community, the diverse and specialized needs of Indian women and Indian families need to be comprehensively addressed (congressional attention, budget appropriations, program development and policy consideration within the Bureau). Again, I applaud your sensitivity and fully support your legislative efforts on behalf of Indian women and families.

Mr. President, the Federal Government spends over $5 billion per year for Indian programs in several key departments including Interior, Health and Human Services, Labor, Education, Housing and Urban Development, Transportation, Commerce, and other agencies like the Small Business Administration. While the BIA is the theoretical center of our country's efforts to improve the daily lives of 2,000,000 American Indians—about half of whom reside on federally recognized Indian reservations. Most Federal departments or agencies have some involvement with Indians. There is, however, too little coordination among these Federal agencies serving the same target population.

While this bill will establish the new office in the BIA, its thrust will include all major programs affecting Indian women and families. Before I explain more about these programs, I would like to focus on the need to pay special attention to Indian women and families.

In brief, Indians are the poorest of the poor. Elsie Zion of the Women Studies Program at the University of New Mexico describes it this way: "Indian women are the poorest of the poorest group. While American women come up against a glass ceiling, Indian women have problems getting off the floor." In this case, she means that too many Indian women have a hard time getting jobs outside the fields of cleaning, cooking, or clerking.

Regarding Indian family members, some of the highest youth suicide rates in America occur on Indian reservations. I know this is true for the Jicarilla Apache Tribe and the Navajo Nation. Many Pueblo Indians also have disproportionately high suicide rates. Substance abuse is a severe problem among young Indians.

By examining program and policy failures, it is our hope that new methods can be tried to inspire, educate, and employ more young Indian people. We want to keep them away from the dangers of drugs, alcohol, and other self-destructive behaviors. An Office of Women and Families can certainly go far in helping to identify weaknesses in the fabric of Federal programs intended to improve the quality of life on Indian reservations.

The Office of Women and Families is not simply another BIA program. It is a built-in, permanent policy mechanism to shape programs and enhance

the potential for direct benefits to Indian women and families within existing and new programs of the BIA and the Federal Government as a whole.

This new policy program should focus on Federal Government policies relating to such concerns as job opportunities for Indian women and Indian youth suicide. The Office could also focus on such related employment issues as trade between Indian reservations and Japan or Europe. The idea is to identify those problem areas that require new policy attention, better programmatic effort, or enhanced coordination with other Federal programs like the Minority Business Development Administration of the Department of Commerce and small business development programs of the Small Business Administration. We are also very concerned that basic BIA programs be better targeted to reach Indian women. Indian women-owned businesses, for example, can be encouraged more often through startup grants and guaranteed loans. BIA social service, drug and alcohol abuse prevention, and child protection programs can be enhanced and improved.

INVISIBLE WOMEN

Due mainly to their strong cultural traditions, it is often difficult to determine the impact of these Federal efforts on the living standards of Indian women and their families. Indian women remain an enigma to most of us. In Santa Fe, NM, we can see the famous scenes of Indian women at the Palace of the Governors selling their pots and jewelry. At Pueblo feast days and public dances, we were impressed by their elaborate dress and serene dancing styles. These women clearly have a strong presence and influence in the daily lives of New Mexico Pueblo, Navajo, and Apache Tribes of New Mexico.

Yet, there remains the fact that we have a difficult time identifying many of the indicators of social well-being for Indian women precisely because the contributions of Indian women remain undervalued and overlooked in the policies and programs of the Bureau of Indian Affairs and other Federal agencies with programs designed to help all Indian people.

As the National Advisory Council on Women's Educational Programs once observed:

> To date there has been no specific Federal recognition of the special educational and training needs of Indian women and girls. As a result, Indian women are often relegated to positions which do not reflect their capacity and potential contribution not only to tribal governments but to the general society.

Elsie Zion of the Women's Studies Program at the University of New Mexico, who I quoted above, has searched for statistics to back her observations. Indians, she concludes, "fall at the very bottom of indicators of status and well-being."

Elsie is skeptical that the "Great White Father," in the form of the BIA, will actually help Indian women. That is one reason this office is designed to reach out into the reservations themselves to encourage female participation in the forming and implementation of BIA policy and programs.

Wherever key Federal policies exist that directly impact on the social conditions of Indian women, the BIA Office of Women and Families can have a policy impact, and hence a direct impact on the lives of Indian women and families who could be, or should be, participating.

INDIAN CHILDREN AND YOUTH IN DISTRESS

The Indian Child Welfare Act, Public Law 95-608, and the Indian Child Protection Act, Public Law 101-630, are two good recent examples of congressional attempts to improve conditions for young Indians. The Child Welfare Act creates a grant system to tribes for child and family service programs to prevent the breakup of Indian families and provide for the protection of Indian children. The Child Protection Act is designed to protect Indian children from family violence or abuse by bureau or tribal contract employees. Background checks, a reporting system, and other child protective services are mandated by the act.

The director and the policy task force of the proposed Office of Women and Families could help refine the reporting system to assure solid measurement of progress made to minimize abuse or violence to Indian children and youth. If the proposed system is found to be adequate, the results will certainly help in the annual reports to the Congress on the well-being of Indian families as measured by the increased safety factors required by these acts.

Other problems of young Indians can also be identified and reported. Substance abuse, alcoholism, school dropout rates or teenage pregnancy are examples of additional indicators to be monitored by the new Office of Women and Families. Summer youth employment and vocational education potential are examples of other Department of Labor and BIA programs available to young Indians to enhance their potential and minimize problems like substances abuse and school dropouts.

BACKGROUND ON FEDERAL PROGRAMS FOR AMERICAN INDIANS

Mr. President, the Federal Government has wide-ranging policies and programs intended to improve the living conditions on some 250 Indian reservations and about 300 Native Alaskan villages. These programs include education, health care, business development, housing, job training, tribal government, transportation, law enforcement, and social services. Several Federal departments and agencies are primarily involved in the delivery of services to Native Americans—Interior, Health and Human Services, Housing and Urban Development, Labor, and Education.

The two major providers of services to Native Americans are the Indian Health Service of the Public Health Service in the Department of Health and Human Services [HHS] and the Bureau of Indian Affairs [BIA] in the Department of Interior. The Indian Health Service had a budget of $2.0 billion in fiscal year 1993; the BIA's budget was $1.5 billion for the same fiscal year.

Public housing for Indians in the HUD budget was about $257 million in fiscal year 1993; Labor committed $84.6 million for job training and summer jobs; HUD's Community Development Program for Indians totaled $65.4 million; and construction of Indian reservation roads was about $190 million.

Clearly, there are many Federal Government programs that have direct impact on the daily lives of about 1.959 million Indian people in America—up from 1.42 million in 1980. About half of them live on Indian reservations.

There is also no doubt that Indians lag seriously behind other ethnic groups in several key areas. Overall, they have lower household incomes, higher unemployment and less schooling than the rest of the United States.

Indian birth rates, 28.8 per 1,000 population, are almost twice that of the country as a whole, 15.9 per 1,000. Prenatal care accompanying live births are lower than the United States as a whole, 56.5 percent to 74.2 percent. More Indians die from accidents, alcoholism, diabetes, homicide, and tuberculosis than others in the country as a whole.

Fortunately, the Congress passed, and the President signed, a bill, the Indian Health Care Improvements Act of 1992, to improve the health programs and policies of the Indian Health Service [IHS], Public Health Service, U.S. Department of Health and Human Services. This act includes my amendment establishing an Office of Indian Women's Health in the IHS.

This new IHS office will certainly enhance and focus the good efforts of the IHS to identify and collect data about the health status of American Indian Women. While there is clearly room for improvement, the IHS is at least aware of the gaps in health care between Indian women and American women as a whole.

Obviously, Mr. President, the policies and programs of the U.S. Government have a greater impact on American Indians than most people realize. Hundreds of treaties and a large body of law define our special government-to-government relationship with Indian tribes. Their special trust status with our Government also plays a critical role in defining the responsibility of the U.S. Government to American Indians and Alaska Natives.

EDUCATION AND EMPLOYMENT

Educational attainment is a key indicator of well-being in America. For American Indian women there is a large lag in high school graduates compared to the population in general. The high school graduation rate for Indian females is about 65.3 percent compared to 74.8 for all American women. For college graduates the gap widens considerably. Only 8.6 percent of Indian women graduate from college compared to 17.6 percent for all American women.

Unfortunately employment statistics are hard to get for Indians, and the figures vary greatly. The BIA has often affirmed common unemployment rates of 30 percent to 60 percent on many reservations. New Mexico pueblos often have unemployment rates in the 40 percent to 50 percent range. This data is not readily available by sex. As a key indicator of general well-being, I hope the Office of Women and Families will be able to influence the collection of data regarding employment and unemployment among Indian women and teenagers.

From the 1990 census we have some encouraging data about Indian-owned businesses in New Mexico. The latest information from the 1990 census reflects 1987 data. These data show that almost 800 Indian men and almost 500 Indian women own their own businesses. I would like to see this new office encourage more direct assistance to Indian women who are eligible for many BIA and Small Business Administration programs.

OFFICE OF INDIAN WOMEN AND CHILDREN

It seems to me, Mr. President, that the Indian women of this country are in a particularly valuable position to offer good advice to our Government about ways to conduct policies and programs that are intended to improve conditions that affect these women and their families. No one has yet called our national Indian policies a success. It is time to expand our efforts to reach out, in culturally appropriate ways, to solicit their thoughts about improving Federal programs so that a real difference is made in daily reservation life.

In similar ways, young Indians can be included in designing and improving current programs to increase their effectiveness. The American Indian family is a vital structure to strengthen and preserve and we seek to enhance our national policies for the their well-being.

To accomplish this goal, I am introducing this bill to establish the Office of Women and Families in the Bureau of Indian Affairs of the U.S. Department of Interior. The fundamental purpose of this new office is to promote the participation and integration of Indian women and families into BIA policy and program structures.

Initially, a temporary Policy Task Force would be established to develop a policy paper to articulate a clear set of goals, objectives, management strategies, and monitoring systems for the improvement of key quality of life indicators for Indian women and families like the ones I have mentioned. There are, of course, many other areas of concern to be identified by the new office and its related Policy Task Force.

Once articulated, these indicators could tell us about the degree to which Indian women are participating in economic development and benefiting from new job opportunities on Indian reservations. Policymakers and program managers would have better data on educational achievement and needs of Indian children and youth. Health statistics—from the Office of Women's Health at the Indian Health Service—could, for example, tell us how serious alcoholism is among Indian women and what program improvements are needed to enhance treatment.

A Director of the Office of Women and Families would be responsible for integrating the needed changes in the BIA programs and coordinating with other Federal agencies to meet the policy goals and objectives established by the Policy Task Force.

This new office and its related policy mechanisms will have the flexibility to look into such areas as education, health, employment, economic development, housing, social, and other services of the BIA and other relevant Federal programs serving Indian women and families. By focusing on Indian women and families, the work of the BIA and other relevant Federal programs will be enhanced by their participation in the design and improvement of ongoing programs for Indian beneficiaries.

As we prepare to strengthen our democracy and our economy for the 21st century, we must not overlook any potential for a greater America. There is a growing awareness of the need to pay close attention to the interrelationships between our national strength and the well-being of all women. Key factors are health, education, employment, housing, child care, business potential, and culture.

There is no doubt that Indian women have long been essential to the well-being of Indian people and their families. As we strive to attain new levels of education, health, business involvement, employment, and housing quality for American Indians, we clearly need the ongoing participation and direct involvement of Indian women.

I believe the strong family ties and responsibilities of Indian women can be enhanced by more attention to specific policies and programs now designed generally for American Indians without any special regard for the differing cultural roles and responsibilities of Indian women.

I thank the Chair, and ask unanimous consent that the Office of Indian Women and Families Act of 1993, be printed in the RECORD.

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

S. 1149

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 "Office of Indian Women and Families Act of 1993".

SEC. 2. FINDINGS.

Congress finds that:

(1) The primary responsibilities of the Bureau of Indian Affairs are to encourage and assist Indian people to manage their own affairs under the trust relationship between Indians and the Federal Government, and to facilitate, with maximum involvement of Indian people, full development of their human and natural resource potential.

(2) The Bureau of Indian Affairs coordinates its activities with Indian tribal governments, Federal agencies and departments, and other organizations and groups who share similar interests and programs related to Indians.

(3) Bureau of Indian Affairs policies, programs and projects impact directly and significantly on the lives of America's Indian people.

(4) The unique roles and responsibilities of Indian women contribute culturally, socially, and economically to the well-being of Indian people, but these contributions are often not fully realized and are undervalued and overlooked within the policies, programs, and projects of the Bureau of Indian Affairs.

(5) Indian children have special educational and social service needs to prepare them for traditional tribal responsibilities and nontribal social and employment opportunities.

(6) The particular responsibilities, contributions, and needs of Indian women and families can and should be taken into account to improve Bureau of Indian Affairs policy formulation and program operations for the direct benefit of Indian women and families and Indian people as a whole.

(7) Bureau of Indian Affairs policies, programs and projects, including its coordination and liaison with other Federal, State, and local entities, can be more responsive and enhanced when Indian women and families are considered an integral element of the process as well as contributors to the success of these policies, programs, and projects.

(8) There is a need for an Office of Indian Women and Families in the Bureau of Indian Affairs for the purpose of encouraging and promoting the participation and integration of Indian women and families into Bureau of Indian Affairs policies, programs, projects, and activities, thereby improving the effectiveness of its mandate and the status and lives of Indian women and families.

SEC. 3. PURPOSES.

The purposes of this Act are:

(1) To identify and integrate the issues related to Indian women and families into all Bureau of Indian Affairs policies, programs, projects, and activities.

(2) To establish an office to serve as a focal point for all Federal Government policy issues affecting Indian women and families for purposes of both economic and social development.

(3) To collect data related to the specific roles, concerns, and needs of Indian women, and Indian families, and use such data to

support policy, program, and project implementation throughout all offices of the Bureau of Indian Affairs and other Federal agencies, and to monitor the impacts of these policies, programs and projects.

(4) To enhance the economic and social participation of Indian women and families in all levels of planning, decisionmaking, and policy development within the Bureau of Indian Affairs, its area offices, and tribal governments and reservations.

(5) To conduct research and collect relevant studies relating to special needs of Indian women and families.

(6) To develop pilot programs and projects to strengthen activities of the Bureau of Indian Affairs involving Indian women and families, and serve as models for future endeavors and planning.

(7) To ensure a liaison with other Federal departments and agencies, State and local governments, tribally controlled community colleges, other academic institutions, any public or private organizations, and tribal governments that serve Indian peoples.

(8) To ensure training endeavors for Bureau of Indian Affairs offices and agencies at the national, area, and local levels to ensure Bureau personnel and any other beneficiaries of Bureau and other governmental programs understand the purposes and policies of the office established by this Act.

(9) To develop policy-level programs, with the assistance of the Assistant Secretary and other senior-level personnel of the Bureau of Indian Affairs, to ensure that systems, directives, management strategies and other related methodologies are implemented to meet the purposes of this Act.

(10) To strengthen the role of Indian women and families by developing and ensuring culturally appropriate policies and programs.

(11) To encourage other actions that serve to more fully integrate Indian women and families as participants in and agents for change in the Federal policy and program activities of the Bureau of Indian Affairs.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) The term "Indian woman" means a woman who is a member of an Indian tribe.

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688), which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

SEC. 5. ESTABLISHMENT OF OFFICE OF INDIAN WOMEN AND INDIAN FAMILIES.

(a) ESTABLISHMENT.—There is established in the Department of the Interior the "Office of Indian Women and Families" (hereinafter referred to as the "Office").

(b) DIRECTOR.—The Office shall be under the management of a director (hereinafter referred to as the "Director"), who shall be appointed by the Assistant Secretary of Indian Affairs. The Director shall report directly to the Assistant Secretary of Indian Affairs.

(c) COMPENSATION.—The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule under section 5313 of title 5, United States Code.

(d) TENURE.—The Director shall serve at the discretion of the Assistant Secretary of Indian Affairs.

(e) VACANCY.—A vacancy in the position of Director shall be filled in the same manner as the original appointment was made.

(f) DUTIES.—The Director shall administer the Office and carry out the purposes and functions of this Act. The Director shall take such action as may be necessary in order to integrate Indian women and family issues into the Bureau of Indian Affairs policies, programs, projects and activities.

SEC. 6. FUNCTIONS OF OFFICE.

It shall be the function of the Office to develop a Policy Paper for Indian women and families to articulate the objectives of the Office, to serve as a guideline for systematically integrating Indian women and families issues into the Bureau of Indian Affairs policies, programs, projects, and activities, and to establish and detail indicators and benchmarks for measuring the success of the Office.

SEC. 7. POLICY TASK FORCE.

(a) ESTABLISHMENT OF A POLICY TASK FORCE.—The Director, in consultation with the Assistant Secretary of Indian Affairs, shall establish a temporary policy task force on Indian women and families.

(b) MEMBERSHIP.—Members of the task force shall be appointed by the Director. The task force shall include representatives from Federal agencies and departments, relevant Indian organizations, State agencies and organizations, Indian tribal governments, institutions of higher education, and nongovernmental and private sector organizations and institutions.

(c) FUNCTIONS.—The policy task force shall:

(1) Ensure that the Policy Paper for Indian women and families prepared by the Bureau of Indian Affairs articulates a set of goals, objectives, management strategies, and monitoring systems for the improvement of all Federal programs, including programs of the Bureau of Indian Affairs, designed to improve the quality of life of Indian women and families.

(2) Recommend a permanent policy mechanism to be established in the Bureau of Indian Affairs for the continuous monitoring and refinement of policy and programs designed to improve the quality of life of Indian women and families.

(3) Recommend a permanent policy mechanism to be established in the Bureau of Indian Affairs for the purpose of collecting and disseminating to Congress and the public information and other data relevant to the progress of the policy and programs designed to improve the quality of life of Indian women and families.

(d) TERMINATION.—The task force shall terminate upon the expiration of 14 months following the date of the enactment of this Act.

SEC. 8. ASSISTANT SECRETARY OF INDIAN AFFAIRS.

The Assistant Secretary of Indian Affairs shall:

(1) Ensure that the Office receives adequate resources to carry out the purposes of this Act.

(2) Ensure that senior-level staff members and other employees of the Bureau of Indian Affairs are participants in and responsible for assisting in carrying out the purposes of this Act relating to the improvement of policies and programs of the Bureau of Indian Affairs.

SEC. 9. REPORTING.

The Secretary of the Interior, acting through the Bureau of Indian Affairs, shall, on or before March 15 of each of the 2 calendar years next following the calendar year in which this Act is enacted, and biennially thereafter, report to Congress on the progress of achieving the purposes of this Act. Such report shall include, but not be limited to, information relative to the current status of progress of the Bureau of Indian Affairs' policy on Indian women and Indian families in fulfilling its objectives, programs and projects, including how well the Bureau of Indian Affairs has operationally integrated the issue of Indian women and families into its overall policies, programs, projects and activities. Such report shall include a review of data gathered to assess and improve the quality of life of Indian women and families, including specific recommendations to improve the education, health, employment, economic, housing, social, and other services within the Bureau of Indian Affairs relating to Indian women and families.

SEC. 10. AUTHORIZATIONS.

Commencing with fiscal year 1994, and each fiscal year thereafter, there are authorized to be appropriated for carrying out the provisions of this Act, $2,000,000.

ADDITIONAL COSPONSORS

S. 11

At the request of Mr. HATCH, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 11, a bill to combat violence and crimes against women on the streets and in homes.

S. 466

At the request of Mr. DASCHLE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 466, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 579

At the request of Mr. SMITH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 579, a bill to require Congress to comply with the laws it imposes on others.

S. 586

At the request of Mr. GRASSLEY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 586, a bill to raise the asset limit for AFDC recipients engaged in a microenterprise business, and for other purposes.

S. 636

At the request of Mr. KENNEDY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 636, a bill to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes.

S. 868

At the request of Mr. BRADLEY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 868, a bill to amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

S. 925

At the request of Mr. INOUYE, the name of the Senator from Kansas [Mrs.

KASSEBAUM] was added as a cosponsor of S. 925, a bill to require the Secretary of the Interior to pay interest on Indian funds invested, to authorize demonstrations of new approaches for the management of Indian trust funds, to clarify the trust responsibility of the United States with respect to Indians, to establish a program for the training and recruitment of Indians in the management of trust funds, to account for daily and annual balances on and to require periodic statements for Indian trust funds, and for other purposes.

S. 936

At the request of Mr. CHAFEE, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 936, a bill to amend title XVIII of the Social Security Act to eliminate the annual cap on the amount of payment for outpatient physical therapy and occupational therapy services under part B of the Medicare Program, and for other purposes.

S. 1004

At the request of Mr. BROWN, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 1004, a bill to limit amounts expended by certain government entities for overhead expenses.

S. 1056

At the request of Mrs. FEINSTEIN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1056, a bill to require that defense reinvestment and economic growth funds be allocated among communities on the basis of the relative levels of reductions in employment experienced in such communities as a result of reduced spending for national defense functions.

S. 1071

At the request of Mr. COCHRAN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1071, a bill to provide that certain civil defense employees and employees of the Federal Emergency Management Agency may be eligible for certain public safety officers death benefits, and for other purposes.

S. 1082

At the request of Mr. COCHRAN, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1082, a bill to amend the Public Health Service Act to revise and extend the program of making grants to the States for the operation of offices of rural health, and for other purposes.

S. 1130

At the request of Mr. PRYOR, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1130, a bill to provide for continuing authorization of Federal employee leave transfer and leave bank programs, and for other purposes.

SENATE JOINT RESOLUTION 40

At the request of Mr. KENNEDY, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Joint Resolution 40, a joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for women and men.

SENATE JOINT RESOLUTION 95

At the request of Mr. PELL, the names of the Senator from New Mexico [Mr. BINGAMAN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Delaware [Mr. ROTH], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Maryland [Ms. MIKULSKI], the Senator from North Dakota [Mr. CONRAD], the Senator from Missouri [Mr. BOND], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Joint Resolution 95, a joint resolution to designate October 1993 as "National Breast Cancer Awareness Month."

SENATE CONCURRENT RESOLUTION 16

At the request of Mr. SHELBY, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of Senate Concurrent Resolution 16, a concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress.

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

AMENDMENT NO. 479

At the request of Mr. BUMPERS the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of amendment No. 479 proposed to H.R. 2118, a bill making supplemental appropriations for the fiscal year ending September 30, 1993, and for other purposes.

SENATE RESOLUTION 125—RELATIVE TO THE RETIREMENT OF THOMAS L. NOTTINGHAM

Mr. MITCHELL (for himself, Mr. DOLE, and Mr. SIMPSON) submitted the following resolution; which was considered and agreed to:

S. RES. 125

Whereas the Senate has been advised of the retirement of Thomas L. Nottingham, Chief of the United States Capitol Guide Service effective June 30, 1993, and

Whereas a professional Capitol Guide Service has been essential in expanding learning and appreciation about the Capitol to the million and a half Americans who visit each year, and

Whereas Thomas L. Nottingham worked tirelessly for passage of legislation in 1971 to establish a professional salaried Guide Service, and

Whereas he has devoted 30 years of this life to promoting the Capitol and educating the American people about the historic building housing the Congress, and

Whereas he has gained the admiration and respect of his associates and the Members of the United States Senate: Now, therefore, be it

Resolved, That the United States Senate recognizes the notable contributions made by Thomas L. Nottingham to the Senate and to his country and express to him its appreciation and gratitude for his long, faithful and outstanding service.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Thomas L. Nottingham.

AMENDMENTS SUBMITTED

BUDGET RECONCILIATION FOR FISCAL YEAR 1994

LIEBERMAN AMENDMENTS NOS. 500 AND 501

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted two amendments intended to be proposed by him to the bill (S. 1134) to provide for reconciliation pursuant to section 7 of the concurrent resolution on the budget for fiscal year 1994, as follows:

AMENDMENT NO. 500

On page 422, line 24, strike "$15,000" and insert "$25,000".

AMENDMENT NO. 501

On page 421, beginning with line 21, strike all through page 422, line 17, and insert:

SEC. 8115. MODIFICATION TO MINIMUM TAX DEPRECIATION RULES.

(a) GENERAL RULE.—Paragraph (1) of section 56(a) (relating to depreciation) is amended by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) TREATMENT OF CERTAIN PERSONAL PROPERTY PLACED IN SERVICE AFTER 1993.—

"(i) IN GENERAL.—In the case of any property to which this subparagraph applies, the depreciation deduction allowable under section 167 shall be determined as provided in section 168(a), except that the method of depreciation used shall be—

"(I) the 120 percent declining balance method switching to the straight line method for the 1st taxable year for which using the straight line method with respect to the adjusted basis as of the beginning of the year will yield a higher allowance, or

"(II) the straight line method in the case of property for which the applicable depreciation method under section 168(a) is the straight line method.

"(ii) PROPERTY TO WHICH SUBPARAGRAPH APPLIES.—This subparagraph shall apply to any tangible property placed in service after December 31, 1993, except that this subparagraph shall not apply to—

"(I) any residential rental property or nonresidential real property (within the meaning of section 168(e)), and

"(II) any other property for which the depreciation deduction provided by section

167(a) for purposes of the regular tax is computed under the alternative depreciation system of section 168(g).

"(iii) COORDINATION WITH SUBPARAGRAPH (A).—Subparagraph (A) shall not apply to any property to which this subparagraph applies."

(b) ELIMINATION OF ACE DEPRECIATION ADJUSTMENT.—Clause (i) of section 56(g)(4)(A) (relating to depreciation adjustments for computing adjusted current earnings) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to any property to which subsection (a)(1)(B) applies, and the depreciation deduction with respect to such property shall be determined under the rules of subsection (a)(1)(B).".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 168(b) is amended to read as follows:

"(2) SPECIAL RULE FOR DECLINING BALANCE METHOD IN CERTAIN CASES.—

"(A) 150 PERCENT METHOD FOR CERTAIN PROPERTY.—Paragraph (1) shall be applied by substituting '150 percent' for '200 percent' in the case of—

"(i) any 15-year or 20-year property, or

"(ii) any property used in a farming business (within the meaning of section 263A(e)(4)).

"(B) ELECTION TO USE MINIMUM TAX METHOD.—In the case of any property (other than property described in paragraph (3)) with respect to which the taxpayer elects under paragraph (5) to have the provisions of this subparagraph apply, paragraph (1) shall be applied by substituting '120 percent' for '200 percent' (and subparagraph (A) of this paragraph shall not apply)."

(2) Paragraph (5) of section 168(b) is amended by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(3) Subsection (c) of section 168 is amended—

(A) by striking paragraph (2), and

(B) by striking so much of such subsection as precedes the table contained in paragraph (1) and inserting the following:

"(c) APPLICABLE RECOVERY PERIOD.—For purposes of this section, the applicable recovery period shall be determined in accordance with the following table:".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to property placed in service after December 31, 1993.

(2) COORDINATION WITH TRANSITIONAL RULES.—The amendments made by this section shall not apply to any property to which paragraph (1) of section 56(a) of the Internal Revenue Code of 1986 does not apply by reason of subparagraph (D)(i) thereof (as redesignated by subsection (a) of this section).

Mr. LIEBERMAN. Mr. President, I regret to say that I continue to have serious reservations about the agreement reached by the Senate Finance Committee. While I am pleased the bill that they have crafted achieves true deficit reduction, I remain disappointed that the committee weakened or eliminated the economic incentives contained in the President's economic package. I know this is a tough economy and we can't do everything. But those economic incentives are something we most emphatically should be doing if we want to keep and create jobs in this country.

I intend to support my colleague from Arkansas, Senator BUMPERS, in his effort to restore the capital gains provision to this package. In addition, I am prepared to offer language on empowerment zones and amendments to restore the President's proposals on small business expensing and alternative minimum tax [AMT] reform.

Mr. President, deficit reduction is our goal. It is an investment in our future. But deficit reduction cannot be our only goal. Investment incentives are also needed to get our economy going again. I urge my colleagues to support efforts to restore those incentives.

MITCHELL (AND OTHERS) AMENDMENT NO. 502

Mr. MITCHELL (for himself, Mr. BUMPERS, Mr. KERRY, Mr. BINGAMAN, Mr. MATHEWS, Mrs. FEINSTEIN, Mr. BRYAN, Mr. LAUTENBERG, Mrs. BOXER, and Mr. FORD) proposed an amendment to the bill (S. 1134), supra, as follows:

On page 422, line 24, strike "$15,000" and insert "$18,500".

On page 474, after line 15, insert:

PART VII—CAPITAL GAIN PROVISIONS

SEC. 8181. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1202. 50-PERCENT EXCLUSION FOR GAIN FROM CERTAIN SMALL BUSINESS STOCK.

"(a) 50-PERCENT EXCLUSION.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(b) PER-ISSUER LIMITATION ON TAXPAYER'S ELIGIBLE GAIN.—

"(1) IN GENERAL.—If the taxpayer has eligible gain for the taxable year from 1 or more dispositions of stock issued by any corporation, the aggregate amount of such gain from dispositions of stock issued by such corporation which may be taken into account under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $10,000,000 reduced by the aggregate amount of eligible gain taken into account under subsection (a) for prior taxable years and attributable to dispositions of stock issued by such corporation, or

"(B) 10 times the aggregate adjusted bases of qualified small business stock issued by such corporation and disposed of by the taxpayer during the taxable year.

For purposes of subparagraph (B), the adjusted basis of any stock shall be determined without regard to any addition to basis after the date on which such stock was originally issued.

"(2) ELIGIBLE GAIN.—For purposes of this subsection, the term 'eligible gain' means any gain from the sale or exchange of qualified small business stock held for more than 5 years.

"(3) TREATMENT OF MARRIED INDIVIDUALS.—

"(A) SEPARATE RETURNS.—In the case of a separate return by a married individual, paragraph (1)(A) shall be applied by substituting '$5,000,000' for '$10,000,000'.

"(B) ALLOCATION OF EXCLUSION.—In the case of any joint return, the amount of gain taken into account under subsection (a) shall be allocated equally between the spouses for purposes of applying this subsection to subsequent taxable years.

"(C) MARITAL STATUS.—For purposes of this subsection, marital status shall be determined under section 7703.

"(c) QUALIFIED SMALL BUSINESS STOCK.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this section, the term 'qualified small business stock' means any stock in a C corporation which is originally issued after December 31, 1992, if—

"(A) as of the date of issuance, such corporation is a qualified small business, and

"(B) except as provided in subsections (f) and (h), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

"(i) in exchange for money or other property (not including stock), or

"(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

"(2) ACTIVE BUSINESS REQUIREMENT; ETC.—

"(A) IN GENERAL.—Stock in a corporation shall not be treated as qualified small business stock unless, during substantially all of the taxpayer's holding period for such stock, such corporation meets the active business requirements of subsection (e) and such corporation is a C corporation.

"(B) SPECIAL RULE FOR CERTAIN SMALL BUSINESS INVESTMENT COMPANIES.—

"(i) WAIVER OF ACTIVE BUSINESS REQUIREMENT.—Notwithstanding any provision of subsection (e), a corporation shall be treated as meeting the active business requirements of such subsection for any period during which such corporation qualifies as a small business investment company.

"(ii) SMALL BUSINESS INVESTMENT COMPANY.—For purposes of clause (i), the term 'small business investment company' means any eligible corporation (as defined in subsection (e)(4)) which is licensed to operate under section 301 of the Small Business Investment Act of 1958 (as in effect on May 13, 1993).

"(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

"(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified small business stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated as qualified business stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

"(C) ACQUISITIONS BY RELATED PERSONS.—For purposes of this paragraph, the purchase by any person related (within the meaning of section 267(b) or 707(b)) to the issuing corporation of any stock in the issuing corporation shall be treated as a purchase by the issuing corporation.

"(d) QUALIFIED SMALL BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified small business' means any domestic corporation which is a C corporation if—

"(A) the aggregate capitalization of such corporation (or any predecessor thereof) at all times on or after January 1, 1993, and before the issuance did not exceed $50,000,000,

"(B) the aggregate capitalization of such corporation immediately after the issuance (determined by taking into account amounts received in the issuance) does not exceed $50,000,000, and

"(C) such corporation agrees to submit such reports to the Secretary and to shareholders as the Secretary may require to carry out the purposes of this section.

"(2) AGGREGATE CAPITALIZATION.—For purposes of paragraph (1), the term 'aggregate capitalization' means the excess of—

"(A) the amount of cash and the aggregate adjusted bases of other property held by the corporation, over

"(B) the aggregate amount of the short-term indebtedness of the corporation.

For purposes of the preceding sentence, the term 'short-term indebtedness' means any indebtedness which, when incurred, did not have a term in excess of 1 year.

"(3) LOOK-THRU IN CASE OF SUBSIDIARIES.—In determining whether a corporation meets the requirements of this subsection—

"(A) stock and debt of any subsidiary (as defined in subsection (e)(5)(C)) held by such corporation shall be disregarded, and

"(B) such corporation shall be treated as holding its ratable share of the assets of such subsidiary and as being liable for its ratable share of the indebtedness of such subsidiary.

"(e) ACTIVE BUSINESS REQUIREMENT.—

"(1) IN GENERAL.—For purposes of subsection (c)(2), the requirements of this subsection are met by a corporation for any period if during such period—

"(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of a qualified trade or business, and

"(B) such corporation is an eligible corporation.

"(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

"(A) start-up activities described in section 195(c)(1)(A),

"(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

"(C) activities with respect to in-house research expenses described in section 41(b)(4),

assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

"(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term 'qualified trade or business' means any trade or business other than—

"(A) any trade or business involving the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, or any other trade or business where the principal asset of such trade or business is the reputation or skill of 1 or more of its employees,

"(B) any banking, insurance, financing, leasing, investing, or similar business,

"(C) any farming business (including the business of raising or harvesting trees),

"(D) any business involving the production or extraction of products of a character with respect to which a deduction is allowable under section 613 or 613A, and

"(E) any business of operating a hotel, motel, restaurant, or similar business.

"(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term 'eligible corporation' means any domestic corporation; except that such term shall not include—

"(A) a DISC or former DISC,

"(B) a corporation with respect to which an election under section 936 is in effect,

"(C) a regulated investment company, real estate investment trust, or REMIC, and

"(D) a cooperative.

"(5) STOCK IN OTHER CORPORATIONS.—

"(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary's assets, and to conduct its ratable share of the subsidiary's activities.

"(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

"(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

"(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

"(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

"(B) are held for investment and are reasonably expected to be used within 2 years to finance future research and experimentation in a qualified trade or business or increases in working capital needs of a qualified trade or business,

shall be treated as used in the active conduct of a qualified trade or business. For periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

"(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

"(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

"(f) STOCK ACQUIRED ON CONVERSION OF PREFERRED STOCK.—If any stock in a corporation is acquired solely through the conversion of other stock in such corporation which is qualified small business stock in the hands of the taxpayer—

"(1) the stock so acquired shall be treated as qualified small business stock in the hands of the taxpayer, and

"(2) the stock so acquired shall be treated as having been held during the period during which the converted stock was held.

"(g) TREATMENT OF PASS-THRU ENTITIES.—

"(1) IN GENERAL.—If any amount included in gross income by reason of holding an interest in a pass-thru entity meets the requirements of paragraph (2)—

"(A) such amount shall be treated as gain described in subsection (a), and

"(B) for purposes of applying subsection (b), such amount shall be treated as gain from a disposition of stock in the corporation issuing the stock disposed of by the pass-thru entity and the taxpayer's proportionate share of the adjusted basis of the pass-thru entity in such stock shall be taken into account.

"(2) REQUIREMENTS.—An amount meets the requirements of this paragraph if—

"(A) such amount is attributable to gain on the sale or exchange by the pass-thru entity of stock which is qualified small business stock in the hands of such entity (determined by treating such entity as an individual) and which was held by such entity for more than 5 years, and

"(B) such amount is includible in the gross income of the taxpayer by reason of the holding of an interest in such entity which was held by the taxpayer on the date on which such pass-thru entity acquired such stock and at all times thereafter before the disposition of such stock by such pass-thru entity.

"(3) LIMITATION BASED ON INTEREST ORIGINALLY HELD BY TAXPAYER.—Paragraph (1) shall not apply to any amount to the extent such amount exceeds the amount to which paragraph (1) would have applied if such amount were determined by reference to the interest the taxpayer held in the pass-thru entity on the date the qualified small business stock was acquired.

"(4) PASS-THRU ENTITY.—For purposes of this subsection, the term 'pass-thru entity' means—

"(A) any partnership,

"(B) any S corporation,

"(C) any regulated investment company, and

"(D) any common trust fund.

"(h) CERTAIN TAX-FREE AND OTHER TRANSFERS.—For purposes of this section—

"(1) IN GENERAL.—In the case of a transfer described in paragraph (2), the transferee shall be treated as—

"(A) having acquired such stock in the same manner as the transferor, and

"(B) having held such stock during any continuous period immediately preceding the transfer during which it was held (or treated as held under this subsection) by the transferor.

"(2) DESCRIPTION OF TRANSFERS.—A transfer is described in this subsection if such transfer is—

"(A) by gift,

"(B) at death, or

"(C) from a partnership to a partner of stock with respect to which requirements similar to the requirements of subsection (g) are met at the time of the transfer (without regard to the 5-year holding period requirement).

"(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of section 1244(d)(2) shall apply for purposes of this section.

"(4) INCORPORATIONS AND REORGANIZATIONS INVOLVING NONQUALIFIED STOCK.—

"(A) IN GENERAL.—In the case of a transaction described in section 351 or a reorganization described in section 368, if qualified

small business stock is exchanged for other stock which would not qualify as qualified small business stock but for this subparagraph, such other stock shall be treated as qualified small business stock acquired on the date on which the exchanged stock was acquired.

"(B) LIMITATION.—This section shall apply to gain from the sale or exchange of stock treated as qualified small business stock by reason of subparagraph (A) only to the extent of the gain which would have been recognized at the time of the transfer described in subparagraph (A) if section 351 or 368 had not applied at such time.

"(C) SUCCESSIVE APPLICATION.—For purposes of this paragraph, stock treated as qualified small business stock under subparagraph (A) shall be so treated for subsequent transactions or reorganizations, except that the limitation of subparagraph (B) shall be applied as of the time of the first transfer to which subparagraph (A) applied.

"(D) CONTROL TEST.—Except in the case of a transaction described in section 368, this paragraph shall apply only if, immediately after the transaction, the corporation issuing the stock owns directly or indirectly stock representing control (within the meaning of section 368(c)) of the corporation whose stock was exchanged.

"(i) BASIS RULES.—For purposes of this section—

"(1) STOCK EXCHANGED FOR PROPERTY.—In the case where the taxpayer transfers property (other than money or stock) to a corporation in exchange for stock in such corporation—

"(A) such stock shall be treated as having been acquired by the taxpayer on the date of such exchange, and

"(B) the basis of such stock in the hands of the taxpayer shall in no event be less than the fair market value of the property exchanged.

"(2) TREATMENT OF CONTRIBUTIONS TO CAPITAL.—If the adjusted basis of any qualified small business stock is adjusted by reason of any contribution to capital after the date on which such stock was originally issued, in determining the amount of the adjustment by reason of such contribution, the basis of the contributed property shall in no event be treated as less than its fair market value on the date of the contribution.

"(j) TREATMENT OF CERTAIN SHORT POSITIONS.—

"(1) IN GENERAL.—If the taxpayer has an offsetting short position with respect to any qualified small business stock, subsection (a) shall not apply to any gain from the sale or exchange of such stock unless—

"(A) such stock was held by the taxpayer for more than 5 years as of the first day on which there was such a short position, and

"(B) the taxpayer elects to recognize gain as if such stock were sold on such first day for its fair market value.

"(2) OFFSETTING SHORT POSITION.—For purposes of paragraph (1), the taxpayer shall be treated as having an offsetting short position with respect to any qualified small business stock if—

"(A) the taxpayer has made a short sale of substantially identical property,

"(B) the taxpayer has acquired an option to sell substantially identical property at a fixed price, or

"(C) to the extent provided in regulations, the taxpayer has entered into any other transaction which substantially reduces the risk of loss from holding such qualified small business stock.

For purposes of the preceding sentence, any reference to the taxpayer shall be treated as including a reference to any person who is related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

"(k) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section through split-ups, shell corporations, partnerships, or otherwise."

(b) ONE-HALF OF EXCLUSION TREATED AS PREFERENCE FOR MINIMUM TAX.—

(1) IN GENERAL.—Subsection (a) of section 57 (relating to items of tax preference), as amended by section 8171, is amended by adding at the end thereof the following new paragraph:

"(7) EXCLUSION FOR GAINS ON SALE OF CERTAIN SMALL BUSINESS STOCK.—An amount equal to one-half of the amount excluded from gross income for the taxable year under section 1202."

(2) CONFORMING AMENDMENT.—Subclause (II) of section 53(d)(1)(B)(ii), as amended by section 8171, is amended by inserting "and (7)" after "(5)".

(c) PENALTY FOR FAILURE TO COMPLY WITH REPORTING REQUIREMENTS.—Section 6652 is amended by inserting before the last subsection thereof the following new subsection:

"(k) FAILURE TO MAKE REPORTS REQUIRED UNDER SECTION 1202.—In the case of a failure to make a report required under section 1202(d)(1)(C) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to make such report, an amount equal to $50 for each report with respect to which there was such a failure. In the case of any failure due to negligence or intentional disregard, the preceding sentence shall be applied by substituting '$100' for '$50'. In the case of a report covering periods in 2 or more years, the penalty determined under preceding provisions of this subsection shall be multiplied by the number of such years."

(d) CONFORMING AMENDMENTS.—

(1)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includable on account of gains from sales or exchanges of capital assets; and

"(B) the exclusion provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(2) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain described in section 1202(a), proper adjustment shall be made for any exclusion allowable to the estate or trust under section 1202. In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(3) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The exclusion under section 1202 shall not be taken into account.".

(4) Paragraph (4) of section 691(c) is amended by striking "1201, and 1211" and inserting "1201, 1202, and 1211".

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1202 and" after "except that".

(6) The table of sections for part I of subchapter P of chapter 1 is amended by adding after the item relating to section 1201 the following new item:

"Sec. 1202. 50-percent exclusion for gain from certain small business stock."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to stock issued after December 31, 1992.

On page 504, between lines 6 and 7, insert:

(c) SPECIAL RULE FOR PERFORMING ARTS.—Section 274(n) is amended by adding at the end the following new paragraph:

"(3) SPECIAL RULE FOR PERFORMING ARTS.—In the case of any amount paid or incurred for a ticket to a live performance of the performing arts, paragraph (1) shall be applied by substituting '80 percent' for '50 percent'.".

McCAIN AMENDMENT NO. 503

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill (S. 1134), supra, as follows:

"Strike title VIII, section 8171."

JEFFORDS AMENDMENTS NOS. 504 AND 505

(Ordered to lie on the table.)

Mr. JEFFORDS submitted two amendments intended to be proposed by him to the bill (S. 1134), supra, as follows:

AMENDMENT NO. 504

At the appropriate place, insert the following:

SEC. . DEFICIT AND DEBT REPORTING ACT.

(a) SHORT TITLE.—This section may be cited as the "Deficit and Debt Reporting Act".

(b) FINDINGS.—The Congress makes the following findings:

(1) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(2) The actual financial performance of the Federal Government often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(3) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986)—

"(1) a graphical representation of the cumulative Federal debt at the end of each of

the 10 preceding fiscal years expressed in total dollars and in dollars per capita; and

"(2) a graphical representation of the Federal deficit for each of the 10 preceding fiscal years expressed in total dollars and dollars per capita.

Such information shall be presented in a manner that is easily comprehensible to a taxpayer.".

AMENDMENT NO. 505

At the appropriate place, insert the following:

SEC. . AMERICAN CITIZENS ANNUAL REPORT ACT.

(a) SHORT TITLE.—This section may be cited as the "American Citizens Annual Report Act".

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress makes the following findings:

(A) Publicly owned corporations provide shareholders with an annual report on the financial status of the corporation.

(B) Americans are entitled to an annual report on the financial status of the Federal Government, as all citizens share an interest in the financial well-being of our Federal Government. Accurate, consistent, and broadly distributed reporting on the Nation's finances are central to the conduct of democracy.

(C) Recent Federal budget deficits have resulted in more than a tripling of the Federal debt. With prospects for enormous Federal budget deficits for the next several years, the debt is a burden that affects the present and future generations of Americans.

(D) The actual financial performance of the Federal Governmental often differs from the budget by tens, even hundreds, of billions of dollars. For example, the fiscal year 1991 budget was to result in a deficit of $63,000,000,000. Instead, the actual deficit for the year was $268,700,000,000.

(E) The Chief Financial Officers Act is leading agencies to develop reliable and relevant financial information that is to be useful to the public, including audited financial statements.

(F) The Federal Government continues to lose billions of dollars each year through fraud, waste, abuse, and mismanagement. Standardized reporting to the public is essential to the improvement of accountability of public programs.

(G) The growing Federal debt is hindering economic growth and competitiveness, and ultimately, reduces the standard of living of all Americans.

(2) PURPOSES.—The purposes of this section are to—

(A) provide the American taxpayer with an annual report on the financial status of the Federal Government;

(B) increase the participation and awareness of the public in finding solutions to the Federal Government's budget problems;

(C) require the President, Congressional leaders, and the chief financial officers of the Government to report to the public on the wellbeing of the Federal Government's finances as a part of their fiduciary responsibilities; and

(D) bring a public focus to efforts already underway that seek to develop and improve Financial standards, annual reporting, and systems in the agencies of the Federal Government.

(c) ANNUAL REPORT.—Section 3513 of title 31, United States Code, is amended by adding at the end thereof the following:

"(d)(1) The Secretary of the Treasury shall distribute to all taxpayers described in paragraph (6) an annual report (referred to in this subsection as the 'annual report') containing—

"(A) the most recent 5-year actual trends in Federal receipts, expenditures, fund balances, assets and liabilities, and debts by major category or source, along with a brief description of those trends for the most recent year;

"(B) a comparison of the actual Federal spending and revenues by major category or source for the most recent fiscal year—

"(i) to the budget request estimates as submitted by the President for that year; and

"(ii) to the enacted budget,

along with notes explaining differences;

"(C) statements from the President, the Majority Leader of the Senate, and the Speaker of the House of Representatives regarding significant aspects of the Government's financial performance; and

"(D) any other relevant information on the Government's performance and contributions to economic growth, productivity, and investment in infrastructure recommended for inclusion by the advisory committee and deemed appropriate by the Director of the Office of Management and Budget.

"(2)(A) Preparation and content of the annual report shall be supervised and directed by the Director of the Office of Management and Budget.

"(B) There is established an advisory committee to provide the Director of the Office of Management and Budget with comments and suggestions on the design and content of the annual report. The advisory committee shall consist of 9 members as follows:

"(i) 3 members to be appointed by the President.

"(ii) 2 members to be appointed by the Majority Leader of the Senate.

"(iii) 1 member to be appointed by the Minority Leader of the Senate.

"(iv) 2 members to be appointed by the Speaker of the House of Representatives.

"(v) 1 member to be appointed by the Minority Leader of the House of Representatives.

"(3) The annual report shall contain a statement of assurance by the Director of the Office of Management and Budget and an audit opinion the Comptroller General attesting to the reliability and relevancy accuracy of the information contained in the annual report.

"(4) The annual report shall be prepared annually in a timely fashion after the close of each fiscal year. If the final annual report for a fiscal year is not available within 3 calendar months after the close of that fiscal year, a preliminary annual report shall be prepared and published within that period containing substantially all the material described in subparagraphs (A) and (B) of paragraph (1) and the final annual report shall be prepared and published as soon as possible thereafter.

"(5)(A) In the case of any booklet of instructions for Form 1040, 1040A, or 1040EZ prepared by the Secretary for filing individual income tax returns for taxable years beginning in any calendar year, the Secretary shall include on the front inside cover of such booklet of instructions (in addition to the information required in subsection (a) of section 7523 of the Internal Revenue Code of 1986) a summary of the annual report prepared by the Director.

"(B) The summary referred to in subparagraph (A) shall—

"(i) include the cumulative Federal debt at the end of each of the 10 preceding fiscal years expressed in total dollars and in dollars per capita;

"(ii) include the Federal deficit for each of the 10 preceding years expressed in total dollars and dollars per capita; and

"(iii) be presented in a manner that is easily comprehensible to a taxpayer.

"(6)(A) A taxpayer is described in this paragraph if such taxpayer designates on the form for the return of the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any taxable year that such taxpayer desires a copy of the annual report described in this subsection and, in cases where a taxpayer requests more than one copy of the report, submits a processing fee (if any) as described in paragraph (7).

"(B) Space shall be made available for the designation referred to in subparagraph (A) on the first page of the tax return forms for such tax.

"(7) Notwithstanding any other provision of law, the Secretary of the Treasury may impose a processing fee or may accept contributions from corporations, foundations, and other private entities for distribution or preparation of the report, or both.".

(d) AUTHORIZATION.—For the purpose of carrying out the provisions of the amendment made by this section, there are authorize to be appropriated to the Secretary of the Treasury and the Director of the Office of Management and Budget $10,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal years 1995, 1996, 1997 and 1998. These amounts shall include any funds raised through the authority established in section 3513(d)(7) of title 31, United States Code, as added by this section.

DOLE (AND OTHERS) AMENDMENT NO. 506

Mr. DOLE (for himself, Mr. DOMENICI, Mr. PACKWOOD, Mr. FAIRCLOTH, Mr. GRAMM, and Mr. THURMOND) proposed an amendment to the bill, (S. 1134), supra, as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Budget Reconciliation Act of 1993".

SEC. 2. TABLE OF CONTENTS.

The table of contents is as follows:

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE II—COMMITTEE ON ARMED SERVICES

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

TITLE VIII—ACHIEVEMENT OF SPENDING CUTS PRIOR TO CONSIDERATION OF ANY NEW TAXES

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

TITLE XI—COMMITTEE ON THE JUDICIARY

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

TITLE XIII—VETERANS' PROGRAMS

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SEC. 1001. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 1001. Short title and table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Wheat program.
Sec. 1102. Feed grain program.
Sec. 1103. Upland cotton program.
Sec. 1104. Rice program.
Sec. 1105. Dairy program.
Sec. 1106. Tobacco program.
Sec. 1107. Sugar program.
Sec. 1108. Oilseeds program.
Sec. 1109. Peanut program.
Sec. 1110. Honey program.
Sec. 1111. Wool and mohair program.

Subtitle B—Food Stamp Program

Sec. 1201. Uniform reimbursement rates.

Subtitle C—Agricultural Trade

Sec. 1301. Market promotion program.
Sec. 1302. Acreage reduction requirements.
Sec. 1303. Sense of Congress regarding the export of vegetable oil.

Subtitle D—Miscellaneous

Sec. 1401. Federal crop insurance.
Sec. 1402. Environmental conservation acreage reserve program amendments.
Sec. 1403. Admission, entrance, and recreation fees.
Sec. 1404. Sense of the Senate regarding deficit reduction.

Subtitle A—Commodity Programs

SEC. 1101. WHEAT PROGRAM.

Section 107B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1445b-3a(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of wheat, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for wheat (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the wheat acreage, to alternative crops as provided in subparagraph (F).".

SEC. 1102. FEED GRAIN PROGRAM.

(a) 0/92 PROGRAM.—Section 105B(c)(1)(E) of the Agricultural Act of 1949 (7 U.S.C. 1444f(c)(1)(E)) is amended—

(1) in the subparagraph heading, by striking "0/92 PROGRAM" and inserting "0/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (vii)),", and by adding at the end of the subparagraph the following new clause:

"(vii) EXCEPTIONS TO 0/85.—In the case of each of the 1994 and 1995 crops of feed grains, producers on a farm shall be eligible to receive deficiency payments as provided in clause (ii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(I)(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster); and

"(bb) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to conservation uses; or

"(II) the producers elect to devote a portion of the maximum payment acres for feed grains (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the feed grain acreage, to alternative crops as provided in subparagraph (F).".

(b) TECHNICAL AMENDMENT.—Section 105B(c)(1)(B)(iii)(IV)(bb) of such Act is amended by striking "clause (i)(I)" and inserting "clauses (i)(I) and (ii)(I)".

SEC. 1103. UPLAND COTTON PROGRAM.

(a) 50/92 PROGRAM.—Section 103B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1444-2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of upland cotton, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of upland cotton, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for upland cotton (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the upland cotton acreage, to alternative crops as provided in subparagraph (E).".

(b) ACREAGE LIMITATION PROGRAM.—Section 103B(e)(1)(D) of such Act is amended by inserting after "30 percent" the following: "for each of the 1991 through 1994 crops, and 29½ percent for the 1995 crop".

SEC. 1104. RICE PROGRAM.

Section 101B(c)(1)(D) of the Agricultural Act of 1949 (7 U.S.C. 1441-2(c)(1)(D)) is amended—

(1) in the subparagraph heading, by striking "50/92 PROGRAM" and inserting "50/85 PROGRAM"; and

(2) by inserting after "8 percent" both places it appears in clause (i) the following: "for each of the 1991 through 1993 crops, and 15 percent for each of the 1994 and 1995 crops (except as provided in clause (v)(II)),", and in clause (v)—

(A) by striking "(v) PREVENTED PLANTING.—If" and inserting the following:

"(v) PREVENTED PLANTING AND REDUCED YIELDS.—

"(I) 1991 THROUGH 1993 CROPS.—In the case of each of the 1991 through 1993 crops of rice, if"; and

(B) by adding at the end the following new subclause:

"(II) 1994 AND 1995 CROPS.—In the case of each of the 1994 and 1995 crops of rice, producers on a farm shall be eligible to receive deficiency payments as provided in clause (iii) if an acreage limitation program under subsection (e) is in effect for the crop and—

"(aa) the producers have been determined by the Secretary (in accordance with section 503(c)) to be prevented from planting the crop or have incurred a reduced yield for the crop (due to a natural disaster) and the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to conservation uses; or

"(bb) the producers elect to devote a portion of the maximum payment acres for rice (as calculated under subparagraph (C)(ii)) equal to more than 8 percent of the rice acreage, to alternative crops as provided in subparagraph (E).".

SEC. 1105. DAIRY PROGRAM.

(a) IN GENERAL.—Section 204(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1446e(c)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking "The Secretary" and inserting "Subject to subparagraph (B), the Secretary";

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) GUIDELINES.—In the case of purchases of butter and nonfat dry milk that are made by the Secretary under this section on or after the date of enactment of this clause, in allocating the rate of price support between the purchase prices of butter and nonfat dry milk under this paragraph, the Secretary may not—

"(i) offer to purchase butter for more than $0.65 per pound; or

"(ii) offer to purchase nonfat dry milk for less than $1.034 per pound.".

(b) CONFORMING AMENDMENTS.—Section 204 of such Act is amended—

(1) in the section heading, by striking "1995" and inserting "1996";

(2) by striking "1995" each place it appears (other than in subsection (h)(2)(B)) and inserting "1996"; and

(3) in subsection (g)(2), by striking "1994" and inserting "1995".

SEC. 1106. TOBACCO PROGRAM.

(a) BUDGET DEFICIT ASSESSMENT.—

(1) IN GENERAL.—Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended—

(A) in subsection (g)(1), by striking "1995" and inserting "1998"; and

(B) by adding at the end the following new subsection:

"(h)(1) Effective only for each of the 1994 through 1998 crops of tobacco, an importer of tobacco that is produced outside the United States shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to the product obtained by multiplying—

"(A) the number of pounds of tobacco that is imported by the importer; by

"(B) the sum of—

"(i) the per pound marketing assessment imposed on purchasers of domestic Burley tobacco pursuant to subsection (g); and

"(ii) the per pound marketing assessment imposed on purchasers of domestic Flue-cured tobacco pursuant to subsection (g).

"(2) An assessment imposed under this subsection shall be paid by the importer.

"(3)(A) The importer shall remit the assessment at such time and in such manner as may be prescribed by the Secretary.

"(B) If the importer fails to comply with subparagraph (A), the importer shall be liable for a marketing penalty at a rate equal to 37.5 percent of the sum of the average market price (calculated to the nearest whole cent) of Flue-cured and Burley tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(C) The Secretary may reduce an assessment in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(D) Any assessment provided for under this subsection shall be assessed by the Secretary after notice and opportunity for a hearing.

"(4)(A) Any person against whom a penalty is assessed under this subsection may obtain review of the penalty in an appropriate district court of the United States by filing a civil action in the court not later than 30 days after the penalty is imposed.

"(B) The Secretary shall promptly file in the court a certified copy of the record on which the penalty is based.

"(5) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(6) An amount equivalent to any penalty collected by the Secretary under this subsection shall be deposited for use by the Commodity Credit Corporation.".

(2) IMPORTER ASSESSMENTS FOR NO NET COST TOBACCO FUND.—Section 106A of such Act (7 U.S.C. 1445–1) is amended—

(A) in subsection (c), by inserting "and importers" after "purchasers";

(B) in subsection (d)(1)(A)—

(i) by striking "and" at the end of clause (i); and

(ii) by inserting after clause (ii) the following new clause:

"(iii) each importer of Flue-cured or Burley tobacco shall pay to the appropriate association, for deposit in the Fund of the association, an assessment, in an amount that is equal to the product obtained by multiplying—

"(I) the number of pounds of tobacco that is imported by the importer; by

"(II) the sum of the amount of per pound producer contributions and purchaser assessments that are payable by domestic producers and purchasers of Flue-cured and Burley tobacco under clauses (i) and (ii); and";

(C) in subsection (d)(2)—

(i) by inserting "or importer" after "or purchaser";

(ii) by striking "and" at the end of subparagraph (B);

(iii) by inserting "and" at the end of subparagraph (C); and

(iv) by adding at the end the following new subparagraph:

"(D) if the tobacco involved is imported by an importer, from the importer."; and

(D) in subsection (h)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the association an assessment as required by subsection (d)(2) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(3) IMPORTER ASSESSMENTS TO NO NET COST TOBACCO ACCOUNT.—Section 106B of such Act (7 U.S.C. 1445–2) is amended—

(A) in subsection (c)(1), by striking "producers and purchasers" and inserting "producers, purchasers, and importers";

(B) in subsection (d)(1)—

(i) by designating the first and second sentences as subparagraphs (A) and (B), respectively; and

(ii) by adding at the end the following new subparagraph:

"(C) The Secretary shall also require (in lieu of any requirement under section 106A(d)(1)) that each importer of Flue-cured and Burley tobacco shall pay to the Corporation, for deposit in the Account of the association, an assessment, as determined under paragraph (2) and collected under paragraph (3), with respect to purchases of all such kind of tobacco imported by the importer.";

(C) in subsection (d)(2), by adding at the end the following new subparagraph:

"(C) The amount of the assessment to be paid by importers shall be an amount that is equal to the product obtained by multiplying—

"(i) the number of pounds of tobacco that is imported by the importer; by

"(ii) the sum of the amount of per pound producer and purchaser assessments that are payable by domestic producers and purchasers of the respective kind of tobacco under this paragraph.";

(D) in subsection (d)(3), by adding at the end the following new subparagraph:

"(D) If Flue-cured or Burley tobacco is imported by an importer, any importer assessment required by subsection (d) shall be collected from the importer."; and

(E) in subsection (j)(1)—

(i) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(ii) by inserting after subparagraph (A) the following new subparagraph:

"(B) Each importer who fails to pay to the Corporation an assessment as required by subsection (d) at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the respective kind of tobacco for the immediately preceding year on the quantity of tobacco as to which the failure occurs.".

(b) FEES FOR INSPECTING IMPORTED TOBACCO.—The second sentence of section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r(d)) is amended by inserting before the period at the end the following: ", and which shall be comparable to fees and charges fixed and collected for services provided in connection with tobacco produced in the United States".

(c) EXTENSION OF QUOTA REDUCTION FLOORS.—

(1) BURLEY TOBACCO.—Section 319(c)(3)(C)(ii) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(c)(3)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Burley tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing associations for Burley tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Burley tobacco".

(2) FLUE-CURED TOBACCO.—Section 317(a)(1)(C)(ii) of such Act (7 U.S.C. 1314c(a)(1)(C)(ii)) is amended—

(A) by striking "1993" and inserting "1996"; and

(B) by inserting before the period at the end the following: ", except that, in the case of each of the 1995 and 1996 crops of Flue-cured tobacco, the Secretary may waive the requirements of this clause if the Secretary determines that the requirements would likely result in inventories of the producer-owned cooperative marketing association for Flue-cured tobacco described in section 320B(a)(2) to exceed 150 percent of the reserve stock level for Flue-cured tobacco".

SEC. 1107. SUGAR PROGRAM.

Section 206(i) of the Agricultural Act of 1949 (7 U.S.C. 1446g(i)) is amended—

(1) in paragraph (1), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .18 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .198 cents per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).."; and

(2) in paragraph (2), by striking "equal to" and all that follows through the period and inserting the following: "equal to—

"(A) in the case of marketings during each of fiscal years 1992 through 1994, .193 cents per pound of beet sugar, processed by the processor from domestically produced sugar

beets or sugar beet molasses, that has been marketed; and

"(B) in the case of marketings during each of fiscal years 1995 and 1996, .2123 cents per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.".

SEC. 1108. OILSEEDS PROGRAM.

(a) LOAN LEVEL.—Section 205(c) of the Agricultural Act of 1949 (7 U.S.C. 1446f(c)) is amended—

(1) in paragraph (1), by inserting after "$5.02 per bushel" the following: "for each of the 1991 through 1993 crops and $4.92 per bushel for each of the 1994 and 1995 crops"; and

(2) in paragraph (2), by inserting after "$0.089 per pound" the following: "for each of the 1991 through 1993 crops and $0.087 per pound for each of the 1994 and 1995 crops".

(b) LOAN MATURITY.—Section 205(h) of such Act is amended by striking "mature on the last day of the 9th month following the month the application for the loan is made." and inserting the following: "mature—

"(1) in the case of each of the 1991 through 1993 crops, on the last day of the 9th month following the month the application for the loan is made; and

"(2) in the case of each of the 1994 and 1995 crops, on the last day of the 9th month following the month the application for the loan is made, except that the loan may not mature later than the last day of the fiscal year in which the application is made.".

(c) LOAN ORIGINATION FEE.—Section 205(m) of such Act is amended by adding at the end the following new paragraph:

"(3) APPLICABILITY.—This subsection shall apply only to each of the 1991 through 1993 crops of oilseeds.".

SEC. 1109. PEANUT PROGRAM.

Section 108B(g) of the Agricultural Act of 1949 (7 U.S.C. 1445c-3(g)) is amended—

(1) in paragraph (1), by inserting after "1 percent" both places it appears the following: "for each of the 1991 through 1993 crops, and 1.1 percent for each of the 1994 and 1995 crops,"; and

(2) in paragraph (2)(A)—

(A) in clause (i), by striking "½ percent" and inserting ".5 percent for each of the 1991 through 1993 crops, and .6 percent for each of the 1994 and 1995 crops,"; and

(B) in clause (ii), by striking "½ percent" and inserting ".5 percent".

SEC. 1110. HONEY PROGRAM.

(a) REDUCED SUPPORT RATE.—Section 207(a) of the Agricultural Act of 1949 (7 U.S.C. 1446h(a)) is amended by striking "than 53.8 cents per pound." and inserting the following: "than—

"(1) 53.8 cents per pound for each of the 1991 through 1993 crops; and

"(2) 47 cents per pound for each of the 1994 through 1997 crops.".

(b) PAYMENT LIMITATIONS.—Section 207(e)(1) of such Act is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 in the 1994 crop year;

"(E) $100,000 in the 1995 crop year;

"(F) $75,000 in the 1996 crop year; and

"(G) $50,000 in the 1997 crop year.".

(c) CONFORMING AMENDMENTS.—Section 207 of such Act (as amended by subsection (b)) is further amended by striking "1995" each place it appears (other than in subsection (e)(1)(E)) and inserting "1997".

SEC. 1111. WOOL AND MOHAIR PROGRAM.

(a) PAYMENT LIMITATIONS.—Section 704(b)(1) of the National Wool Act of 1954 (7 U.S.C. 1783(b)(1)) is amended—

(1) by striking "and" at the end of subparagraph (C); and

(2) by striking subparagraph (D) and inserting the following new subparagraphs:

"(D) $125,000 for the 1994 marketing year;

"(E) $100,000 for the 1995 marketing year;

"(F) $75,000 for the 1996 marketing year; and

"(G) $50,000 for the 1997 marketing year.".

(b) SUPPORT PRICE FOR SHORN WOOL.—Paragraph (3) of section 703(b) of such Act (7 U.S.C. 1782(b)(3)) is amended to read as follows:

"(3) Effective only for each of the 1994 through 1997 marketing years, the support price for shorn wool shall not exceed the support price for shorn wool for the 1993 marketing year.".

(c) MARKETING ASSESSMENT.—Section 704(c) of such Act (7 U.S.C. 1783(c)) is amended by striking "through 1995" and inserting "and 1992".

(d) MARKETING CHARGES.—Section 706 of such Act (7 U.S.C. 1785) is amended by inserting after the second sentence the following new sentence: "In determining the net sales proceeds and national payment rates for shorn wool and shorn mohair, the Secretary shall not deduct marketing charges for commissions, coring, or grading.".

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) TECHNICAL AMENDMENT.—Section 703(b)(2) of such Act (7 U.S.C. 1782(b)(2)) is amended by striking "1982" and inserting "1990".

(2) CONFORMING AMENDMENTS.—Section 703 of such Act (7 U.S.C. 1782) is amended by striking "1995" both places it appears in subsections (a) and (b) and inserting "1997".

Subtitle B—Food Stamp Program

SEC. 1201. UNIFORM REIMBURSEMENT RATES.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking "and (5)" and inserting "(5)";

(B) by inserting before ": *Provided*," the following: ", (6) automated data processing and information retrieval systems subject to the conditions set forth in subsection (g), (7) food stamp program investigations and prosecutions, and (8) implementing and operating the immigration status verification system established under section 1137(d) of the Social Security Act (42 U.S.C. 1320b-7(d))"; and

(C) in the proviso, by striking "authorized to pay each State agency an amount not less than 75 per centum of the costs of State food stamp program investigations and prosecutions, and is further";

(2) in subsection (g)—

(A) by striking "an amount equal to 63 percent effective on October 1, 1991, of" and inserting "the amount authorized under subsection (a)(6) for"; and

(B) by striking "automatic" and inserting "automated";

(3) by striking subsection (j); and

(4) by redesignating subsection (k) as subsection (j).

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after April 1, 1994.

(2) BIENNIAL LEGISLATURES.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, and that demonstrates to the satisfaction of the Secretary of Agriculture that there is no mechanism, under the constitution and laws of the State, for appropriating the additional funds required by the amendments made by this section before the next such regular legislative session, the Secretary may delay the effective date of all or part of the amendments made by subsection (a) until the beginning date of a calendar quarter that is not later than the first calendar quarter beginning after the close of the first regular session of the State legislature after the date of enactment of this Act.

Subtitle C—Agricultural Trade

SEC. 1301. MARKET PROMOTION PROGRAM.

(a) REDUCTION OF FUNDING LEVEL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) in paragraph (1)—

(A) by striking "1995" and inserting "1993"; and

(B) by striking "and" at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) in addition to any funds that may be specifically appropriated to implement a market development program, for each of fiscal years 1994 and 1995, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation—

"(A) not less than $33,000,000 for—

"(i) branded promotion activities involving small-sized commercial entities and medium-sized commercial entities that are beginning exporters; and

"(ii) activities other than branded promotion activities that only benefit small-sized commercial entities and medium-sized commercial entities, or (as determined by the Secretary) small-sized agricultural producers and medium-sized agricultural producers; and

"(B) in addition to funding specified in subparagraph (A), not less than $77,000,000 for program activities by any eligible trade organization, including organizations specified under subparagraph (A); and".

(b) DEFINITIONS.—Section 102 of such Act (7 U.S.C. 5602) is amended by adding at the end the following new paragraph:

"(9) COMMERCIAL ENTITY.—

"(A) IN GENERAL.—The term 'commercial entity' means a cooperative or private organization that exports or promotes an agricultural commodity, including an entity that controls, is controlled by, or is under common control with such a cooperative or private organization.

"(B) MEDIUM-SIZED COMMERCIAL ENTITY.—The term 'medium-sized commercial entity' means a commercial entity that employs not less than 51, nor more than 500, individuals.

"(C) SMALL-SIZED COMMERCIAL ENTITY.—The term 'small-sized commercial entity' means a commercial entity that employs not more than 50 individuals.".

SEC. 1302. ACREAGE REDUCTION REQUIREMENTS.

(a) IN GENERAL.—Section 1104 of the Omnibus Budget Reconciliation Act of 1990 (7 U.S.C. 1445b-3a note) is amended—

(1) in subsection (a), by striking paragraph (2) and inserting the following new paragraph:

"(2) corn under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not less than 7½ percent."; and

(2) in subsection (b)(2), by striking "grain sorghum, and barley,".

(b) READJUSTMENT OF SUPPORT LEVELS.—Section 1302 of such Act (7 U.S.C. 1421 note) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(2) in subsection (c), by striking "and other programs"; and

(3) in subsection (d)—

(A) in paragraph (1)—

(i) by striking subparagraph (A); and

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in paragraph (2), by striking "(A), (B), and (C)" and inserting "(A) and (B)"; and

(C) in paragraph (3)—

(i) by striking "measures specified in subparagraph (A) of paragraph (1) and"; and

(ii) by striking "(B) or (C)" and inserting "(A) or (B)".

SEC. 1303. SENSE OF CONGRESS REGARDING THE EXPORT OF VEGETABLE OIL.

It is the sense of Congress that the Secretary of Agriculture should continue aggressively to promote the export of vegetable oil through all available authorities, including but not limited to the export enhancement program established under section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651).

Subtitle D—Miscellaneous

SEC. 1401. FEDERAL CROP INSURANCE.

(a) ACTUARIAL SOUNDNESS.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by adding at the end the following new subsection:

"(n) ACTUARIAL SOUNDNESS.—The Corporation shall take such actions as are necessary to improve the actuarial soundness of Federal multiperil crop insurance coverage made available under this title to achieve, on and after October 1, 1995, an overall projected loss ratio of not greater than 1.1, including—

"(1) instituting appropriate requirements for documentation of the actual production history of insured producers to establish recorded or appraised yields for Federal crop insurance coverage that more accurately reflect the associated actuarial risk, except that the Corporation may not carry out this paragraph in a manner that would prevent beginning farmers from obtaining adequate Federal crop insurance, as determined by the Corporation;

"(2) establishing in counties, to the extent practicable, a crop insurance option based on area yields in a manner that allows an insured producer to qualify for an indemnity if a loss has occurred in a specified area in which the farm of the insured producer is located;

"(3) establishing a database that contains the social security account and employee identification numbers of participating producers and using the numbers to identify insured producers who are high risk for actuarial purposes and insured producers who have not documented at least 4 years of production history, to assess the performance of insurance providers, and for other purposes permitted by law; and

"(4) taking any other measures authorized by law to improve the actuarial soundness of the Federal crop insurance program while maintaining fairness and effective coverage for agricultural producers.".

(b) CONFORMING AMENDMENTS.—

(1) REINSURANCE.—Section 508(h) of such Act (7 U.S.C. 1508(h)) is amended by striking the fifth sentence and inserting the following new sentence: "The Corporation shall also pay operating and administrative costs to insurers of policies on which the Corporation provides reinsurance in an amount determined by the Corporation.".

(2) AREA YIELD PLAN.—Section 508 of such Act (7 U.S.C. 1508) is amended by adding at the end the following new subsection:

"(n) AREA YIELD PLAN.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, the Corporation may offer, only as an option to individual crop insurance coverage available under this Act, a crop insurance plan based on an area yield that allows an insured producer to qualify for an indemnity if a loss has occurred in an area, as specified by the Corporation, in which the farm of the producer is located.

"(2) LEVEL OF COVERAGE.—Under a plan offered under paragraph (1), an insured producer shall be allowed to select the level of production at which an indemnity will be paid consistent with terms and conditions established by the Corporation.".

(3) YIELD COVERAGE.—Section 508A of such Act (7 U.S.C. 1508a) is amended—

(A) in subsection (a)(1), by striking "may" and inserting "shall"; and

(B) in subsection (b)—

(i) in paragraph (1)(A)—

(I) by striking "A crop insurance contract" and all that follows through "producer—" and inserting "Under regulations issued by the Corporation, a crop insurance contract offered under this title to an eligible insured producer of a commodity with respect to which the Corporation provides crop insurance coverage shall make available to the producer either—";

(II) by striking "or" at the end of clause (i);

(III) in clause (ii)—

(aa) by striking "5" and inserting "4 building to 10"; and

(bb) by striking the period at the end and inserting "; or"; and

(IV) by adding at the end the following new clause:

"(iii) yield coverage based on—

"(I) not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements; or

"(II) the area yield under section 508(n) for the crop established under the program for the commodity involved.";

(ii) in paragraph (1)(B)—

(I) by striking "two" and inserting "3"; and

(II) by inserting after "subparagraph (A)" the following: ", where available (as determined by the Corporation),";

(iii) in paragraph (2)—

(I) by striking "5" and inserting "4 building to 10"; and

(II) by inserting after "previous crops," the following: "not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), or the area yield,"; and

(iv) in paragraph (3)(A)(i), by inserting after "farm program yield" the following: ", not less than 65 percent of the transitional yield of the producer (adjusted to reflect actual experience), as specified in regulations issued by the Corporation based on production history requirements, or the area yield under section 508(n), whichever is applicable,".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall become effective on October 1, 1993.

(2) REGULATIONS.—Not later than 30 days after the date of enactment of this Act, the Secretary of Agriculture shall publish, for public comment, proposed regulations to implement the amendments made by this section.

SEC. 1402. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AMENDMENTS.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended—

(1) in section 1230(b) (16 U.S.C. 3830(b)), by striking "to place in" and all that follows through "acres";

(2) in section 1231(d) (16 U.S.C. 3831(d))—

(A) by striking "may" and inserting "shall";

(B) by striking "the amount of acres specified in section 1230(b)" and inserting "a total of 38,000,000 acres during the 1986 through 1995 calendar years"; and

(C) by striking "each of calendar years 1994 and 1995" and inserting "the 1995 calendar year";

(3) in section 1237 (16 U.S.C. 3837)—

(A) by striking subsection (b) and inserting the following new subsection:

"(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

"(1) a total of not less than 330,000 acres by the end of the 1995 calendar year; and

"(2) a total of not less than 975,000 acres during the 1991 through 2000 calendar years."; and

(B) in subsection (c), by striking "1995" and inserting "2000"; and

(4) in section 1241 (16 U.S.C. 3841)—

(A) in subsection (a)—

(i) by striking "(a)(1) During each of the fiscal years ending September 30, 1986, and September 30, 1987" and inserting "(a) During each of fiscal years 1994 through 2000"; and

(ii) by striking paragraph (2); and

(B) in subsection (b), by striking "(A) through (E)" and inserting "A through E".

SEC. 1403. ADMISSION, ENTRANCE, AND RECREATION FEES.

(a) DEFINITIONS.—As used in this section:

(1) AREA OF CONCENTRATED PUBLIC USE.—The term "area of concentrated public use" means an area administered by the Secretary that meets each of the following criteria:

(A) The area is managed primarily for outdoor recreation purposes.

(B) Facilities and services necessary to accommodate heavy public use are provided in the area.

(C) The area contains at least one major recreation attraction.

(D) Public access to the area is provided in such a manner that admission fees can be efficiently collected at 1 or more centralized locations.

(2) BOAT LAUNCHING FACILITY.—The term "boat launching facility" includes any boat launching facility, regardless of whether specialized facilities or services, such as mechanical or hydraulic boat lifts or facilities, are provided.

(3) CAMPGROUND.—The term "campground" means any campground where a majority of the following amenities are provided, as determined by the Secretary:

(A) Tent or trailer spaces.

(B) Drinking water.

(C) An access road.

(D) Refuse containers.

(E) Toilet facilities.

(F) The personal collection of recreation use fees by an employee or agent of the Secretary.

(G) Reasonable visitor protection.

(H) If campfires are permitted in the campground, simple devices for containing the fires.

(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) AUTHORITY TO IMPOSE FEES.—The Secretary—

(1) may charge admission or entrance fees at national monuments, national volcanic monuments, national scenic areas, and areas of concentrated public use administered by the Secretary;

(2) acting through the Forest Service, shall reimburse the Agricultural Stabilization and Conservation Service for administrative costs incurred under the Stewardship Incentive Program for the actual cost of services provided by the Agricultural Stabilization and Conservation Service, except that the actual costs shall not exceed 10 percent of the total annual appropriation for the program; and

(3) may charge recreation use fees at lands administered by the Secretary in connection with the use of specialized outdoor recreation sites, equipment, services, and facilities, including visitors' centers, picnic tables, boat launching facilities, and campgrounds.

(c) AMOUNT OF FEES.—The amount of the admission, entrance, and recreation fees authorized to be imposed under this section shall be determined by the Secretary.

SEC. 1404. SENSE OF THE SENATE REGARDING DEFICIT REDUCTION.

It is the sense of the Senate that—

(1) farmers should pay no more than their fair share of any budget reduction necessary to achieve the goal of deficit reduction; and

(2) the level of budget reduction should take into account and be adjusted to reflect any BTU or energy taxes, any other taxes, reduction in interest rates, and other user fees.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 2001. LIMITATION ON COST-OF-LIVING ADJUSTMENTS FOR MILITARY RETIREES.

Paragraph (2) of section 1401a(b) of title 10, United States Code, is amended to read as follows:

"(2) PRE-AUGUST 1, 1986 MEMBERS.—

"(A) GENERAL RULE.—The Secretary shall increase the retired pay of each member and former member who first became a member of a uniformed service before August 1, 1986, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(i) the price index for the base quarter of that year, exceeds

"(ii) the base index.

"(B) SPECIAL RULES FOR FISCAL YEARS 1994 THROUGH 1998.—

"(i) FISCAL YEARS 1994 THROUGH 1997.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1 of 1993, 1994, 1995, or 1996, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be September of the following year.

"(ii) FISCAL YEAR 1998.—In the case of an increase in retired pay that, pursuant to paragraph (1), becomes effective on December 1, 1997, the initial month for which such increase is payable as part of such retired pay shall (notwithstanding such December 1 effective date) be August 1998.

"(C) INAPPLICABILITY TO DISABILITY RETIREES.—Subparagraph (B) does not apply with respect to the retired pay of a member retired under chapter 61 of this title.".

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

SEC. 3001. NATIONAL DEPOSITOR PREFERENCE.

(a) IN GENERAL.—Section 11(d)(11) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)) is amended to read as follows:

"(11) DEPOSITOR PREFERENCE.—

"(A) IN GENERAL.—Subject to section 5(e)(2)(C), amounts realized from the liquidation or other resolution of any insured depository institution by any receiver appointed for such institution shall be distributed to pay claims (other than secured claims to the extent of any such security) in the following order of priority:

"(i) Administrative expenses of the receiver.

"(ii) Any deposit liability of the institution.

"(iii) Any other general or senior liability of the institution (which is not a liability described in clause (iv) or (v)).

"(iv) Any obligation subordinated to depositors or general creditors (which is not an obligation described in clause (v)).

"(v) Any obligation to shareholders or members arising as a result of their status as shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

"(B) EFFECT ON STATE LAW.—

"(i) IN GENERAL.—The provisions of subparagraph (A) shall not supersede the law of any State except to the extent such law is inconsistent with the provisions of such subparagraph, and then only to the extent of the inconsistency.

"(ii) PROCEDURE FOR DETERMINATION OF INCONSISTENCY.—Upon the Corporation's own motion or upon the request of any person with a claim described in subparagraph (A)(i) or any State which is submitted to the Corporation in accordance with procedures which the Corporation shall prescribe, the Corporation shall determine whether any provision of the law of any State is inconsistent with any provision of subparagraph (A) and the extent of any such inconsistency.

"(iii) JUDICIAL REVIEW.—The final determination of the Corporation under clause (ii) shall be subject to judicial review under chapter 7 of title 5, United States Code.

"(C) ACCOUNTING REPORT.—Any distribution by the Corporation in connection with any claim described in subparagraph (A)(vi) shall be accompanied by the accounting report required under paragraph (15)(B).".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 11(c)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(13)) is amended—

(A) in subparagraph (A), by striking "subject to subparagraph (B),";

(B) by inserting "and" after the semicolon at the end of subparagraph (A);

(C) by striking subparagraph (B); and

(D) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 11(g)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1921(g)(4)) is amended by striking "If the Corporation" and inserting "Subject to subsection (d)(11), if the Corporation".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to insured depository institutions for which a receiver is appointed after the date of the enactment of this Act.

SEC. 3002. TRANSFER OF FEDERAL RESERVE SURPLUSES.

(a) IN GENERAL.—The 1st undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 289) is amended to read as follows:

"(a) DIVIDENDS AND SURPLUS FUNDS OF RESERVE BANKS.—

"(1) STOCKHOLDER DIVIDENDS.—

"(A) IN GENERAL.—After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.

"(B) DIVIDEND CUMULATIVE.—The entitlement to dividends under subparagraph shall be cumulative.

"(2) DEPOSIT OF NET EARNINGS IN SURPLUS FUND.—That portion of net earnings of each Federal reserve bank which remains after dividend claims under subparagraph (A) have been fully met shall be deposited in the surplus fund of the bank.

"(3) PAYMENT TO TREASURY.—During fiscal years 1997 and 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.".

(b) ADDITIONAL TRANSFERS FOR FISCAL YEARS 1997 AND 1998.—

(1) IN GENERAL.—In addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to section 7(a)(3) of the Federal Reserve Act, the Federal reserve banks shall transfer from such surplus funds to the Board of Governors of the Federal Reserve System for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury, a total amount of $106,000,000 in fiscal year 1997 and a total amount of $107,000,000 in fiscal year 1998.

(2) ALLOCATION BY FED.—Of the total amount required to be paid by the Federal reserve banks under paragraph (1) for fiscal year 1997 or 1998, the Board of Governors of the Federal Reserve System shall determine the amount each such bank shall pay in such fiscal year.

(3) REPLENISHMENT OF SURPLUS FUND PROHIBITED.—No Federal reserve bank may replenish such bank's surplus fund by the amount of any transfer by such bank under paragraph (1) during fiscal years 1997 and 1998.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The penultimate undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 290) is amended by striking "The net earnings derived" and inserting "(b) USE OF EARNINGS TRANSFERRED TO THE TREASURY.—The net earnings derived".

(2) The last undesignated paragraph of section 7 of the Federal Reserve Act (12 U.S.C. 531) is amended by striking "Federal reserve banks" and inserting "(c) EXEMPTION FROM TAXATION.—Federal reserve banks".

SEC. 3003. USE OF RETURN DATA FOR INCOME VERIFICATION UNDER CERTAIN HOUSING ASSISTANCE PROGRAMS.

(a) AMENDMENTS TO HOUSING ACTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended as follows:

(1) DEFINITION.—In subsection (a), by adding at the end the following:

"(4) PROGRAM OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.—The term 'program of the Department of Housing and Urban Development' includes Indian housing programs assisted under title II of the United States Housing Act of 1937.".

(2) CONSENT FORMS.—In subsection (b)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting "; and";

(C) by inserting after paragraph (2) the following new paragraph:

"(3) sign a consent form approved by the Secretary authorizing the Secretary to request the Commissioner of Social Security and the Secretary of the Treasury to release information pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 with respect to such applicant or participant for the sole purpose of the Secretary verifying income information pertinent to the applicant's or participant's eligibility or level of benefits."; and

(D) in the last sentence, by striking "This" and inserting the following: "Except as provided in this subsection, this".

(2) APPLICANT, PARTICIPANT, AND PUBLIC HOUSING AGENCY PROTECTIONS.—In subsection (c)(2)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by inserting after "compensation law" the following: "or pursuant to section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 from the Commissioner of Social Security or the Secretary of the Treasury"; and

(II) by inserting "(in the case of information obtained pursuant to such section 303(i))" before "representatives"; and

(ii) in clause (ii), by inserting "or public housing agency" after "owner" each place it appears; and

(B) in subparagraph (B), by inserting after "wages" each place it appears the following: ", other earnings or income,".

(3) PENALTY.—In subsection (c)(3)—

(A) in subparagraph (A), by inserting "or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986" after "Social Security Act"; and

(B) in the first sentence of subparagraph (B)—

(i) by striking clause (i) and inserting the following: "(i) a negligent or knowing disclosure of information referred to in this section, section 303(i) of the Social Security Act, or section 6103(l)(7)(D)(ix) of the Internal Revenue Code of 1986 about such person by an officer or employee of any public housing agency or owner (or employee thereof), which disclosure is not authorized by this section, such section 303(i), such section 6103(l)(7)(D)(ix), or any regulation implementing this section, such section 303(i), or such section 6103(l)(7)(D)(ix), or"; and

(ii) in clause (ii), by inserting "such section 6103(l)(7)(D)(ix)," after "303(i),".

(4) CONFORMING AMENDMENT.—The heading of subsection (c) of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 is amended by striking "STATE EMPLOYMENT".

(5) OPERATING SUBSIDY ADJUSTMENTS.—Section 9(a) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended by adding at the end the following:

"(4) Adjustments to a public housing agency's operating subsidy made by the Secretary under this section shall reflect actual changes in rental income collections resulting from the application of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.".

(b) CONFORMING INTERNAL REVENUE CODE AMENDMENTS.—

(1) IN GENERAL.—Subparagraph (D) of section 6103(*l*)(7) of the Internal Revenue Code of 1986 (26 U.S.C. 6103(*l*)(7)(D); relating to the disclosure of return information to Federal, State, and local agencies administering certain programs) is amended—

(A) in clause (vii), by striking ", and" at the end and inserting a semicolon;

(B) in clause (viii), by striking the period at the end and inserting "; and";

(C) by inserting after clause (viii) the following new clause:

"(ix) any housing assistance program administered by the Department of Housing and Urban Development that involves initial and periodic review of an applicant's or participant's income, except that return information may be disclosed under this paragraph only to the Secretary of Housing and Urban Development and only with respect to applicants for and participants in such programs who have signed consent forms under section 904(b)(3) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988."; and

(D) by adding at the end the following: "Clause (ix) shall not apply after September 30, 1998.".

(2) AMENDMENT TO THE HEADING.—The heading of paragraph (7) of section 6103(l) of the Internal Revenue Code of 1986 is amended by inserting after "1977," the following: "CERTAIN HOUSING ASSISTANCE PROGRAMS,".

SEC. 3004. GNMA REMIC GUARANTEE FEES.

Section 306(g)(3) of the National Housing Act (12 U.S.C. 1721(g)(3)) is amended by adding at the end the following new subparagraph:

"(E)(i) Notwithstanding subparagraphs (A) through (D), fees charged for the guarantee of, or commitment to guarantee, multiclass securities backed by a trust or pool of securities or notes guaranteed by the Association under this subsection, and other related fees shall be charged by the Association in an amount the Association deems appropriate. The Association shall take such action as may be necessary to reasonably assure that such portion of the benefit, resulting from the Association's multiclass securities program, as the Association determines is appropriate accrues to mortgagors who execute eligible mortgages after the date of the enactment of this subparagraph.

"(ii) In its annual report, the Association shall provide a summary of each activity of the Association pertaining to the Association's multiclass securities program. Each summary shall contain a description of the activity and shall include—

"(I) information pertaining to the size of the transactions closed, the number of mortgages involved, the amount of fees charged, those persons or entities receiving payments for services provided and the amounts of such payments; and

"(II) an estimate of the portion of the benefit of the multiclass securities program accruing to mortgagors as well as a description of any action taken by the Association to ensure such accrual.

"(iii) The Association shall provide for the initial implementation of the program for which fees are charged under the first sentence of clause (i) by notice published in the Federal Register. The notice shall be effective upon publication and shall provide an opportunity for public comment. Not later than 12 months after publication of the notice, the Association shall issue regulations for such program based on the notice, comments received, and the experience of the Association in carrying out the program during such period.

"(iv) The Association shall consult with persons or entities in such manner as the Association deems appropriate to ensure the efficient commencement and operation of the multiclass securities program.

"(v) No State or local law, and no Federal law (except Federal law enacted expressly in limitation of this clause after the effective date of this subparagraph) shall preclude or limit the exercise by the Association of its power to contract with persons or entities, and its rights to enforce such contracts, for the purpose of ensuring the efficient commencement and continued operation of the multiclass securities program.

"(vi) Prior to the commencement of the multiclass securities program, the Association shall provide to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report describing the Association's design of the multiclass securities program, including program elements that ensure the minimization of risks arising from the operation of the multiclass securities program, such as—

"(I) any industry proven safeguards, including capital standards for sponsors and provisions for indemnification from private parties for events that may result in the Association's liability under its guaranty or commitment to guaranty; and

"(II) the sufficiency of the Association's staff resources to administer the multiclass securities program.".

SEC. 3005. MUTUAL MORTGAGE INSURANCE FUND PREMIUMS.

To improve the actuarial soundness of the Mutual Mortgage Insurance Fund under the National Housing Act, the Secretary of Housing and Urban Development shall increase the rate at which the Secretary earns the single premium payment collected at the time of insurance of a mortgage that is an obligation of such Fund (with respect to the rate in effect on the date of the enactment of this Act). In establishing such increased rate, the Secretary shall consider any current audit findings and reserve analyses and information regarding the expected average duration of mortgages that are obligations of such Fund and may consider any other information that the Secretary determines to be appropriate.

TITLE IV—COMMUNICATIONS AND TRANSPORTATION

Subtitle A—Spectrum Allocation and Auction

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the "Emerging Telecommunications Technologies Act of 1993".

SEC. 4002. FINDINGS.

The Congress finds that—

(1) the Federal Government currently reserves for its own use, or has priority of access to, approximately 40 percent of the electromagnetic spectrum that is assigned for use pursuant to the Communications Act of 1934;

(2) many of such frequencies are underutilized by Federal Government licensees;

(3) the public interest requires that many of such frequencies be utilized more efficiently by Federal Government and non-Federal licensees;

(4) additional frequencies are assigned for services that could be obtained more efficiently from commercial providers or other vendors;

(5) scarcity of assignable frequencies for licensing by the Commission can and will—

(A) impede the development and commercialization of new telecommunications products and services;

(B) limit the capacity and efficiency of telecommunications systems in the United States;

(C) prevent some State and local police, fire, and emergency services from obtaining urgently needed radio channels; and

(D) adversely affect the productive capacity and international competitiveness of the United States economy;

(6) a reassignment of these frequencies can produce significant economic returns;

(7) a reassignment of Federal Government frequencies can be accomplished without adverse impact on amateur radio licenses that currently share allocations with Federal Government stations;

(8) current spectrum assignment procedures—comparative hearings and lotteries—can be expensive and time consuming, can strain the limited resources of the Federal Communications Commission, and can result in an inefficient distribution of spectrum and an unjustified windfall to speculators;

(9) competitive bidding could reduce the cost in time and money—and increase the efficiency—of the spectrum assignment process for certain radio services, discourage speculative applications, encourage the efficient use of spectrum by licensees, and fairly compensate United States taxpayers for use of a scarce public natural resource;

(10) competitive bidding should be structured to—

(A) facilitate introduction of new spectrum-based technologies and services and entry of new companies into the telecommunications market;

(B) recognize the legitimate needs of rural telephone companies in providing spectrum-based, common carrier services in rural markets in which they provide telephone exchange service by wire;

(C) give appropriate consideration to small businesses and minority-owned businesses that want to participate in the competitive bidding process;

(D) recognize the need to make reasonably priced mobile communications services available to businesses in rural areas;

(E) recognize the need to ensure that adequate spectrum continues to be available for public safety services; and

(F) otherwise further the public interest;

(11) competitive bidding should apply only to the granting of new spectrum licenses and should not—

(A) disrupt the operations of existing spectrum licensees;

(B) alter existing spectrum allocation procedures;

(C) apply to certain services governed by public interest regulations;

(D) diminish the existing authority of the Federal Communications Commission to regulate or reclaim spectrum licenses;

(E) prevent or discourage the allocation of spectrum to meet the current or future needs of public safety services; or

(F) grant any right to a spectrum licensee different from the rights awarded to licensees who obtain their license through assignment methods other than competitive bidding;

(12) in appropriating revenues received from competitive bidding, priority should be given to—

(A) funding spectrum management, planning, monitoring, and enforcement and other activities of the Federal Communications Commission, the National Telecommunications and Information Administration, and other Federal agencies aimed at increasing the efficiency and effectiveness of spectrum use, facilitating the introduction of new spectrum-based technologies and services, and enhancing the international competitiveness of the United States and the ability of American companies to enter new markets; and

(B) extending the reach of public radio and television to underserved areas of the United States and underserved groups of Americans and enhancing the ability of public telecommunications to deliver needed original, high-quality public service programming; and

(13) because commercial mobile services require a Federal license and the Federal Government is attempting to promote competition for such services, and because providers of such services do not exercise market power vis-a-vis telephone exchange service carriers and State regulation can be a barrier to the development of competition in this market, uniform national policy is necessary and in the public interest.

SEC. 4003. COMPETITIVE BIDDING.

(a) COMPETITIVE BIDDING.—

(1) IN GENERAL.—

(A) FIVE-YEAR AUTHORIZATION.—The Commission shall, during fiscal years 1994 through 1998, use the competitive bidding process authorized under the amendment made by subsection (b) to grant all radio spectrum licenses for which two or more mutually exclusive applications have been filed, including the 200 megahertz of spectrum made available to the Commission under this subtitle, and including the licenses issued for a personal communications service established pursuant to the proceeding entitled "Amendment to the Commission's Rules to Establish New Personal Communications Services", or any successor proceeding, except for those licenses identified in subparagraphs (A) through (E) of section 309(j)(4) of the Act and those licenses that the Commission determines should in the public interest be issued by comparative hearing under section 309(a) through (f) of the Act. To the extent possible, and consistent with the purposes of this subtitle, the Commission shall seek to ensure that revenues received pursuant to the competitive bidding process are received before the end of fiscal year 1998.

(B) EXPIRATION OF REQUIREMENTS.—The requirements of subparagraph (A) shall expire either—

(i) upon a determination by the Secretary of the Treasury that competitive bidding has resulted in or is reasonably expected to result in the receipt of $7,200,000,000 by the end of fiscal year 1998, or

(ii) at the end of fiscal year 1998, whichever is earlier.

(C) REPORT TO PRESIDENT AND CONGRESS.—The Commission shall prepare, in consultation with the Assistant Secretary of Commerce for Communications and Information, and submit to the President and the Congress, not later than March 31, 1997, and March 31, 1999, reports on the use of competitive bidding under subparagraph (A). Such reports shall examine, in addition to any other matters deemed appropriate by the Commission, whether and to what extent—

(i) competitive bidding significantly improved the efficiency and effectiveness of the process for granting radio spectrum licenses;

(ii) competitive bidding facilitated the introduction of new spectrum-based technologies and the entry of new companies into the telecommunications market;

(iii) the needs of rural spectrum users were adequately addressed in the competitive bidding process;

(iv) small businesses and minority-owned businesses were able to participate successfully in the competitive bidding process; and

(v) statutory changes are needed to improve the competitive bidding process.

(2) RETENTION OF REVENUES.—Notwithstanding paragraph (6) of section 309(j) of the Act, as added by this subtitle, the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from the receipts received pursuant to such section for the costs of developing and implementing the program required by subsection (a)(1)(A). Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis. Any funds appropriated to the Commission for fiscal years 1994 through 1998 for the purpose of assigning licenses using random selection under section 309(i) of the Act shall be used by the Commission to implement section 309(j) of the Act.

(b) COMPETITIVE BIDDING AUTHORIZATION.—Section 309 of the Act (47 U.S.C. 309) is amended by adding at the end the following new subsection:

"(j)(1) Subject to the exemptions and conditions set forth in the other provisions of this subsection, if there are two or more mutually exclusive applications for any construction permit or initial license which will involve any use of the electromagnetic spectrum, the Commission shall have authority to use competitive bidding in the granting of such construction permit or initial license.

"(2)(A) The Commission shall, within 6 months after the date of enactment of the Emerging Telecommunications Technologies Act of 1993 and following public notice and comment proceedings, issue rules establishing competitive bidding procedures under this subsection. Such rules shall include safeguards to protect the public interest in the use of the spectrum and shall ensure the opportunity for successful participation by small businesses and minority-owned businesses.

"(B)(i) In the rules issued pursuant to subparagraph (A), the Commission shall require potential bidders to file a first-stage application indicating an intent to participate in the competitive bidding process and containing such other information as the Commission finds necessary. After conducting the bidding, the Commission shall require the winning bidder to file a second-stage application. After determining that such application is acceptable for filing and that the winning bidder is qualified as described in clause (ii), the Commission shall grant the permit or license to the winning bidder.

"(ii) No permit or license shall be granted to a winning bidder pursuant to clause (i) unless the Commission determines that such winning bidder is qualified pursuant to section 308(b) and subsection (a) of this section, on the basis of the information contained in the first-stage and second-stage applications submitted pursuant to clause (i).

"(iii) Each participant in the competitive bidding process shall be subject to the schedule of charges contained in section 8.

"(C) In the rules issued pursuant to subparagraph (A), the Commission, in addition to other actions it finds necessary to implement competitive bidding fairly and effectively, shall—

"(i) establish the method of bidding (including but not limited to sealed bids) and the basis for payment (such as installment or lump sum payments, royalties on future income, a combination thereof, or other reasonable forms of payment specified by the Commission); and

"(ii) establish other appropriate conditions on such permits and licenses that serve the public interest.

"(3)(A)(i) If the Commission decides to use competitive bidding to grant two or more national, regional, or local licenses per market in a terrestrial service that will compete with telephone exchange service provided by a qualified common carrier, the Commission shall designate one such license per market as a rural program license.

"(ii) The Commission shall define the geographic boundaries of the rural program license to correspond to the geographic area of the telephone exchange service by which the qualified common carrier became eligible for the rural program license under subparagraph (E)(ii).

"(B)(i) Except as provided in subparagraph (D), the Commission shall either grant a rural program license to the qualified common carrier providing telephone exchange service in the area covered by such license, or grant a license to a consortium of such qualified carriers.

"(ii) No qualified common carrier that receives a rural program license shall be eligible to—

"(I) receive any other license to provide the same service in such area; or

"(II) own any equity interest in, become a creditor of, or otherwise become affiliated with any entity that holds a license to provide the same service in such area.

"(iii) Any qualified common carrier that receives a rural program license shall (I) provide to all other licensees providing the same service in such area the same quality of access to its wire network that it provides itself, and (II) shall interconnect its wireless service with the wireless service provided by another licensee providing the same service on the same frequency in a different geographic area. Such other licensee shall provide an equivalent interconnection with the wireless service of such rural program licensee.

"(iv) The Commission may establish other rules or conditions for the award of a rural program license, consistent with the intent of this paragraph.

"(C)(i) Upon the grant of a rural program license to a qualified common carrier, such carrier shall pay a fee (in lump sum or installment payments, in royalties on future income, in a combination thereof, or on any other reasonable basis specified by the Commission) equal to the value of such license. The value of such license shall be the average of the amounts paid by persons granted licenses through competitive bidding to provide the same service in such area, except that the Commission shall determine the value of such license by any reasonable means when the geographic area served by the rural program license is not congruent with the geographic area served by the other license or licenses. The Commission shall ensure that the total amount paid by qualified common carriers for all the licenses issued to them under the rural program shall equal the total value, as determined under clause (ii), of such licenses.

"(ii) The Commission shall determine the total value of the licenses issued under the rural program to qualified common carriers by first adding the amounts paid for the licenses not subject to the rural program, and dividing that sum by the number of licenses per market that are not subject to the rural program. The Commission shall then subtract from the amount found in the previous calculation the total amount paid for the licenses issued for the non-rural areas under bidding subject to the rural program and the total amount paid for licenses issued pursuant to subparagraph (D). The amount remaining shall be the total value of all the licenses issued under the rural program to qualified common carriers.

"(D) If no qualified common carrier applies for a rural program license in a particular market and the Commission awards the non-rural program licenses through competitive bidding, the rural program shall not apply for that particular market and the Commission shall use competitive bidding to award the licenses for the former rural program areas, either separately or as part of larger license areas.

"(E) For purposes of this paragraph—

"(i) the term 'rural area' means any geographic area that does not include either—

"(I) any incorporated place of 10,000 inhabitants or more, or any part thereof; or

"(II) any territory, incorporated or unincorporated, included in an urbanized area (as defined by the Bureau of the Census as of the date of enactment of the Emerging Telecommunications Technologies Act of 1993); and

"(ii) the term 'qualified common carrier' means a common carrier that—

"(I) either provides telephone exchange service by wire in a rural area, provides telephone exchange service by wire to less than 10,000 subscribers, or is a telephone utility whose income accrues to a State or political subdivision thereof; and

"(II) submits an application for a rural program license that meets the standards established by the Commission to determine ability to provide the service covered by the license.

"(F) The provisions of subparagraph (A)(ii) do not limit the Commission's discretion to determine, for licenses issued other than under this paragraph, the size of any market area or the number of licensees for any service.

"(4) The competitive bidding authority provided to the Commission in paragraph (1) shall not—

"(A) because of the need to avoid excessive service disruption, extend to license renewals and modifications;

"(B) because of the essential services they provide, extend to licenses reserved for the United States Government and State or local government entities;

"(C) because of their public service obligations, extend to licenses to provide amateur operator services, over-the-air terrestrial radio and television broadcast services, public safety services, and radio astronomy services;

"(D) because they do not involve mutually exclusive applications, extend to private radio end-user licenses, including Specialized Mobile Radio Service (SMRS), maritime, and aeronautical end-user licenses;

"(E) because of the need to avoid excessive service disruption, extend to any license grant to a non-Federal licensee being moved from its current frequency assignment to a different one by the Commission in order to make spectrum available for new technologies; and

"(F) extend to any other service, class of services, or assignments that the Commission determines, after conducting public notice and comment proceedings, should be exempt from competitive bidding because of public interest factors warranting an exemption to the extent the Commission determines the use of competitive bidding would jeopardize appropriate treatment of those factors.

"(5) No provision of this subsection or of the Emerging Telecommunications Technologies Act of 1993 shall be construed, in any way, to—

"(A) alter spectrum allocation criteria and procedures established by the other provisions of this Act;

"(B) allow the Commission to consider potential revenues from competitive bidding when making decisions concerning spectrum allocation;

"(C) diminish the authority of the Commission under the other provisions of this Act to regulate or reclaim spectrum licenses;

"(D) grant any right to a spectrum licensee different from the rights awarded to licensees who obtained their license through assignment methods other than competitive bidding; or

"(E) prevent the Commission from awarding licenses to those persons who make significant contributions to the development of a new telecommunications service or technology.

"(6) Moneys received from competitive bidding pursuant to this subsection shall be deposited in the general fund of the Treasury."

(c) STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.—Title VII of the Act (47 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

"SEC. 714. STATE AND LOCAL TAX TREATMENT OF LICENSES AND PERMITS.

"A license or permit issued by the Commission under this Act shall not be treated as the property of the licensee for property tax purposes, or other similar tax purposes, by any State or local government entity.".

SEC. 4004. DEADLINES FOR PCS ORDERS AND LICENSING.

The Commission shall—

(1) within 180 days after the date of enactment of this Act, issue a final report and order (A) in the matter entitled "Redevelopment of Spectrum to Encourage Innovation in the Use of New Telecommunications Technologies" (ET Docket No. 92-9); and (B) in the matter entitled "Amendment of the Commission's Rules to Establish New Personal Communications Services" (GEN Docket No. 90-314; ET Docket No. 92-100); and

(2) within 270 days after such date of enactment, commence issuing licenses and permits in the personal communications service.

SEC. 4005. DEFINITIONS.

As used in this subtitle:

(1) The term "allocation" means an entry in the National Table of Frequency Allocations of a given frequency band for the purpose of its use by one or more radiocommunication services.

(2) The term "assignment" means an authorization given to a station licensee to use specific frequencies or channels in a particular geographic area.

(3) The term "commercial carrier" means any entity that uses a facility licensed by the Federal Communications Commission pursuant to the Communications Act of 1934 for hire or for its own use, but does not include Federal Government stations licensed pursuant to section 305 of the Act (47 U.S.C. 305).

(4) The term "Commission" means the Federal Communications Commission.

(5) The term "Secretary" means the Secretary of Commerce.

(6) The term "the Act" means the Communications Act of 1934 (47 U.S.C. 151 et seq.).

Subtitle B—Vessel Tonnage Duties

SEC. 4101. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act of August 5, 1909 (36 Stat. 111; 46 App. U.S.C. 121), is amended—

(1) by striking "and 1995," each place it appears and inserting in lieu thereof "1995, 1996, 1997, and 1998,";

(2) by striking "place," and inserting in lieu thereof "place;"; and

(3) by striking "port, not, however, to include vessels in distress or not engaged in trade" and inserting in lieu thereof "port. However, neither duty shall be imposed on vessels in distress or not engaged in trade".

(b) CONFORMING AMENDMENT.—The Act of March 8, 1910 (36 Stat. 234; 46 App. U.S.C. 132), is amended by striking "and 1995," and inserting in lieu thereof "1995, 1996, 1997, and 1998.".

(c) TECHNICAL CORRECTION.—

(1) CORRECTION.—Section 10402(a) of the Omnibus Budget Reconciliation Act of 1990 (104 Stat. 1388-398) is amended by striking "in the second paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after November 5, 1990.

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Recreation and Commercial Use Fees

SEC. 5001. ADMISSION FEES.

Section 4(a) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(a)), is amended:

(1) by inserting in the first sentence of the first paragraph after the words "National Park System" the words "and for fiscal years 1994 through 1998, the Bureau of Land Management" and by inserting after the words "National Recreation Areas" the words ", and for fiscal years 1994 through 1998, National Monuments, National Volcanic Monuments, National Scenic Areas, and areas of concentrated public use"; and

(2) by adding at the end the following new paragraph:

"(13) For the purposes of this subsection, 'areas of concentrated public use' shall meet each of the following criteria:

"(A) be managed primarily for outdoor recreation purposes;

"(B) provide facilities and services necessary to accommodate heavy public use;

"(C) contain at least one major recreation attraction including, but not limited to, a lake, river, historical site, or geologic feature; and

"(D) provide public access such that admission fees can be efficiently collected at one or more centralized locations.".

SEC. 5002. RECREATION USE FEES.

(a) IN GENERAL.—The first sentence of section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)) is amended by striking out "visitors' centers," and all that follows down through the period at the end thereof and inserting the following: "scenic drives, or toilet facilities: *Provided*, That in no event shall there be any charge for the use of any campground not having a majority of the following: tent or trailer spaces, picnic tables, drinking water, access road, refuse containers, toilet facilities, fee collection by an employee or agent of the Federal agency operating the facility, reasonable visitor protection, and simple devices for containing a campfire (where campfires are permitted). For purposes of this subsection, the term 'specialized outdoor recreation site' includes but shall not be limited to campgrounds, swimming sites, boat launch facilities, and managed parking lots.".

(b) COSTS OF COLLECTION.—Section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(i)) is amended by inserting "(A)" after "(1)" and by adding the following at the end of paragraph (1):

"(B) Notwithstanding subparagraph (A), in any fiscal year, the Secretary of Agriculture and the Secretary of the Interior may withhold from the special account established under subparagraph (A) such portion of all receipts the fees collected in that fiscal year under this section as such Secretary determines to be equal to the additional fee collection costs for that fiscal year. The amounts so withheld shall be retained by the Secretary of Agriculture or the Secretary of the Interior and shall be available, without further appropriation, for expenditure by the Secretary concerned in the fiscal year in which collected to cover such additional fee collection costs. The Secretary concerned shall deposit in the special account established pursuant to subparagraph (A) any amounts so retained which remain unexpended and unobligated at the end of such fiscal year. For the purposes of this subparagraph, for any fiscal year, the term 'additional fee collection costs' means those costs for personnel and infrastructure directly associated with the collection fees imposed under this section which exceed the costs for personnel and infrastructure directly associated with the collection of such fees during fiscal year 1993.".

(c) COMMERCIAL TOUR USE FEES.—(1) For fiscal years 1994 through 1998, in the case of each unit of the National Park System for which an admission fee is charged under section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-4), the Secretary of the Interior shall establish, by October 1, 1993, a commercial tour use fee to be imposed on each vehicle entering the unit for the purpose of providing commercial tour services within the unit. Fee revenue derived from such commercial tour use fees shall be deposited into the special account established under section 4(i) of the Land and Water Conservation Fund Act of 1965.

(2) The Secretary shall establish the amount of fee per entry as follows:

(A) $25 per vehicle with a passenger capacity of 25 persons or less, and

(B) $50 per vehicle with a passenger capacity of more than 25 persons.

(3) The commercial tour use fee imposed under this subsection shall not apply to either of the following:

(A) Any vehicle transporting organized school groups or outings conducted for educational purposes by schools or other bona fide educational institutions.

(B) Any vehicle entering a park system unit pursuant to a contract issued under the Act of October 9, 1965 (16 U.S.C. 20-20g) entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes.".

(d) NON-FEDERAL GOLDEN EAGLE PASSPORT SALES.—Section 4(a)(1)(A) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*-6a(a)(1)(A)) is amended by redesignating the paragraph as 4(a)(1)(A)(i) and adding at the end thereof the following new paragraph:

"(ii) For fiscal years 1994 through 1998, the Secretary of the Interior and the Secretary of Agriculture may authorize businesses, non-profit entities, and other organizations to sell and collect fees for the Golden Eagle Passport subject to such conditions as the Secretaries may jointly prescribe. The Secretaries shall develop detailed guidelines for promotional advertising of non-Federal Golden Eagle Passport sales and shall monitor compliance with such guidelines. The Secretaries may authorize the sellers to maintain an inventory of Golden Eagle Passports for periods not to exceed 6 months, and to withhold amounts up to, but not exceeding 7 per centum of the fees of the gross fees collected from the sale of such passports as reimbursement for actual expenses of the sales.".

SEC. 5003. RADIO AND TELEVISION COMMUNICATION SITE FEES.

(a) Notwithstanding any other provision of law, the Secretary of Agriculture and the Secretary of the Interior (hereinafter referred to as "the Secretaries"), shall assess and collect charges for utilization of radio and television communications sites located on Federal lands administered by the Forest Service or the Bureau of Land Management at such rates as the Forest Service and the Bureau of Land Management shall establish or at such modified rates as are established pursuant to the provisions of subsection (b) of this section.

(b) The schedule of charges established under this section shall be reviewed by the Forest Service and the Bureau of Land Management on an annual basis, and shall be adjusted by the Forest Service and the Bureau of Land Management to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, but any increase or decrease shall not total less than 3 percent or more than 5 percent of the charge assessed to the user in the preceding year. The Bureau of Land Management and the Forest Service shall transmit to the Congress notification of any such adjustment not later than 60 days before the effective date of such adjustment.

(1) Under the schedule of charges established under the section, if any radio or television communications site user is to be charged an amount that is greater than $1,000 more than the amount such site user pays to the Bureau of Land Management or the Forest Service as of January 1, 1993, then during the first year in which the schedule of charges is in effect, such site user shall pay an amount equal to the amount it paid to the Bureau of Land Management or the Forest Service as of January 1, 1993 plus $1,000. Each year thereafter, such site user shall pay the full amount under the schedule of charges, as modified pursuant to the subsection.

(2) Under the schedule of charges established under this section, if any radio or television communications site user is to be charged an amount that is less than the amount such site user paid to the Bureau of Land Management or the Forest Service as of January 1, 1993, such site user shall continue to pay the higher amount until such time as the charge to the site user in the schedule of charges equals or exceeds that amount, as modified pursuant to this subsection.

(c)(1) If the radio or television communications site user is permitted under the terms of its site use authorization from the Bureau of Land Management or the Forest Service to grant access to the site to additional users, then the radio or television communications site user shall pay annually to the Bureau of Land Management or the Forest Service an amount equal to 25 percent of the gross income it receives from each such additional user during that year.

(2) Authorizations to radio and television communications site users shall require such site users to provide the Bureau of Land Management or the Forest Service with a certified list which identifies all additional users of such sites and all gross revenues received from such additional users. The Bureau of Land Management and the Forest Service shall not require any additional user

of a radio or television communications site to obtain a separate authorization to use such a site.

(d)(1) The Secretaries shall prescribe appropriate rules and regulations to carry out the provisions of this section.

(2) Ten years after the date of enactment of this section, the Secretaries shall establish a broad-based advisory group, including representatives from the radio and television broadcast industry, to review the schedule of charges and other acceptable criteria for determining fair market value for radio and television communications site users. The advisory group shall report its findings to the Congress no later than 1 year after it is established.

(e)(1) Until modified pursuant to subsection (b) of this section, the schedule of charges for television communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 3, (television rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

(2) Until modified pursuant to subsection (b) of this section, the schedule of charges for radio communications site users which the Secretaries shall prescribe pursuant to subsection (a) of this section shall be as listed in exhibit 4, (radio rental fee schedule) in the report of the radio and television broadcast use fee advisory committee dated December 1992.

Subtitle B—Hardrock Mining Claim Maintenance Fee

SEC. 5101. FEE.

(a) Except as provided in section 2511(e)(2) of the Energy Policy Act of 1992, for each unpatented mining claim, mill or tunnel site on federally owned lands, whether located before or after enactment of this Act, each claimant shall pay to the Secretary of the Interior, on or before August 31 of each year, for years 1994 through 1998, a claim maintenance fee of $100 per claim to hold such unpatented mining claim, mill or tunnel site for the assessment year beginning at noon on the next day, September 1. Such claim maintenance fee shall be in lieu of the assessment work requirement contained in the Mining Law of 1872 (30 U.S.C. 28–28e) and the related filing requirements contained in section 314(a) and (c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(a) and (c)).

(b)(1) The claim maintenance fee required under this section shall be waived for a claimant who certifies in writing to the Secretary that on the date the payment was due, the claimant and all related parties—

(A) held not more than 10 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands; and

(B) have performed assessment work required under the Mining Law of 1872 (30 U.S.C. 28–28e) to maintain the mining claims held by the claimant and such related parties for the assessment year ending on noon of September 1 of the calendar year in which payment of the claim maintenance fee was due.

(2) For purposes of paragraph (1), with respect to any claimant, the term "all related parties" means—

(A) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986), of the claimant; or

(B) a person affiliated with the claimant, including—

(i) a person controlled by, controlling, or under common control with the claimant; or

(ii) a subsidiary or parent company or corporation of the claimant.

(c)(1) The Secretary shall adjust the fees required by this section to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor every 5 years after the date of enactment of this Act, or more frequently if the Secretary determines an adjustment to be reasonable.

(2) The Secretary shall provide claimants notice of any adjustment made under this subsection not later than July 1 of any year in which the adjustment is made.

(3) A fee adjustment under this section shall begin to apply the calendar year following the calendar year in which it is made.

(d) Monies received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5102. LOCATION.

(a) Notwithstanding any provision of law, for every unpatented mining claim, mill or tunnel site located after the date of enactment of this subtitle and before September 30, 1998, the locator shall, at the time the location notice is recorded with the Bureau of Land Management, pay to the Secretary of the Interior a location fee, in addition to the fee required by section 5101, of $25.00 per claim.

(b) Moneys received under this section shall be deposited as miscellaneous receipts in the Treasury.

SEC. 5103. CO-OWNERSHIP.

The co-ownership provisions of the Mining Law of 1872 (30 U.S.C. 28–28e) will remain in effect except that the annual claim maintenance fee, where applicable, shall replace applicable assessment requirements and expenditures.

SEC. 5104. FAILURE TO PAY.

Failure to pay the claim maintenance fee as required by section 5101 of this subtitle shall conclusively constitute a forfeiture of the unpatented mining claim, mill or tunnel site by the claimant and the claim shall be deemed null and void by operation of law.

SEC. 5105. OTHER REQUIREMENTS.

(a) Nothing in this subtitle shall change or modify the requirements of section 314(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(b)), or the requirements of section 314(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744(c)) related to filings required by section 314(b), which remain in effect.

(b) The third sentence of 2324 of the Revised Statutes (30 U.S.C. 28) is amended by inserting after "On each claim located after the 10th day of May, 1972," the following: "that is eligible for a waiver under section 5101 of the Omnibus Budget Reconciliation Act of 1993,".

SEC. 5106. REGULATIONS.

The Secretary of the Interior shall promulgate rules and regulations to carry out the purposes of this subtitle as soon as practicable after the date of enactment of this subtitle.

Subtitle C—Commonwealth of Northern Mariana Islands Agreement

SEC. 5201. COMMONWEALTH OF NORTHERN MARIANA ISLANDS AGREEMENT.

Public Law 94–241 (90 Stat. 263), as amended, is further amended by striking "law" in subsection 4(b) and inserting in lieu thereof the following: "law: *Provided*, That for fiscal years 1994 through 1998, payments shall be limited to the amounts and for the purposes set forth in the Agreement of the Special Representatives on Future Federal Financial Assistance of the Northern Mariana Islands, executed on December 17, 1992 between the special representative of the President and the special representatives of the Governor of the Northern Mariana Islands: *Provided further*, That after 1998, the amount shall continue at the annual amount of $27.720 million.

Subtitle D—Mineral Receipts

SEC. 5301. AMENDMENT TO THE MINERAL LEASING ACT.

Section 35 of the Mineral Leasing Act, as amended (30 U.S.C. 191) is amended as follows:

(1) by deleting the last sentence and redesignating the remaining language as subsection (a);

(2) by amending subsection (a) by inserting the words "and, subject to the provisions of subsection (b)," between the words "United States;" and "50 per centum";

(3) by adding a new subsection (b) as follows:

"(b)(1) In calculating the amount to be paid to States during any fiscal year under this section or under any other provision of law requiring payment to a State of any revenues derived from the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, 50 per centum of the portion of the enacted appropriation of the Department of the Interior and any other agency during the preceding fiscal year allocable to the administration of all laws providing for the leasing of any onshore lands or interest in land owned by the United States for the production of the same types of minerals leasable under this Act or of geothermal steam, and in enforcing such laws, shall be deducted from the receipts derived under those laws in approximately equal amounts each month (subject to paragraph (4)) prior to the division and distribution of such receipts between the States and the United States.

"(2) The proportion of the deduction provided in paragraph (1) allocable to each State shall be determined by dividing the monies disbursed to the State during the preceding fiscal year derived from onshore mineral leasing referred to in paragraph (1) in that State by the total money disbursed to States during the preceding fiscal year from such onshore mineral leasing in all States.

"(3) In the event the deduction apportioned to any State under this subsection exceeds 50 per centum of the Secretary of the Interior's estimate of the amounts attributable to onshore mineral leasing referred to in paragraph (1) within that State during the preceding fiscal year, the deduction from receipts received from leases in that State shall be limited to such estimated amounts and the total amount to be deducted from such onshore mineral leasing receipts shall be reduced accordingly.

"(4) If the amount otherwise deductible under this subsection in any month from the portion of receipts to be distributed to a State exceeds the amount payable to the State during that month, any amount exceeding the amount payable shall be carried forward and deducted amounts payable to the State in subsequent months. If any amount remains to be carried forward at the end of the fiscal year, such amount shall not be deducted from any disbursements in any subsequent fiscal year.

"(5) All deductions to be made pursuant to this subsection shall be made in full during the fiscal year in which such deductions were incurred.

"(6) All amounts deducted under this subsection from monies otherwise payable to a

State shall be credited to miscellaneous receipts in the Treasury.".

SEC. 5302. CONFORMING AMENDMENTS.

(a) Section 6 of the Mineral Leasing Act for Acquired Lands, as amended (30 U.S.C. 355), is amended by adding the following words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of the first sentence.

(b) Section 5(a) of the Geothermal Steam Act, as amended (30 U.S.C. 1019), is amended by adding the words "Subject to the provisions of 30 U.S.C. 191(b)," at the beginning of that section.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 6001. NUCLEAR REGULATORY COMMISSION ANNUAL CHARGES.

Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990 (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1995" and inserting "September 30, 1998".

SEC. 6002. CORPS OF ENGINEERS RECREATION USER FEES.

(a) IN GENERAL.—Section 210 of the Flood Control Act of 1968 (16 U.S.C. 460d-3) is amended—

(1) by inserting "(a)" before "No entrance";

(2) by striking the second sentence; and

(3) by adding at the end the following new subsection:

"(b)(1) Except as provided in paragraph (2), notwithstanding section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)), the Secretary of the Army may charge fees for the use of developed recreation sites and facilities, including campsites, swimming beaches, and boat launching ramps.

"(2) The Secretary may not charge fees for the use or provision of drinking water, wayside exhibits, general purpose roads, overlook sites, toilet facilities, or general visitor information.

"(3) Fees collected under this subsection shall be deposited into the special account established in the Treasury of the United States for the Army Corps of Engineers under section 4(i) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(i)).".

(b) CONFORMING AMENDMENT.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(b)) is amended by striking the second sentence.

TITLE VII—FINANCE COMMITTEE RECONCILIATION PROVISIONS RELATING TO MEDICARE, MEDICAID, AND OTHER PROGRAMS

SEC. 7000. AMENDMENTS TO SOCIAL SECURITY ACT; REFERENCES; TABLE OF CONTENTS.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment 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 that section or other provision of the Social Security Act.

(b) REFERENCES TO OBRA.—In this title, the terms "OBRA-1986", "OBRA-1987", "OBRA-1989", and "OBRA-1990" refer to the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), the Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203), the Omnibus Budget Reconciliation Act of 1989 (Public Law 101-239), and the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), respectively.

(c) REFERENCES TO OMNIBUS BUDGET RECONCILIATION ACT OF 1993.—Any reference in this title (or in any amendment made by this title) to the Omnibus Budget Reconciliation Act of 1993 shall be deemed to be a reference to this title.

(d) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. 7000. Amendments to Social Security Act; references; table of contents.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

Sec. 7101. Payment updates for inpatient hospital services.
Sec. 7102. Payment for indirect costs of medical education.
Sec. 7103. Elimination of return on equity for proprietary skilled nursing facilities.
Sec. 7104. Extension of 10 percent reduction in payments for capital-related costs of inpatient hospital services.
Sec. 7105. Skilled nursing facility cost limits.
Sec. 7106. Payments for hospice care.

PART II—PROVISIONS RELATING TO PART B

SUBPART A—PHYSICIANS' SERVICES

Sec. 7201. Reduction in default update for conversion factor for 1994.
Sec. 7202. Reduction in performance standard rate of increase and increase in maximum reduction permitted in default update and classification of primary care services as a separate category of services.
Sec. 7203. Phased-in reduction in practice expense relative value units for certain services.
Sec. 7204. Limitation on payment for the anesthesia care team.

SUBPART B—OUTPATIENT HOSPITAL SERVICES AND AMBULATORY SURGICAL SERVICES

Sec. 7221. Extension of 10 percent reduction in payments for capital-related costs of outpatient hospital services.
Sec. 7222. Extension of reduction in payments for other costs of outpatient hospital services.
Sec. 7223. Changes to payment formulas for certain outpatient hospital services.
Sec. 7224. Reduction in payments for intraocular lenses.

SUBPART C—DURABLE MEDICAL EQUIPMENT

Sec. 7231. Revisions to payment rules for durable medical equipment.
Sec. 7232. Treatment of nebulizers and aspirators.
Sec. 7233. Payment for surgical dressings.
Sec. 7234. Payments for tens devices.

SUBPART D—PART B PREMIUM

Sec. 7251. Part B premium.

SUBPART E—OTHER PROVISIONS

Sec. 7261. Reduction in update for certain part B services.
Sec. 7262. Payments for clinical diagnostic laboratory tests.

PART III—PROVISIONS RELATING TO PARTS A AND B

Sec. 7301. Payments for direct graduate medical education costs.
Sec. 7302. Revision of home health agency cost limits.
Sec. 7303. Medicare as secondary payer.
Sec. 7304. Extension of self-referral ban to additional specified services.
Sec. 7305. Reduction in payment for erythropoietin.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

SUBPART A—REPEAL OF MANDATE

Sec. 7401. Personal care services furnished outside the home as optional benefit.

SUBPART B—OUTPATIENT PRESCRIPTION DRUGS

Sec. 7411. Permitting prescription drug formularies under State plans.
Sec. 7412. Elimination of special exemption from prior authorization for new drugs.
Sec. 7413. Modifications to drug rebate program.

SUBPART C—RESTRICTIONS ON DIVESTITURE OF ASSETS AND ESTATE RECOVERY

Sec. 7421. Medicaid estate recoveries.
Sec. 7422. Transfers of assets.
Sec. 7423. Treatment of certain trusts.

SUBPART D—IMPROVEMENT IN IDENTIFICATION AND COLLECTION OF THIRD PARTY PAYMENTS

Sec. 7431. Liability of third parties to pay for care and services.
Sec. 7432. Medical child support.
Sec. 7433. Offset of payment obligations relating to medical assistance against overpayments of State and Federal income taxes.

SUBPART E—ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS

Sec. 7441. Assuring proper payments to disproportionate share hospitals.

SUBPART F—ANTI-FRAUD AND ABUSE PROVISIONS

Sec. 7451. Application of medicare rules limiting certain physician referrals.

Subtitle C—Income Security Programs

Sec. 7601. Matching of State administrative costs.
Sec. 7602. State paternity establishment programs.
Sec. 7603. Fees for Federal administration of State supplementary payments.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

Sec. 7701. Extension of authority to levy customs user fees.
Sec. 7702. Extension of, and authorization of appropriations for, trade adjustment assistance programs.

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

Sec. 7801. Medicaid immunization provisions.

PART III—DISCLOSURE PROVISIONS

Sec. 7901. Disclosure of return information for administration of certain veterans programs.
Sec. 7902. Use of return information for health coverage clearinghouse.

PART IV—OTHER PROVISIONS

Sec. 7950. Disallowance of interest on certain overpayments of tax.
Sec. 7951. Fees for applications for alcohol labeling and formula reviews.
Sec. 7952. Increase in public debt limit.

Subtitle A—Medicare

PART I—PROVISIONS RELATING TO PART A

SEC. 7101. PAYMENT UPDATES FOR INPATIENT HOSPITAL SERVICES.

(a) REDUCTION.—

(1) PPS HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B)(i) (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(i) in the matter preceding subclause (I), by striking "fiscal year" and inserting "particular time period",

(ii) in subclause (VIII), by inserting "and the 3 succeeding months" after "fiscal year 1993",

(iii) in subclause (IX)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.18 percentage points" after "market basket percentage increase" the first place it appears, and

(III) by striking "plus 1.5 percentage points" and inserting "minus .68 percentage point",

(iv) in subclause (X)—

(I) by striking "fiscal year",

(II) by inserting "minus 2.27 percentage points" after "market basket percentage increase", and

(III) by striking "and" at the end,

(v) in subclause (XI)—

(I) by striking "for fiscal year 1996 and each subsequent fiscal year" and inserting "for 1996",

(II) by inserting "minus 2.0 percentage points" after "market basket percentage increase", and

(III) by striking the period and inserting a comma, and

(vi) by adding at the end the following new subclauses:

"(XII) for 1997, the market basket percentage increase minus 1.0 percentage point for hospitals in all areas, and

"(XIII) for 1998 and each subsequent year, the market basket percentage increase for hospitals in all areas.".

(B) ADJUSTMENT OF LABOR AND NON-LABOR PORTIONS OF STANDARDIZED AMOUNTS.—Section 1886(d)(3)(A) (42 U.S.C. 1395ww(d)(3)(A)) is amended by adding at the end the following new clause:

"(vi) For discharges occurring on or after January 1, 1995, the Secretary shall adjust the ratio of the labor portion to non-labor portion of each average standardized amount to equal such ratio for the national average standardized amount.".

(2) OTHER HOSPITALS.—Section 1886(b)(3)(B)(ii) (42 U.S.C. 1395ww(b)(3)(B)(ii)) is amended—

(A) by striking ", (C), (D),"

(B) by striking "and" at the end of subclause (III),

(C) by striking subclause (IV) and inserting the following new subclauses:

"(IV) fiscal years 1988 through 1993 and the 3 succeeding months, is the market basket percentage increase,

"(V) 1994, is 75 percent of the difference between the market basket percentage increase and 1.0 percentage point,

"(VI) 1995 through 1997, is the market basket percentage increase minus 1.0 percentage points, and

"(VII) 1998 and each subsequent year, is the market basket percentage increase.".

(3) SOLE COMMUNITY AND MEDICARE-DEPENDENT, SMALL RURAL HOSPITALS.—

(A) IN GENERAL.—Section 1886(b)(3)(B) (42 U.S.C. 1395ww(b)(3)(B)) is amended by adding at the end the following new clause:

"(iv) For purposes of subparagraphs (C) and (D), the applicable percentage increase for discharges occurring during—

"(I) cost reporting periods beginning in fiscal year 1986 through fiscal year 1993 and the 3 succeeding months, is the increase specified in clause (ii),

"(II) for 1994, is 75 percent of the difference between the market basket percentage increase and 2.0 percentage points,

"(III) for 1995, is the market basket percentage increase, minus 2.0 percentage points, and

"(IV) for 1996 and each subsequent year, is the increase described in clause (i) for such year.

For purposes of subclause (I), the annual update applied for a cost reporting period beginning during calendar year 1993 is adjusted to reflect only the time period occurring from the beginning of the hospital's cost reporting period through December 31, 1993.".

(B) TARGET AMOUNT ADJUSTMENT.—

(i) SOLE COMMUNITY HOSPITAL.—Section 1886(b)(3)(C) (42 U.S.C. 1395ww(b)(3)(C)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting a comma, and

(dd) by adding at the end the following new clauses:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv), or

"(iv) with respect to discharges occurring in 1995 and each subsequent year, the target amount for the preceding year increased by the applicable percentage increase under subparagraph (B)(iv).".

(ii) MEDICARE-DEPENDENT, SMALL RURAL HOSPITAL.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(I) in clause (i)(II), by striking "or",

(II) in clause (ii)—

(aa) by inserting "or portion of a cost reporting period occurring before December 31, 1993," before "the target amount",

(bb) by striking "subparagraph (B)(ii)" and inserting "subparagraph (B)(iv)", and

(cc) by striking the period at the end and inserting ", or" and

(dd) by adding at the end the following new clause:

"(iii) with respect to discharges occurring in 1994, the target amount for the cost reporting period beginning in 1993 increased by the applicable percentage increase under subparagraph (B)(iv).".

(4) DELAY IN INCREASE IN DISPROPORTIONATE SHARE PAYMENTS FOR CERTAIN URBAN HOSPITALS.—Section 1886(d)(5)(F)(vii)(II) (42 U.S.C. 1395ww(d)(5)(F)(vii)(II)) is amended—

(A) in subdivision (b), by striking "September 30, 1993" and inserting "December 31, 1993", and

(B) in subdivision (c), by striking "October 1, 1993" and inserting "January 1, 1994".

(5) REGIONAL FLOOR EXTENDED.—Section 1886(d)(1)(A) (42 U.S.C. 1395ww(d)(1)(A)) is amended—

(i) in clause (ii), by striking "or" at the end;

(ii) in clause (iii), by striking "September 30, 1993, " and inserting "December 31, 1993"; and

(iii) by adding at the end the following new clause:

"(iv) beginning on and after January 1, 1994, is equal to the national adjusted DRG prospective payment rate determined under paragraph (3) for such discharges.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1886(b)(3)(B)(iii) (42 U.S.C. 1395ww(b)(3)(B)(iii)) is amended—

(A) by inserting "beginning in" after "cost reporting periods",

(B) by striking "fiscal year" the first place it appears and inserting "particular time period",

(C) by striking "or fiscal year" the first and second place it appears, and

(D) by striking "cost reporting period or fiscal year" and inserting "period".

(2) The first sentence in the matter in section 1886(d)(3) (42 U.S.C. 1395ww(d)(3)) preceding subparagraph (A) is amended by inserting "or calendar" after "fiscal" the first place it appears.

(3) Section 1886(d)(3)(A)(ii) (42 U.S.C. 1395ww(d)(3)(A)(ii)) is amended—

(A) by striking "1994," and inserting "1992, in the 15-month period beginning on October 1, 1992, and in 1994,", and

(B) by striking "fiscal year" the second and third place it appears and inserting "time period".

(4) Section 1886(d)(3)(A)(iii) (42 U.S.C. 1395ww(d)(3)(A)(iii)) is amended by striking "the fiscal year beginning on October 1, 1994" and inserting "1995".

(5) Section 1886(d)(3)(A)(iv) (42 U.S.C. 1395ww(d)(3)(A)(iv)) is amended—

(A) by striking "fiscal year beginning on or after October 1, 1995" and inserting "year beginning on or after January 1, 1996",

(B) by striking "and within each region", and

(C) by striking "fiscal" each place it appears.

(6) Section 1886(d)(3)(D) (42 U.S.C. 1395ww(d)(3)(D)) is amended—

(A) by inserting "or calendar" after "fiscal" each place it appears, and

(B) by inserting "for each fiscal year through 1993" after "and shall establish".

(7) Section 1886(d)(3)(E) (42 U.S.C. 1395ww(d)(3)(E)) is amended—

(A) in the second sentence, by striking "October 1, 1993" and inserting "January 1, 1994", and

(B) in the last sentence, by inserting "or calendar" after "fiscal" the first and last place it appears.

(8)(A) Section 1886(d)(4)(C)(iii) (42 U.S.C. 1395ww(d)(4)(C)(iii)) is amended—

(i) by inserting "or calendar" after "fiscal" the first place it appears, and

(ii) by deleting "fiscal" the third place it appears.

(B) The requirements of paragraphs (3)(E) and (4)(C)(iii) of section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)(4)(C)(iii)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(9) Section 1886(d)(4)(E) is (42 U.S.C. 1395ww(d)(4)(E)) is amended by striking "October 1, 1993" and inserting "January 1, 1994".

(10)(A) Section 1886(d)(5)(A)(iv) (42 U.S.C. 1395ww(d)(5)(A)(iv)) is amended by inserting "or calendar" after "fiscal".

(B) The requirement of section 1886(d)(5)(A)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(A)(iv)) shall be applied on a 15-month basis for the period beginning on October 1, 1992, and ending on December 31, 1993.

(11) Section 1886(d)(5)(B)(i) (42 U.S.C. 1395ww(d)(5)(B)(i)) is amended by striking "or, if applicable, the amount determined under paragraph (1)(A)(iii)" and inserting "or, the amount determined under paragraphs (1)(A)(iii) or (1)(A)(iv), as applicable".

(12) Section 1886(d)(5)(E)(ii) (42 U.S.C. 1395ww(d)(5)(E)(ii)) is amended by inserting "or calendar" after "fiscal".

(13) Section 1886(d)(6) (42 U.S.C. 1395ww(d)(5)(6)) is amended by striking "the September 1 before each fiscal year (beginning with fiscal year 1984)" and inserting "December 1 each year".

(14) The matter in section 1886(d)(9)(A) (42 U.S.C. 1395ww(d)(9)(A)) preceding clause (i) is amended by striking "fiscal year" and inserting "particular time period".

(15) Section 1886(d)(9)(C)(i) (42 U.S.C. 1395ww(d)(9)(C)(i)) is amended—

(A) by striking "fiscal year" the first place it appears and inserting "time period", and

(B) by striking "fiscal years" and inserting "time periods".

(16) Subparagraphs (A) and (B) of section 1886(e)(3) (42 U.S.C. 1395ww(e)(3)) are each amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(17) The first sentence of section 1886(e)(4)(A) (42 U.S.C. 1395ww(e)(4)(A)) is amended by inserting "or calendar" after "fiscal" the first and last place it appears.

(18) Section 1886(e)(4)(B) (42 U.S.C. 1395ww(e)(4)(B)) is amended by inserting "or calendar" after "fiscal".

(19) Section 1886(e)(5)(A) (42 U.S.C. 1395ww(e)(5)(A)) is amended by striking "that fiscal year" and inserting "the coming fiscal or calendar year".

(20) The second and third sentences of section 1886(e)(5) (42 U.S.C. 1395ww(e)(5)) are each amended by inserting "or calendar" after "fiscal" each place it appears.

SEC. 7102. PAYMENT FOR INDIRECT COSTS OF MEDICAL EDUCATION.

Section 1886(d)(5)(B)(ii) (42 U.S.C. 1395ww(d)(5)(B)(ii)) is amended to read as follows:

"(ii) For purposes of clause (i)(II), the indirect teaching adjustment factor is equal to c (((1+r) to the nth power) -1), where 'r' is the ratio of the hospital's full-time equivalent interns and residents to beds and 'n' equals .405. For discharges occurring on or after—

"(I) May 1, 1986, and before January 1, 1994, 'c' is equal to 1.89,

"(II) January 1, 1994, and before January 1, 1996, 'c' is equal to 1.728, and

"(III) January 1, 1996, 'c' is equal to 1.605.".

SEC. 7103. ELIMINATION OF RETURN ON EQUITY FOR PROPRIETARY SKILLED NURSING FACILITIES.

(a) REPEAL OF REQUIREMENT FOR RETURN ON EQUITY.—(1) Section 1861(v)(1)(B) (42 U.S.C. 1395x(v)(1)(B)) is amended to read as follows:

"(B) In the case of extended care services, the regulations under subparagraph (A) shall not include provision for specific recognition of a return on equity capital.".

(2) Section 1878(f)(2) (42 U.S.C. 1395oo(f)(2)) is amended by striking "the rate of return on equity capital established by regulation pursuant to section 1861(v)(1)(B) and in effect at the time" and inserting "the average of the rates of interest on obligations issued for purchase by the Federal Hospital Insurance Trust Fund for each of the months any part of which is included in the cost reporting period in which".

(3) Section 1881(b)(2)(C) (42 U.S.C. 1395rr(b)(2)(C)) is amended by striking all that follows "capital" up to the period.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to portions of cost reporting periods occurring on or after October 1, 1993.

SEC. 7104. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF INPATIENT HOSPITAL SERVICES.

The second sentence of section 1886(g)(1)(A) (42 U.S.C. 1395ww(g)(1)(A)) is amended by striking "1995" and inserting "1998".

SEC. 7105. SKILLED NURSING FACILITY COST LIMITS.

(a) IN GENERAL.—Section 1888(a) (42 U.S.C. 1395yy(a)) is amended by striking "112 percent of the mean" and inserting "110 percent of the median" each place it appears.

(b) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 7106. PAYMENTS FOR HOSPICE CARE.

Section 1814(i)(1)(C) (42 U.S.C. 1395f(i)(1)(C)) is amended—

(1) in clause (ii), by striking "during a subsequent fiscal year" and inserting "during fiscal years 1991, 1992, and 1993 (and the 3 succeeding months)"; and

(2) by adding at the end the following new clause:

"(iii) With respect to routine home care and other services included in hospice care furnished during calendar years 1994, 1995, 1996, 1997, and 1998, the payment rates for such care and services shall be the payment rates in effect under this subparagraph during the previous calendar year increased by the market basket percentage increase (as so defined) otherwise applicable to discharges occurring in the calendar year, reduced by 1 percentage point.".

PART II—PROVISIONS RELATING TO PART B

Subpart A—Physicians' Services

SEC. 7201. REDUCTION IN DEFAULT UPDATE FOR CONVERSION FACTOR FOR 1994.

Section 1848(d)(3)(A) (42 U.S.C. 1395w-4(d)(3)(A)) is amended—

(1) in clause (i), by striking "clause (iii)" and inserting "clauses (iii) and (iv)", and

(2) by adding at the end the following new clause:

"(iv) ADJUSTMENT IN PERCENTAGE INCREASE FOR 1994.—In applying clause (i) for services (other than primary care services) furnished in 1994, the percentage increase in the appropriate update index shall be reduced by—

"(I) 8 percentage points for surgical services (as defined for purposes of subsection (j)(1)), and

"(II) 4.4 percentage points for other services.".

SEC. 7202. REDUCTION IN PERFORMANCE STANDARD RATE OF INCREASE AND INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE AND CLASSIFICATION OF PRIMARY CARE SERVICES AS A SEPARATE CATEGORY OF SERVICES.

(a) REDUCTION IN PERFORMANCE STANDARD FACTOR.—Section 1848(f)(2)(B) (42 U.S.C. 1395w-4(f)(2)(B)) is amended to read as follows:

"(B) PERFORMANCE STANDARD FACTOR.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—Except as provided in clause (ii), the performance standard factor—

"(I) for 1993 is 2 percentage points,

"(II) for 1994 is 3½ percentage points, and

"(III) for each succeeding year is 4 percentage points.

"(ii) PRIMARY CARE SERVICES.—The performance standard factor for primary care services (as defined in section 1842(i)(4)) is 0 percentage points.".

(b) INCREASE IN MAXIMUM REDUCTION PERMITTED IN DEFAULT UPDATE.—Section 1848(d)(3)(B)(ii) (42 U.S.C. 1395w-4(d)(3)(B)(ii)) is amended—

(1) in subclause (II), by striking "or 1995", and

(2) in subclause (III), by striking "3" and inserting "5".

(c) CLASSIFICATION OF PRIMARY CARE SERVICES AS SEPARATE CATEGORY OF SERVICES.—

(1) IN GENERAL.—Section 1848(j)(1) (42 U.S.C. 1395w-4(j)(1)) is amended by inserting ", primary care services (as defined in section 1842(i)(4)),," after "Secretary)".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply—

(A) to volume performance standard rates of increase established under section 1848(f) of the Social Security Act for fiscal years beginning on or after October 1, 1993, and

(B) to updates in the conversion factors for physicians' services established under section 1848(d) of such Act for physicians' services to be furnished in calendar years beginning after 1995.

SEC. 7203. PHASED-IN REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.

Section 1848(c)(2) (42 U.S.C. 1395w-4(c)(2)) is amended by adding at the end the following new subparagraph:

"(E) REDUCTION IN PRACTICE EXPENSE RELATIVE VALUE UNITS FOR CERTAIN SERVICES.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary shall reduce the practice expense relative value units applied to services described in clause (iii) furnished in—

"(I) 1994, by 25 percent of the number by which the number of practice expense relative value units (determined for 1994 without regard to this subparagraph) exceeds the number of work relative value units determined for 1994,

"(II) 1995, by an additional 25 percent of such excess, and

"(III) 1996, by an additional 25 percent of such excess.

"(ii) FLOOR ON REDUCTIONS.—The practice expense relative value units for a physician's service shall not be reduced under this subparagraph to a number less than 110 percent of the number of work relative value units.

"(iii) SERVICES COVERED.—For purposes of clause (i), the services described in this clause are physicians' services that are not described in clause (iv) and for which—

"(I) there are work relative value units, and

"(II) the number of practice expense relative value units (determined for 1994) exceeds 110 percent of the number of work relative value units (determined for such year).

"(iv) EXCLUDED SERVICES.—For purposes of clause (iii), the services described in this clause are services which the Secretary determines at least 75 percent of which are provided under this title in an office setting.".

SEC. 7204. LIMITATION ON PAYMENT FOR THE ANESTHESIA CARE TEAM.

(a) LIMIT ON PAYMENT TO A PHYSICIAN FOR MEDICAL DIRECTION.—

(1) IN GENERAL.—Section 1848(a) (42 U.S.C. 1395w-4(a)) is amended by adding at the end the following new paragraph:

"(5) SPECIAL RULE FOR MEDICAL DIRECTION.—

"(A) IN GENERAL.—With respect to physicians' services furnished on or after January 1, 1994, and consisting of medical direction of 2, 3, or 4 concurrent anesthesia cases, the fee schedule amount to be applied shall not exceed one-half of the amount described in subparagraph (B).

"(B) AMOUNT.—The amount described in this subparagraph, for a physician's medical direction of the performance of anesthesia services, is the following percentage of the fee schedule amount otherwise applicable under this section if the anesthesia services were personally performed by the physician alone:

"(i) For services furnished during 1994, 120 percent.

"(ii) For services furnished during 1995, 115 percent.

"(iii) For services furnished during 1996, 110 percent.

"(iv) For services furnished during 1997, 105 percent.

"(v) For services furnished after 1997, 100 percent.".

(2) ELIMINATION OF REDUCTION FOR MEDICAL DIRECTION OF MULTIPLE NURSE ANESTHETISTS.—Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (13).

(b) PAYMENT TO A CERTIFIED REGISTERED NURSE ANESTHETIST FOR MEDICALLY DIRECTED SERVICES.—Subparagraph (B) of section 1833(l)(4) (42 U.S.C. 1395l(l)(4)) is amended—

(1) in clause (i), by inserting "and before January 1, 1994," after "1991,";

(2) in clause (ii)—

(A) by adding "and" at the end of subclause (II),

(B) by striking the comma at the end of subclause (III) and inserting a period, and

(C) by striking subclauses (IV) through (VII); and

(3) by adding at the end the following new clause:

"(iii) In the case of services of a certified registered nurse anesthetist who is medically directed or medically supervised by a physician which are furnished on or after January 1, 1994, the fee schedule amount shall be 50 percent of the amount described in section 1848(a)(5)(B) with respect to the physician.".

Subpart B—Outpatient Hospital Services and Ambulatory Surgical Services

SEC. 7221. EXTENSION OF 10 PERCENT REDUCTION IN PAYMENTS FOR CAPITAL-RELATED COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(I) (42 U.S.C. 1395x(v)(1)(S)(ii)(I)) is amended by striking "fiscal year 1992, 1993, 1994, or 1995" and inserting "fiscal years 1992 through 1998".

SEC. 7222. EXTENSION OF REDUCTION IN PAYMENTS FOR OTHER COSTS OF OUTPATIENT HOSPITAL SERVICES.

Section 1861(v)(1)(S)(ii)(II) (42 U.S.C. 1395x(v)(1)(S)(ii)(II)) is amended by striking ", 1992, 1993, 1994, or 1995" and inserting "through 1998".

SEC. 7223. CHANGES TO PAYMENT FORMULAS FOR CERTAIN OUTPATIENT HOSPITAL SERVICES.

(a) AMBULATORY SURGICAL CENTER PROCEDURES.—Section 1833(i)(3) (42 U.S.C. 1395l(i)(3)) is amended—

(1) in subparagraph (A), by striking clause (ii) and inserting the following:

"(ii) the lesser of—

"(I) the aggregate blended amount, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

"(II) 80 percent of the aggregate blended amount.";

(2) in subparagraph (B)—

(A) in clause (i), by striking "The blend amount" and inserting "For purposes of subparagraph (A), the aggregate blended amount",

(B) in subclause (I) of clause (i), by striking "the amount described in subparagraph (A)(i)" and inserting "the lesser of the reasonable cost of such services (as determined under section 1861(v)) or the customary charges with respect to such services", and

(C) in subclause (II) of clause (i), by striking "of 80 percent".

(b) RADIOLOGY SERVICES AND DIAGNOSTIC PROCEDURES.—Section 1833(n) (42 U.S.C. 1395l(n)) is amended—

(1) in paragraph (1), by redesignating subparagraph (B) as paragraph (2) and by redesignating clauses (i) and (ii) of such paragraph (as so redesignated) and subclauses (I) and (II) of such clauses as subparagraphs (A) and (B) and clauses (i) and (ii), respectively;

(2) in paragraph (1), by striking "(A) The aggregate amount" and inserting "The aggregate amount";

(3) in paragraph (1), by redesignating clause (i) as subparagraph (A) and by striking clause (ii) and inserting the following:

"(B) the lesser of—

"(i) the aggregate blended amount, less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), or

"(ii) 80 percent of the aggregate blended amount."; and

(4) in paragraph (2) (as so redesignated)—

(A) in subparagraph (A) (as so redesignated), by striking "The blend amount" and inserting "The aggregate blended amount",

(B) in subparagraph (A)(i) (as so redesignated) by striking "(as defined in clause (ii)) of the amount described in subparagraph (A)(i);" and inserting "the lesser of the reasonable cost of such services (as determined under section 1861(v)) or the customary charges with respect to such services",

(C) in subparagraph (A)(iii) (as so redesignated) by striking "(as defined in clause (ii)(II))", and

(D) in subparagraph (B) (as so redesignated), by striking "In this subparagraph" and inserting "For purposes of subparagraph (A)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to portions of cost reporting periods occurring on or after October 1, 1993.

SEC. 7224. REDUCTION IN PAYMENTS FOR INTRAOCULAR LENSES.

(a) PAYMENT FOR INTRAOCULAR LENS.—Section 4151(c)(3) of OBRA-1990 is amended—

(1) by striking "center" and all that follows and inserting "center—

"(A) on or after the date of the enactment of this Act and on or before December 31, 1993, shall be equal to $200; and

"(B) on or after January 1, 1994, and on or before December 31, 1998, shall be equal to $150."; and

(2) in the heading, by striking "2-YEAR FREEZE IN ALLOWANCE" and inserting "ALLOWANCE".

(b) CONFORMING AMENDMENTS.—

(1) PAYMENT AMOUNTS FOR SERVICES FURNISHED IN AMBULATORY SURGICAL CENTERS.—(A)(i) Section 1833(i)(2)(A)(i) (42 U.S.C. 1395l(i)(2)(A)(i)) is amended by striking the comma at the end and inserting the following: ", as determined in accordance with a survey (based upon a representative sample of procedures and facilities) taken not later than January 1, 1995, and every 5 years thereafter, of the actual audited costs incurred by such centers in providing such services,".

(ii) The second sentence of section 1833(i)(1) (42 U.S.C. 1395l(i)(1)) is amended by striking the period and inserting the following: ", in consultation with appropriate trade and professional organizations.".

(B) Section 4151(c)(3) of OBRA-1990, as amended in subsection (a), is amended by striking "for the insertion of an intraocular lens" and inserting "for an intraocular lens inserted".

(2) BLEND AMOUNTS FOR AMBULATORY SURGICAL CENTER PAYMENTS.—

(A) IN GENERAL.—Subclauses (I) and (II) of section 1833(i)(3)(B)(ii) (42 U.S.C. 1395l(i)(3)(B)(ii)) are each amended—

(i) by striking "for reporting" and inserting "for portions of cost reporting"; and

(ii) by striking "and on or before" and inserting "and ending on or before".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the enactment of OBRA-1990.

Subpart C—Durable Medical Equipment

SEC. 7231. REVISIONS TO PAYMENT RULES FOR DURABLE MEDICAL EQUIPMENT.

(a) BASING NATIONAL PAYMENT LIMITS ON MEDIAN OF LOCAL PAYMENT AMOUNTS.—

(1) INEXPENSIVE AND ROUTINELY PURCHASED ITEMS; ITEMS REQUIRING FREQUENT AND SUBSTANTIAL SERVICING.—(A) Paragraphs (2)(C)(i)(II) and (3)(C)(i)(II) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "1992" the first place it appears and inserting "1992, 1993, and 1994"; and

(ii) by striking "1992" the second place it appears and inserting "the year".

(B) Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(a) (42 U.S.C. 1395m(a)) are each amended—

(i) by striking "and" at the end of subclause (I);

(ii) by redesignating subclause (II) as (IV); and

(iii) by inserting after subclause (I) the following new subclauses:

"(II) for 1992 and 1993, the amount determined under this clause for the preceding year increased by the covered item update for such subsequent year,

"(III) for 1994, the local payment amount determined under clause (i) for such item or device for that year, except that the national limited payment amount may not exceed 100 percent of the median of all local payment amounts determined under such clause for such item for that year and may not be less than 85 percent of the median of all local payment amounts determined under such clause for such item or device for that year, and".

(2) MISCELLANEOUS DEVICES AND ITEMS.—Section 1834(a)(8) (42 U.S.C. 1395m(a)(8)) is amended—

(A) in subparagraph (A)(ii)(III), by striking "1992" and inserting "1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local purchase price computed under subparagraph (A)(ii) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local purchase prices computed under such subparagraph for the item for the year; and".

(3) OXYGEN AND OXYGEN EQUIPMENT.—Section 1834(a)(9) (42 U.S.C. 1395m(a)(9)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1991 and 1992" and inserting "1991, 1992, 1993, and 1994"; and

(B) in subparagraph (B)—

(i) by striking "and" at the end of clause (i),

(ii) by redesignating clause (ii) as (iv), and

(iii) by inserting after clause (i) the following new clauses:

"(ii) for 1992 and 1993, the amount determined under this subparagraph for the preceding year increased by the covered item update for such subsequent year;

"(iii) for 1994, the local monthly payment rate computed under subparagraph (A)(ii) for the item for the year, except that such national limited monthly payment rate may not exceed 100 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year and may not be less than 85 percent of the median of all local monthly payment rates computed for the item under such subparagraph for the year; and".

(b) PAYMENT FOR PROSTHETIC DEVICES AND ORTHOTICS AND PROSTHETICS.—

(1) IN GENERAL.—Section 1834(h)(2) (42 U.S.C. 1395m(h)(2)) is amended—

(A) in subparagraph (A)(ii)(II), by striking "1992 or 1993" and inserting "1992, 1993, or 1994";

(B) in subparagraph (B)(ii), by striking "each subsequent year" and inserting "1993";

(C) in subparagraph (C)(iv), by striking "regional purchase price computed under subparagraph (B)" and inserting "national limited purchase price computed under subparagraph (E)";

(D) in subparagraph (D)(ii), by striking "a subsequent year" and inserting "1993"; and

(E) by adding at the end the following new subparagraph:

"(E) COMPUTATION OF NATIONAL LIMITED PURCHASE PRICE.—With respect to the furnishing of a particular item in a year, the Secretary shall compute a national limited purchase price—

"(i) for 1994, equal to the local purchase price computed under subparagraph (A)(ii)(II) for the item for the year, except that such national limited purchase price may not exceed 100 percent of the median of all local purchase prices for the item computed under such subparagraph for the year, and may not be less than 85 percent of the median of all local purchase prices for the item computed under such subparagraph for the year; and

"(ii) for each subsequent year, equal to the amount determined under this subparagraph for the preceding year increased by the applicable percentage increase for such subsequent year.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7232. TREATMENT OF NEBULIZERS AND ASPIRATORS.

(a) IN GENERAL.—Section 1834(a)(3)(A) (42 U.S.C. 1395m(a)(3)(A)) is amended by striking "(such as ventilators, aspirators, IPPB machines, and nebulizers)".

(b) PAYMENT FOR ACCESSORIES RELATING TO NEBULIZERS AND ASPIRATORS.—Section 1834(a)(2)(A) (42 U.S.C. 1395m(a)) is amended—

(1) by striking "or" at the end of clause (i),

(2) by adding "or" at the end of clause (ii), and

(3) by inserting after clause (ii) the following new clause:

"(iii) which is an accessory used in conjunction with a nebulizer or aspirator,".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7233. PAYMENT FOR SURGICAL DRESSINGS.

(a) IN GENERAL.—Section 1834 (42 U.S.C. 1395m) is amended by adding at the end the following new subsection:

"(i) PAYMENT FOR SURGICAL DRESSINGS.—

"(1) IN GENERAL.—Payment under this subsection for surgical dressings (described in section 1861(s)(5)) shall be made in a lump sum amount for the purchase of the item in an amount equal to 80 percent of the lesser of—

"(A) the actual charge for the item; or

"(B) a payment amount determined in accordance with the methodology described in subparagraphs (B) and (C) of subsection (a)(2) (except that in applying such methodology, the national limited payment amount referred to in such subparagraphs shall be initially computed based on local payment amounts using average reasonable charges for the 12-month period ending December 31, 1992, increased by the covered item updates described in such subsection for 1993 and 1994).

"(2) EXCEPTIONS.—Paragraph (1) shall not apply to surgical dressings that are—

"(A) furnished as an incident to a physician's professional service; or

"(B) furnished by a home health agency.".

(b) CONFORMING AMENDMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(1) by striking "and" before "(N)", and

(2) with respect to the matter inserted by section 4155(b)(2)(B) of OBRA-1990—

(A) by striking "(m)" and inserting ", and (o)"; and

(B) by transferring and inserting it (as amended) immediately before the semicolon at the end;

(3) by striking "and" before "(o)", and

(4) by inserting before the semicolon at the end the following: ", and (P) with respect to surgical dressings, the amounts paid shall be the amounts determined under section 1834(j)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items furnished on or after January 1, 1994.

SEC. 7234. PAYMENTS FOR TENS DEVICES.

(a) IN GENERAL.—Section 1834(a)(1)(D) (42 U.S.C. 1395m(a)(1)(D)) is amended by striking "15 percent" the second place it appears and inserting "45 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished on or after January 1, 1994.

Subpart D—Part B Premium

SEC. 7251. PART B PREMIUM.

Section 1839(e) (42 U.S.C. 1395r(e)) is amended—

(1) in paragraph (1)(A), by striking "December 1983 and prior to January 1991 shall be an amount equal to 50 percent" and inserting "after December 1995 and prior to January 1999 shall be an amount equal to 50 percent", and

(2) in paragraph (2), by striking "1991" and inserting "1998".

Subpart E—Other Provisions

SEC. 7261. REDUCTION IN UPDATE FOR CERTAIN PART B SERVICES.

(a) DURABLE MEDICAL EQUIPMENT.—Section 1834(a)(14) (42 U.S.C. 1395m(a)(14)) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking "a subsequent year" and inserting "1993", and by striking the period and inserting a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(C) for 1994 , no percentage change;

"(D) for 1995, 1996, 1997, and 1998, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year, reduced by 1 percentage point; and

"(E) for any subsequent year, the percentage increase in the consumer price index for all urban consumers (U.S. city average) for the 12-month period ending with June of the previous year.".

(b) ORTHOTICS AND PROSTHETICS.—Section 1834(h)(4)(A) (42 U.S.C. 1395m(h)(4)(A)) is amended—

(1) in clause (i), by striking "and";

(2) in clause (ii), by striking "a subsequent year" and inserting "1992 and 1993", and by striking the semicolon and inserting a comma; and

(3) by adding at the end the following new clauses:

"(iii) for 1994, 0 percent,

"(iv) for 1995, 1996, 1997, and 1998, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year, reduced by 1 percentage point, and

"(v) for any subsequent year, the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the previous year;".

(c) AMBULATORY SURGICAL CENTERS.—

(1) NO UPDATE IN 1994.—Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B) of section 1833(i)(2) of the Social Security Act, the Secretary of Health and Human Services shall not provide for any inflation update in the payment amounts under such subparagraphs (A) and (B) for 1994.

(2) AUTOMATIC APPLICATION OF INFLATION ADJUSTMENT.—Section 1833(i)(2) (42 U.S.C. 1395l(i)(2)) is amended—

(A) in the second sentence of subparagraph (A) and the second sentence of subparagraph (B), by striking "and may be adjusted by the Secretary, when appropriate,"; and

(B) by adding at the end the following new subparagraphs:

"(C) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during 1995, 1996, 1997, or 1998, such amounts shall be increased by the percentage increase in the Consumer Price Index for all Urban Consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with the midpoint of the fiscal year involved, reduced by 1 percentage point.

"(D) Notwithstanding the second sentence of subparagraph (A) or the second sentence of subparagraph (B), if the Secretary has not updated amounts established under such subparagraphs with respect to facility services furnished during any subsequent year (beginning with 1999), such amounts shall be increased by the percentage increase in the Consumer Price Index for all Urban Consumers (U.S. city average) as estimated by the Secretary for the 12-month period ending with June of the previous year.".

(d) RURAL HEALTH CLINIC SERVICES; FEDERALLY-QUALIFIED HEALTH CENTER SERVICES; COMPREHENSIVE OUTPATIENT REHABILITATION FACILITY SERVICES.—In determining the amount of payment made for rural health clinic services, Federally qualified health center services, or comprehensive outpatient rehabilitation facility services furnished under part B of title XVIII of the Social Security Act for services furnished—

(1) in 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the applicable limits used to determine the costs which are reasonable and related to the cost of furnishing such services under section 1833(a)(3) of such Act, that would otherwise have applied for 1994 shall be deemed to be 0 percent; and

(2) in 1995, 1996, 1997, and 1998, the Secretary of Health and Human Services shall provide that any inflation update in such applicable limits shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

(e) DIALYSIS SERVICES.—In determining the amount of payment made for dialysis services furnished under part B of title XVIII of the Social Security Act—

(1) in 1994, the Secretary of Health and Human Services shall provide that any inflation update, in the payment amounts determined under section 1881(b)(2)(B) of such Act or the rates determined under section

1881(b)(7) of such Act, that would otherwise have applied for 1994 shall be deemed to be 0 percent; and

(2) in 1995, 1996, 1997, and 1998, the Secretary of Health and Human Services shall provide that any inflation update in such payment amounts or rates shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

(f) PARENTERAL AND ENTERAL NUTRIENTS, SUPPLIES, AND EQUIPMENT.—In determining the amount of payment under part B of title XVIII of the Social Security Act during 1994, the charges determined to be reasonable with respect to parenteral and enteral nutrients, supplies, and equipment may not exceed the charges determined to be reasonable with respect to such nutrients, supplies, and equipment during 1993.

(g) OTHER PART B ITEMS AND SERVICES.—

(1) In determining the amount of payment made for an item or service furnished during 1994 under part B of title XVIII of the Social Security Act, other than physicians' services, clinical laboratory services, or an item or service to which a preceding provision of (or amendment made by) subsection (a), (b), (c), (d), (e), or (f) applies, the Secretary of Health and Human Services shall provide that any inflation update in the fee schedule amount for the item or service established under such part B of such title, or (if applicable) any applicable limit used to determine the actual charge, reasonable charge, or reasonable cost for the item or service under such part, that would otherwise have applied for 1994 shall be deemed to be 0 percent.

(2) In determining the amount of payment made for an item or service furnished in 1995, 1996, 1997, and 1998 under part B of title XVIII of the Social Security Act, other than physician's services, clinical laboratory service, or an item or service to which a preceding provision of (or amendment made by) subsection (a), (b), (c), (d), or (e) applies, the Secretary of Health and Human Services shall provide that any inflation update in such fee schedule amount, or (if applicable) such applicable limit, shall be such update that would otherwise have applied for such year, reduced by 1 percentage point.

SEC. 7262. PAYMENTS FOR CLINICAL DIAGNOSTIC LABORATORY TESTS.

(a) LOWER CAP.—Section 1833(h)(4)(B) (42 U.S.C. 1395l(h)(4)(B)) is amended—

(1) by striking "and" at the end of clause (iii),

(2) in clause (iv), by inserting "and before January 1, 1994," after "1990,",

(3) by striking the period at the end of clause (iv) and inserting ", and", and

(4) by adding at the end the following:

"(v) after December 31, 1993, is equal to 76 percent of the median of all the fee schedules established for that test for that laboratory setting under paragraph (1).".

(b) NO UPDATE FOR 1994 THROUGH 1998.—Section 1833(h)(2)(A)(ii)(II) (42 U.S.C. 1395l(h)(2)(A)(ii)(III)) is amended by inserting "1994, 1995, 1996, 1997, and 1998" after "1988".

PART III—PROVISIONS RELATING TO PARTS A AND B

SEC. 7301. PAYMENTS FOR DIRECT GRADUATE MEDICAL EDUCATION COSTS.

(a) WEIGHTING FACTORS.—Section 1886(h)(4)(C) (42 U.S.C. 1395ww(h)(4)(C)) is amended to read as follows:

"(C) WEIGHTING FACTORS FOR CERTAIN RESIDENTS.—Subject to subparagraph (D), such rules shall provide, in calculating the number of full-time-equivalent residents in an approved residency program—

"(i) with respect to residents entering an approved medical residency training program before September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, the weighting factor is 1.00, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is .50; and

"(ii) with respect to residents entering an approved medical residency training program on or after September 1, 1993—

"(I) for a resident who is in the resident's initial residency period, and is in—

"(aa) a primary care residency, the weighting factor is 1.10, and

"(bb) any other residency, the weighting factor is 0.70, and

"(II) for a resident who is not in the resident's initial residency period, the weighting factor is 0.50.".

(b) INITIAL RESIDENCY PERIOD.—

(1) IN GENERAL.—Section 1886(h)(5)(F) (42 U.S.C. 1395ww(h)(5)(F)) is amended by striking "plus one year".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on and after July 1, 1995.

(c) PRIMARY CARE RESIDENCY.—Section 1886(h)(5) (42 U.S.C. 1395ww(h)(5)) is amended by adding at the end the following new subparagraph:

"(I) PRIMARY CARE RESIDENCY.—The term 'primary care residency' means a residency training program in family medicine, general internal medicine, general pediatrics, preventive care, geriatric care, or osteopathic general practice.".

(d) PREVENTIVE CARE SERVICES AS PART OF INITIAL RESIDENCY PERIOD.—Section 1886(h)(5)(F)(ii) (42 U.S.C. 1395ww(h)(5)(F)(ii)) is amended by inserting "or a preventive care residency or fellowship program" after "fellowship program".

(e) SUCCESSOR EXAMS INCLUDED IN DEFINITION OF FMGEMS EXAMINATION.—

(1) IN GENERAL.—Section 1886(h)(5)(E) is amended by inserting "or any successor examination" after "Medical Sciences".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply as if included in the enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).

SEC. 7302. REVISION OF HOME HEALTH AGENCY COST LIMITS.

(a) IN GENERAL.—Section 1861(v)(1)(L) (42 U.S.C. 1395x(v)(1)(L)(i)) is amended—

(1) in clause (i), by striking "for cost reporting periods" and all that follows through to the period and inserting "110 percent of the median of the labor-related and nonlabor per visit costs for home health agencies.", and

(2) in clause (ii), by striking "specific basis," and all that follows through "agencies." and inserting "specific basis.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to cost reporting periods beginning on or after October 1, 1993.

SEC. 7303. MEDICARE AS SECONDARY PAYER.

(a) EXTENSION OF AND MODIFICATIONS TO DATA MATCH PROGRAM.—(1)(A) Section 1862(b)(5)(C)(iii) (42 U.S.C. 1395y(b)(5)(C)(iii)) is amended by striking "1995" and inserting "1998".

(B) Section 6103(l)(12)(F) of the Internal Revenue Code of 1986 is amended—

(i) in clause (i), by striking "1995" and inserting "1998",

(ii) in clause (ii)(I), by striking "1994" and inserting "1997", and

(iii) in clause (ii)(II), by striking "1995" and inserting "1998".

(2)(A) Section 6103(l)(12)(B)(i) of the Internal Revenue Code of 1986 is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "section 3401(a))".

(B) The matter in section 6103(l)(12)(B)(ii) of such Code preceding subclause (I) is amended by inserting ", above an amount (if any) specified by the Secretary of Health and Human Services," after "wages".

(C) The heading to section 6103(l)(12) of such Code is amended by striking "TAXPAYER IDENTITY" and inserting "RETURN".

(3)(A) Section 6103(l)(12) of the Internal Revenue Code of 1986, as amended by paragraph (1), is amended—

(i) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and

(ii) by inserting after subparagraph (D) the following new subparagraph:

"(E) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.".

(B) Section 6103(l)(12)(D)(i) of such Code is amended by striking "this paragraph" and inserting "subparagraphs (A) through (C)".

(C) The heading to section 6103(l)(12) of such Code is amended by inserting "AND FOR FACILITATION OF ENFORCEMENT OF MEDICARE SECONDARY PAYER REQUIREMENTS" before the period.

(D) Section 1862(b)(5)(C)(i) (42 U.S.C. 1395y(b)(5)(C)(i)) is amended by striking "6103(l)(12)(D)(iii)" and inserting "6103(l)(12)(F)(iii)".

(b) PERMANENT APPLICATION TO DISABLED ACTIVE INDIVIDUALS.—Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iii).

(c) APPLICATION OF ESRD RULES TO CERTAIN AGED AND DISABLED BENEFICIARIES AND INCREASE IN MEDICARE SECONDARY PAYER COVERAGE FOR ESRD SERVICES TO 24-MONTHS.—(1) Subparagraphs (A)(iv) and (B)(ii) of section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) are each amended—

(A) by striking "Clause (i) shall not apply" and inserting "Subparagraph (C) shall apply instead of clause (i)", and

(B) by inserting "(without regard to entitlement under section 226)" after "individual is, or".

(2) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the second sentence, by striking "on or before January 1, 1996" and inserting before "January 1, 1994", and

(B) by adding at the end the following: "Effective for items and services furnished on or after January 1, 1994, and before October 1, 1998, (with respect to periods beginning on or after July 1, 1992), this subparagraph shall be applied by substituting '24-month' for '12-month' each place it appears.".

(d) APPLICATION OF EXCISE TAX TO FAILURE TO REIMBURSE FEDERAL GOVERNMENT.—

(1) IN GENERAL.—Section 5000(c) of the Internal Revenue Code of 1986 is amended by striking "of section 1862(b)(1)" and inserting "of paragraph (1), or with the requirements of paragraph (2), of section 1862(b).".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to demands for repayment issued after the date of the enactment of this Act.

(e) RETROACTIVE EXEMPTION FOR CERTAIN SITUATIONS INVOLVING RELIGIOUS ORDERS.—Section 1862(b)(1)(D) of the Social Security Act (42 U.S.C. 1395y(b)(1)(D)) applies, with re-

spect to items and services furnished before October 1, 1989, to any claims that the Secretary of Health and Human Services had not identified before that date as subject to the provisions of this subsection.

(f) UNIFORM RULES FOR SIZE OF EMPLOYER.—(1) Section 1862(b)(1) (42 U.S.C. 1395y(b)(1)) is amended by adding at the end the following new subparagraph:

"(E) GENERAL PROVISIONS.—

"(i) EXCLUSION OF GROUP HEALTH PLAN OF A SMALL EMPLOYER.—Subparagraphs (A) through (C) shall not apply to a group health plan unless the plan is a plan of, or contributed to by, an employer or employee organization that has 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.

"(ii) EXCEPTION FOR SMALL EMPLOYERS IN MULTIEMPLOYER OR MULTIPLE EMPLOYER GROUP HEALTH PLANS.—Subparagraphs (A) through (C) shall not apply with respect to individuals enrolled in a multiemployer or multiple employer group health plan if the coverage of the individuals under the plan is by virtue of current employment status with an employer that does not have 20 or more individuals in current employment status for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year; but the exception provided in this clause applies only if the plan elects treatment under this clause.

"(iii) SPECIAL RULES.—For purposes of clauses (i) and (ii)—

"(I) all employees of corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) of the Internal Revenue Code of 1986, determined without regard to section 1563(a)(4) or section (e)(3)(C) of such Code), shall be treated as employed by a single employer,

"(II) all employees of trades or businesses (whether or not incorporated) which are under common control (under regulations prescribed by the Secretary of the Treasury under section 414(c) of such Code) shall be treated as employed by a single employer,

"(III) all employees of the members of an affiliated service group (as defined in section 414(m) of such Code) shall be treated as employed by a single employer, and

"(IV) leased employees (as defined in section 414(n)(2) of such Code) shall be treated as employees of the person for whom they perform services to the extent they are so treated under section 414(n) of such Code.

In applying sections of the Internal Revenue Code under this clause, the Secretary shall rely upon regulations and decisions of the Secretary of the Treasury respecting such sections.".

"(iv) GROUP HEALTH PLAN DEFINED.—For purposes of this subsection, the term 'group health plan' has the meaning given such term in section 5000(b) of the Internal Revenue Code of 1986, without regard to section 5000(d) of such Code.

"(v) CURRENT EMPLOYMENT STATUS DEFINED.—For purposes of this subsection, an individual has 'current employment status' with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

"(vi) EMPLOYER DEFINED.—For purposes of this subsection, the term 'employer' includes a self-employed person.".

(2)(A) Section 1862(b)(1)(A)(i)(I) (42 U.S.C. 1395y(b)(1)(A)(i)(I)) is amended to read as follows:

"(I) may not take into account that an individual (or the individual's spouse) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(a), and".

(B) Section 1862(b)(1)(A)(i)(II) (42 U.S.C. 1395y(b)(1)(A)(i)(II)) is amended to read as follows:

"(II) shall provide that any individual age 65 or over (and the individual's spouse age 65 or older) who is covered under the plan by virtue of the individual's current employment status with an employer shall be entitled to the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.".

(C) Section 1862(b)(1)(A) (42 U.S.C. 1395y(b)(1)(A)), as amended by subsection (c)(1), is amended—

(i) by striking clauses (ii), (iii), and (v), and

(ii) by redesignating clause (iv) as clause (ii).

(3)(A) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)(i)) is amended—

(i) by striking the heading and inserting the following new heading:

"(B) DISABLED INDIVIDUALS UNDER GROUP HEALTH PLANS.—", and

(ii) by striking clause (i) and inserting the following new clause:

"(i) IN GENERAL.—A group health plan may not take into account that an individual (or a member of the individual's family) who is covered under the plan by virtue of the individual's current employment status with an employer is entitled to benefits under this title under section 226(b).".

(B) Section 1862(b)(1)(B) (42 U.S.C. 1395y(b)(1)(B)) is amended by striking clause (iv).

(4) Section 1862(b)(1)(C) (42 U.S.C. 1395y(b)(1)(C)) is amended—

(A) in the matter preceding clause (i), by striking "(as defined in subparagraph (A)(v))",

(B) by striking "solely" each place it appears,

(C) by striking "by reason of" and inserting "under" each place it appears, and

(D) by inserting "or eligible for" after "entitled to" the first and last place it appears.

(5) The second sentence of section 1862(b)(2)(A) (42 U.S.C. 1395y(b)(2)(A)) is amended by striking "or large group health plan".

(6)(A) Subsection (a) of section 5000 of the Internal Revenue Code of 1986 is amended by inserting "(including a self-employed person)" after "employer";

(B) Subsection (b) of section 5000 of such Code is amended to read as follows:

"(b) GROUP HEALTH PLAN.—The term 'group health plan' means a plan (including a self-insured plan) of, or contributed to by, an employer (including a self-employed person) or employee organization to provide health care (directly or otherwise) to the employees, former employees, the employer, others associated or formerly associated with the employer in a business relationship, or their families."; and

(C) Subsection (c) of section 5000 of such Code by striking "or large group health plan".

(D) Section 6103(l)(12)(F)(ii) of such Code (as redesignated by subsection (a)(3)(A)(i) of this section) is amended to read as follows:

"(ii) GROUP HEALTH PLAN.—The term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(g) EFFECTIVE DATE.—The amendments made by subsections (c)(1), (d), and (f) apply to items and services furnished after the third calendar month beginning after the date of enactment of this Act.

SEC. 7304. EXTENSION OF SELF-REFERRAL BAN TO ADDITIONAL SPECIFIED SERVICES.

(a) EXTENSION TO DESIGNATED HEALTH SERVICES.—

(1) IN GENERAL.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by adding at the end the following new paragraph:

"(8) DESIGNATED HEALTH SERVICES.—The term 'designated health services' means—

"(A) clinical laboratory services;

"(B) physical or occupational therapy services;

"(C) radiology or other diagnostic services;

"(D) radiation therapy services;

"(E) the furnishing of durable medical equipment;

"(F) the furnishing of parenteral and enteral nutrition nutrients, supplies, and equipment;

"(G) home health services; and

"(H) the furnishing of prosthetics, orthotics, and prosthetic devices.".

(2) CONFORMING AMENDMENTS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) by striking "clinical laboratory services" and "CLINICAL LABORATORY SERVICES" and inserting "designated health services" and "DESIGNATED HEALTH SERVICES", respectively, each place either appears in subsections (a)(1), (b)(2)(A)(ii), (d)(1), (d)(2), and (d)(3); and

(B) by striking "clinical laboratory service" and inserting "designated health service" each place it appears in subsections (g)(1) and (h)(7)(B).

(b) MODIFICATION TO EXCEPTION FOR IN-OFFICE ANCILLARY SERVICES.—Section 1877(b)(2) (42 U.S.C. 1395nn(b)(2)) is amended—

(1) by inserting "(other than durable medical equipment and parenteral and enteral nutrition equipment and supplies)" after "services" the first place it appears; and

(2) in subparagraph (A)(ii)(II), by striking "centralized provision" and inserting "provision of some or all".

(c) TREATMENT OF COMPENSATION ARRANGEMENTS.—

(1) RENTAL OF OFFICE SPACE AND EQUIPMENT.—

(A) IN GENERAL.—Paragraph (1) of section 1877(e) (42 U.S.C. 1395nn(e)) is amended to read as follows:

"(1) RENTAL OF OFFICE SPACE; RENTAL OF EQUIPMENT.—

"(A) OFFICE SPACE.—Payments made by a lessee to a lessor for the use of premises if—

"(i) the lease is set out in writing, signed by the parties, and specifies the premises covered by the lease,

"(ii) the space rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee, except that the lessee may make payments for the use of space consisting of common areas if such payments do not exceed the lessee's pro rata share of expenses for such space based upon the ratio of the space used exclusively by the lessee to the total amount of space (other than common areas) occupied by all persons using such common areas,

"(iii) the lease provides for a term of rental or lease for at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the premises leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) EQUIPMENT.—Payments made by a lessee of equipment to the lessor of the equipment for the use of the equipment if—

"(i) the lease is set out in writing, signed by the parties, and specifies the equipment covered by the lease,

"(ii) the equipment rented or leased is reasonable and necessary for the legitimate business purposes of the lease or rental and is used exclusively by the lessee when being used by the lessee,

"(iii) the lease provides for a term of rental or lease of at least one year,

"(iv) the rental charges over the term of the lease are set in advance, are consistent with fair market value, and are not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(v) the lease would be commercially reasonable even if no referrals were made between the parties,

"(vi) the lease covers all of the equipment leased between the parties for the period of the lease, and

"(vii) the compensation arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(B) CONFORMING AMENDMENT.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking paragraphs (5) and (6) and by redesignating paragraphs (7) and (8) (as added by subsection (a)(1)) as paragraphs (5) and (6), respectively.

(2) BONA FIDE EMPLOYMENT RELATIONSHIPS.—Section 1877(e)(2) (42 U.S.C. 1395nn(e)(2)) is amended—

(A) by striking "AND SERVICE" and "WITH HOSPITALS";

(B) by striking "An arrangement" and all that follows through "if" and inserting "Any amount paid by an employer to a physician (or an immediate family member of such physician) who has a bona fide employment relationship with the employer for the provision of services if";

(C) in subparagraphs (A), (B), and (D), by striking "arrangement" and inserting "employment relationship";

(D) in subparagraph (C), by striking "hospital" and inserting "employer"; and

(E) by adding at the end the following new flush sentence:

"Subparagraph (B)(ii) shall not be construed as prohibiting the payment of remuneration in the form of a productivity bonus based on services performed personally by the physician (or an immediate family member of such physician).".

(3) PERSONAL SERVICE ARRANGEMENTS.—Section 1877(e)(3) (42 U.S.C. 1395nn(e)(3)) is amended to read as follows:

"(3) SERVICE ARRANGEMENTS.—

"(A) PERSONAL SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is set out in writing, signed by the parties, and specifies the services covered by the arrangement,

"(ii) the arrangement covers all of the services to be provided,

"(iii) the aggregate services contracted for do not exceed those that are reasonable and necessary for the legitimate business purposes of the arrangement,

"(iv) the term of the arrangement is for at least one year,

"(v) the compensation to be paid over the term of the arrangement is set in advance, does not exceed fair market value, and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties,

"(vi) the services to be performed under the arrangement do not involve the counseling or promotion of a business arrangement of other activity that violates any State or Federal law, and

"(vii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.

"(B) OTHER SERVICE ARRANGEMENTS.—Remuneration from an entity under an arrangement if—

"(i) the arrangement is—

"(I) for specific identifiable services as the medical director or as a member of a medical advisory board at the entity pursuant to a requirement of this title,

"(II) for specific identifiable physicians' services to be furnished to an individual receiving hospice care if payment for such services may only be made under this title as hospice care,

"(III) for specific physicians' services furnished to a nonprofit blood center, or

"(IV) for specific identifiable administrative services (other than direct patient care services), but only under exceptional circumstances specified by the Secretary in regulations;

"(ii) the requirements described in subparagraphs (B) and (C) of paragraph (2) are met with respect to the entity in the same manner as they apply to an employer; and

"(iii) the arrangement meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(4) HEALTH SERVICES FURNISHED UNDER CERTAIN HOSPITAL ARRANGEMENTS.—Section 1877(e) (42 U.S.C. 1395nn(e)) is amended by adding at the end the following new paragraph:

"(7) CERTAIN GROUP PRACTICE ARRANGEMENTS WITH A HOSPITAL.—

"(A) IN GENERAL.—An arrangement between a hospital and a group under which designated health services are provided by the group but are billed by the hospital if—

"(i) the group would be a group practice, but for the fact that it bills for such services through the hospital;

"(ii) with respect to services provided to an inpatient of the hospital, the arrangement is pursuant to the provision of inpatient hospital services under section 1861(b)(3);

"(iii) the arrangement began before December 19, 1989, and has continued in effect without interruption since such date;

"(iv) the group provides substantially all of the designated health services furnished under the arrangement to the hospital's patients;

"(v) the arrangement is pursuant to an agreement that is set out in writing and that specifies the services to be provided by the parties and the compensation for services provided under the arrangement;

"(vi) the compensation paid over the term of the agreement is consistent with fair market value and the compensation per unit of services is fixed in advance and is not determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties;

"(vii) the compensation is provided pursuant to an agreement which would be commercially reasonable even if no referrals were made to the entity; and

"(viii) the arrangement between the parties meets such other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.".

(5) ADDITIONAL EXCEPTION.—Section 1877(e) (42 U.S.C. 1395nn(e)) is further amended by adding at the end the following new paragraph:

"(8) PAYMENTS BY A PHYSICIAN FOR ITEMS AND SERVICES.—Payments made by a physician—

"(A) to a laboratory in exchange for the provision of clinical laboratory diagnostic tests, or

"(B) to an entity as compensation for other items or services if the items or services are furnished at a price that is consistent with fair market value.".

(6) REFERRING PHYSICIANS.—Subparagraph (C) of section 1877(h)(5) (42 U.S.C. 1395nn(h)(5)), as redesignated by subsection (c)(1)(B), is amended—

(A) by inserting "a request by a radiologist for diagnostic radiology services, and a request by a radiation oncologist for radiation therapy," after "examination services,", and

(B) by inserting ", radiologist, or radiation oncologist" after "pathologist" the second place it appears.

(7) CONFORMING AMENDMENT.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended by striking paragraph (4) and redesignating paragraph (5) as paragraph (4).

(d) REQUIREMENTS FOR GROUP PRACTICE.—

(1) ADDITIONAL REQUIREMENTS.—Section 1877(h)(4) (42 U.S.C. 1395nn(h)(4)) is amended to read as follows:

"(4) GROUP PRACTICE.—

"(A) DEFINITION OF GROUP PRACTICE.—The term 'group practice' means a group of 2 or more physicians legally organized as a partnership, professional corporation, foundation, not-for-profit corporation, faculty practice plan, or similar association—

"(i) in which each physician who is a member of the group provides substantially the full range of services which the physician routinely provides, including medical care, consultation, diagnosis, or treatment, through the joint use of shared office space, facilities, equipment and personnel;

"(ii) for which substantially all of the services of the physicians who are members of the group are provided through the group and are billed in the name of the group and amounts so received are treated as receipts of the group;

"(iii) in which the overhead expenses of and the income from the practice are distributed in accordance with methods previously determined by members of the group;

"(iv) except as provided in subparagraph (B)(i), in which no physician who is a member of the group directly or indirectly receives compensation based on the volume or value of referrals by the physician;

"(v) in which, on average, there are no less than 5 physicians per office location, but if a group has less than 15 physicians such group may have up to 3 office locations any one of which may have less than 5 physicians;

"(vi) in which members of the group personally conduct no less than 75 percent of the physician-patient encounters of the group practice; and

"(vii) which meets such other standards as the Secretary may impose by regulation.

"(B) SPECIAL RULES.—

"(i) PROFITS AND PRODUCTIVITY BONUSES.—A physician in a group practice may be paid a share of overall profits of the group, or a

productivity bonus based on services personally performed or services incident to such personally performed services, so long as the share or bonus is not determined in any manner which is directly related to the volume or value of referrals by such physician.

"(ii) FACULTY PRACTICE PLANS.—In the case of a faculty practice plan associated with a hospital, institution of higher education, or medical school with an approved medical residency training program in which physician members may provide a variety of different specialty services and provide professional services both within and outside the group, as well as perform other tasks such as research, subparagraph (A) shall be applied only with respect to the services provided within the faculty practice plan.

"(C) DEFINITION OF OFFICE LOCATION.—For purposes of this paragraph, the term 'office location' means an office where physician services are offered to patients except that—

"(i) such term does not include—

"(I) a location consisting solely of a diagnostic facility, nursing facility, or treatment facility such as a physical or occupational therapy center, or a facility providing administrative services affiliated with the group practice; or

"(II) an office located in a rural area (as defined in section 1886(d)(2)(D)) if at least 85 percent of the physicians' services furnished at the location are furnished to individuals who reside in such a rural area; and

"(ii) any office location which is located immediately adjacent to another office location shall be treated as the same office location.".

(2) USE OF BILLING NUMBERS, ETC.—Section 1877 (42 U.S.C. 1395nn) is amended—

(A) in subsection (b)(2)(B), by inserting "under a billing number assigned to the group practice" after "member",

(B) in subsection (h)(4)(A)(ii), as added by subsection (d)(1), by inserting "and under a billing number assigned to the group" after "in the name of the group", and

(C) in subsection (h)(4)(A)(iii), as so added, by striking "by members of the group".

(3) CONFORMING AMENDMENT.—Section 1877(h) (42 U.S.C. 1395nn(h)) is amended by striking "DEFINITIONS.—" and inserting "DEFINITIONS AND SPECIAL RULES.—".

(e) EXPANDING RURAL PROVIDER EXCEPTION TO COVER COMPENSATION ARRANGEMENTS.—

(1) IN GENERAL.—Section 1877(b) (42 U.S.C. 1395nn(b)) is amended—

(A) by redesignating paragraph (4), as redesignated by subsection (c)(7), as paragraph (5), and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) RURAL PROVIDERS.—In the case of designated health services if—

"(A) the services are furnished in a rural area (as defined in section 1886(d)(2)(D)), and

"(B) substantially all of the services furnished by the entity furnishing the services described in subparagraph (A) are furnished to individuals entitled to benefits under this title who reside in such a rural area.".

(2) CONFORMING AMENDMENTS.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended—

(A) by striking paragraph (2), and

(B) by redesignating paragraph (3) as paragraph (2).

(f) EXEMPTION OF COMPENSATION ARRANGEMENTS INVOLVING CERTAIN TYPES OF REMUNERATION.—Section 1877(h)(1) (42 U.S.C. 1395nn(h)(1)) is amended—

(1) in subparagraph (A), by inserting before the period at the end the following: "other than an arrangement involving only remuneration described in subparagraph (C)", and

(2) by adding at the end the following new subparagraph:

"(C) Remuneration described in this subparagraph is any remuneration consisting of any of the following:

"(i) The forgiveness of amounts owed for inaccurate tests or procedures, mistakenly performed tests or procedures, or the correction of minor billing errors.

"(ii) The provision of items, devices, or supplies of minor value that are used to—

"(I) collect, transport, process, or store specimens for the entity providing the item, device, or supply, or

"(II) communicate the results of tests or procedures for such entity.".

(g) EXCEPTION FOR PUBLICLY-TRADED SECURITIES.—Section 1877(c) (42 U.S.C. 1395nn(c)) is amended—

(1) in the matter preceding paragraph (1), by striking "on terms generally available to the public" and inserting "through public trading on a public exchange or which were inherited"; and

(2) in paragraph (2), by striking "total assets exceeding $100,000,000" and inserting "stockholder equity exceeding $75,000,000".

(h) MISCELLANEOUS AND TECHNICAL CORRECTIONS.—Section 1877 (42 U.S.C. 1395nn) is amended—

(1) in subsection (b)(2)(A)(i), by striking "who are employed by such physician or group practice and who are personally" and inserting "who are directly";

(2) in the fourth sentence of subsection (f)—

(A) by striking "provided" and inserting "furnished", and

(B) by striking "provides" and inserting "furnish";

(3) in the last sentence of subsection (f)—

(A) by striking "providing" each place it appears and inserting "furnishing",

(B) by striking "with respect to the providers" and inserting "with respect to the entities", and

(C) by striking "diagnostic imaging services of any type" and inserting "magnetic resonance imaging, computerized axial tomography scans, and ultrasound services"; and

(4) in subsection (a)(2)(B), by striking "subsection (h)(1)(A)" and inserting "subsection (h)(1)".

(i) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to referrals made on or after January 1, 1992.

(2) The amendments made by subsection (a) apply with respect to a referral by a physician for designated health services (as defined in section 1877(h)(6) of the Social Security Act) made after December 31, 1994.

SEC. 7305. REDUCTION IN PAYMENT FOR ERYTHROPOIETIN.

(a) IN GENERAL.—Section 1881(b)(11)(B)(ii)(I) (42 U.S.C. 1395rr(b)(11)(B)(ii)(I)) is amended—

(1) by striking "1991" and inserting "1994", and

(2) by striking "$11" and inserting "$10".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to erythropoietin furnished after 1993.

Subtitle B—Medicaid Program

PART I—PROGRAM SAVINGS PROVISIONS

Subpart A—Repeal of Mandate

SEC. 7401. PERSONAL CARE SERVICES FURNISHED OUTSIDE THE HOME AS OPTIONAL BENEFIT.

(a) IN GENERAL.—Section 1905(a) (42 U.S.C. 1396d(a)), as amended by subsection (b), is amended—

(1) in paragraph (7), by striking "including personal care services" and all that follows through "nursing facility";

(2) in paragraph (23), by striking "and" at the end;

(3) by redesignating paragraph (24) as paragraph (25); and

(4) by inserting after paragraph (23) the following new paragraph:

"(24) personal care services furnished to an individual who is not an inpatient or resident of a nursing facility or other medical institution that are (A) authorized by a physician for the individual in accordance with a plan of treatment, (B) provided by an individual who is qualified to provide such services and who is not a member of the individual's family, (C) supervised by a registered nurse, and (D) furnished in a home or other location; and".

(b) REDESIGNATIONS TO PARAGRAPHS ADDED BY OBRA-1990.—Section 1905(a) (42 U.S.C. 1396d(a)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) in paragraph (24), by striking the comma at the end and inserting "; and"; and

(3) by redesignating paragraphs (22), (23), and (24) as paragraphs (24), (22), and (23), respectively, and by transferring and inserting paragraph (24), as so redesignated, after paragraph (23), as so redesignated.

(c) CONFORMING AMENDMENTS.—(1) Section 1902(a)(10)(C)(iv) (42 U.S.C. 1396a(a)(10)(C)(iv)) is amended by striking "through (21)" and inserting "through (24)".

(2) Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "through (22)" and inserting "through (25)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of OBRA-1990.

Subpart B—Outpatient Prescription Drugs

SEC. 7411. PERMITTING PRESCRIPTION DRUG FORMULARIES UNDER STATE PLANS.

(a) ELIMINATION OF PROHIBITION AGAINST USE OF FORMULARIES.—Paragraph (54) of section 1902(a) (42 U.S.C. 1396a(a)) is amended to read as follows:

"(54) in the case of a State plan that provides medical assistance for covered outpatient drugs (as defined in section 1927(k)), comply with the applicable requirements of section 1927;".

(b) STANDARDS FOR FORMULARIES.—Section 1927(d) (42 U.S.C. 1396r-8(d)), as amended by section 7412(a), is amended—

(1) by adding at the end of paragraph (1) the following new subparagraph:

"(C) In the case of a State that establishes a formulary in accordance with paragraph (6), the State may exclude coverage of a covered outpatient drug that is not included in the formulary."; and

(2) by inserting after paragraph (5) the following new paragraph:

"(6) REQUIREMENTS FOR FORMULARIES.—A State may establish a formulary only if the following requirements are met:

"(A) The formulary is developed by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State or, at the option of the State, the State's drug use review board established under subsection (g)(3).

"(B) The formulary includes each covered outpatient drug of a manufacturer which has entered into and complies with an agreement under subsection (a) unless the drug is contained in the list referred to in paragraph (2) or excluded in accordance with subparagraph (C).

"(C)(i) The committee may exclude a covered outpatient drug with respect to the

treatment of a specific disease or condition for an identified population (if any) only if the committee finds that the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary.

"(ii) The committee's finding under clause (i) shall be based on—

"(I) the drug's labeling, or

"(II) in the case of a drug the prescribed use of which is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, on information from the appropriate compendia described in subsection (k)(6).

"(D) With respect to a recommendation to exclude a covered outpatient drug from the formulary or to exclude a prescribed use of such a drug, the committee issues a written explanation of its recommendation that is available to the public.

"(E) The State plan permits coverage of a drug excluded from the formulary pursuant to a prior authorization program that is consistent with paragraph (5) unless the drug is contained in the list referred to in paragraph (2).

"(F) The formulary meets such other requirements as the Secretary may impose.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7412. ELIMINATION OF SPECIAL EXEMPTION FROM PRIOR AUTHORIZATION FOR NEW DRUGS.

(a) IN GENERAL.—Section 1927(d) (42 U.S.C. 1396r-8(d)) is amended by striking paragraph (6).

(b) CONFORMING AMENDMENT.—(1) Section 1927(d)(1)(A) (42 U.S.C. 1396r-8(d)(1)(A)) is amended by striking "Except as provided in paragraph (6), a State" and inserting "A State".

(2) Section 1927(d)(3) (42 U.S.C. 1396r-8(d)(3)) is amended by striking "(except with respect" and all that follows through "of this paragraph)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not regulations to carry out such amendments have been promulgated by such date.

SEC. 7413. MODIFICATIONS TO DRUG REBATE PROGRAM.

(a) ELIMINATION OF ADDITIONAL REBATE BASED ON WEIGHTED AVERAGE MANUFACTURER PRICE.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r-8(c)) is amended to read as follows:

"(2) ADDITIONAL REBATE FOR SINGLE SOURCE AND INNOVATOR MULTIPLE SOURCE DRUGS.—

"(A) IN GENERAL.—The amount of the rebate for a calendar quarter with respect to each dosage form and strength of a single source drug or an innovator multiple source drug, is increased by an amount equal to the product of—

"(i) the total number of dosage units dispensed after December 31, 1990, for which payment was made under the State plan for the period reported by the State under subsection (b)(2), and

"(ii) the amount (if any) by which—

"(I) the average manufacturer price for the dosage form and strength of the drug for the period, exceeds

"(II) the average manufacturer price for such dosage form and strength for the calendar quarter beginning July 1, 1990, increased by the percentage by which the average of the consumer price indices for all urban consumers (U.S. city average) for months during the calendar quarter exceeds such index for September 1990.

"(B) SPECIAL RULE.—In the case of a covered outpatient drug approved by the Food and Drug Administration after October 1, 1990, subclause (II) of subparagraph (A)(ii) shall be applied by substituting 'the first full calendar quarter after the drug was marketed' for 'the calendar quarter beginning July 1, 1990' and 'the month prior to the first month of the first full calendar quarter after the drug was marketed' for 'September 1990'.".

(b) BASE DATE FOR COVERED OUTPATIENT DRUG SOLD OR TRANSFERRED.—Paragraph (2) of section 1927(c) (42 U.S.C. 1396r-8(c)), as amended by subsection (a), is amended by adding at the end the following new subparagraph:

"(C) BASE DATE FOR COVERED OUTPATIENT DRUG SOLD OR TRANSFERRED.—For purposes of computing the additional rebate under this paragraph for any covered outpatient drug that is sold or transferred to any entity, including a division or subsidiary of a manufacturer, the base date for such drug after such sale or transfer shall be the original base date established for such drug.".

(c) MAXIMUM ALLOWABLE COST LIMITATIONS.—Section 1927 (42 U.S.C. 1396r-8) is amended by adding at the end the following new subsection:

"(l) MAXIMUM ALLOWABLE COST LIMITATIONS.—This section shall not supersede or affect provisions in effect prior to January 1, 1991, relating to maximum allowable cost limitations for payment by States for covered outpatient drugs, and rebates under this section shall be made without regard to whether or not payment by the State for such drugs is subject to such limitations or the amount of such cost limitations.".

(d) EFFECTIVE DATES.—(1) The amendments made by subsections (a) and (c) shall be effective as if included in the enactment of section 4401 of OBRA-1990.

(2) The amendment made by subsection (b) shall be effective on the date of the enactment of this Act.

Subpart C—Restrictions on Divestiture of Assets and Estate Recovery

SEC. 7421. MEDICAID ESTATE RECOVERIES.

(a) MANDATE TO SEEK RECOVERY.—The matter preceding subparagraph (A) of section 1917(b)(1) (42 U.S.C. 1396p(b)(1)) is amended to read as follows: "The State agency shall seek adjustment or recovery of any medical assistance correctly paid on behalf of an individual under the State plan—".

(b) HARDSHIP WAIVER.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended by adding at the end the following new paragraph:

"(3) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency shall waive the application of this subsection if such application would work an undue hardship as determined on the basis of criteria established by the Secretary.".

(c) DEFINITION OF ESTATE.—Section 1917(b) (42 U.S.C. 1396p(b)), as amended by subsection (b), is amended by adding at the end the following new paragraph:

"(4) DEFINITION.—For purposes of this section, the term 'estate', with respect to a deceased individual—

"(A) shall include all real and personal property and other assets included within the individual's estate, as defined for purposes of State law with respect to inheritance, and

"(B) may include, at the option of the State, any or all other real or personal property or other assets in which the individual had any legal title or interest at the time of death, including such assets conveyed to a survivor, heir, or assign of the deceased individual through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement.".

(d) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply to individuals who died before October 1, 1993.

SEC. 7422. TRANSFERS OF ASSETS.

(a) MANDATORY AND OPTIONAL PERIODS OF INELIGIBILITY.—Section 1917(c) (42 U.S.C. 1396p(c)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) In order to meet the requirements of this subsection for purposes of section 1902(a)(18), the State plan shall provide that any institutionalized individual (or the spouse of such individual) who disposes of assets for less than fair market value on the date specified in subparagraph (B)(ii), or at any time thereafter during such individual's lifetime, is ineligible for medical assistance for—

"(i) nursing facility services,

"(ii) a level of care in any institution equivalent to that of nursing facility services, and

"(iii) home or community-based services under subsection (c) or (d) of section 1915,

during any and all applicable periods specified in paragraph (2).

"(B)(i) The date specified in this clause, with respect to an institutionalized individual, is the first date as of which the individual—

"(I) is an institutionalized individual, and

"(II) has applied for or is receiving medical assistance under the State plan.

"(ii) The date specified in this clause, with respect to an institutionalized individual, is the date 30 months before the date specified in clause (i) (or, at the option of the State, such earlier date as provided by the State in accordance with paragraph (3)(A)(iii)).";

(2) by redesignating paragraphs (2) through (5) as paragraphs (4) through (7) and by inserting after paragraph (1) the following new paragraphs:

"(2) The period of ineligibility required under paragraph (1) with respect to an institutionalized individual—

"(A) shall be a number of months equal to—

"(i) the total uncompensated value of all assets transferred by the individual or the individual's spouse on or after the date specified in paragraph (1)(B)(ii), divided by

"(ii) the average cost to a private patient of nursing facility services in the State (or, at the option of the State, in the community in which the individual is institutionalized) on the date specified in paragraph (1)(B)(i) based on costs which include the cost of services included in the State's nursing facility reimbursement rate; and

"(B) shall begin with the first month in which—

"(i) the individual—

"(I) is an institutionalized individual,

"(II) is (or but for the provisions of this subsection would be) entitled to have medical assistance paid under the State plan for services specified under paragraph (1), and

"(III) is receiving or is an applicant for such medical assistance, and

"(ii) the State has become aware that assets have been transferred.

"(3)(A) The State plan may include, in accordance with this paragraph, any or all of the following provisions concerning eligibility for medical assistance of individuals who (or whose spouses) dispose of assets for less than fair market value:

"(i) The State plan may provide for periods of ineligibility for medical assistance for long-term care services specified by the State and approved by the Secretary for any or all individuals (or groups of individuals) otherwise eligible for such medical assistance, in addition to the individuals specified in paragraph (1).

"(ii) Subject to such restrictions as the Secretary may impose, the State plan may provide for periods of ineligibility for medical assistance for any long-term care services (in addition to the services specified in paragraph (1)(A)) for which medical assistance is otherwise available under the plan.

"(iii) The State plan may provide for a date on and after which transfers of assets are subject to review earlier than the date specified in paragraph (1)(B)(ii), but not earlier than 4 years before—

"(I) in the case of an institutionalized individual, the date specified in paragraph (1)(B)(i), or

"(II) in the case of any other individual, the date on which the individual applied for medical assistance under the State plan.

"(B)(i) The period of ineligibility imposed by the State pursuant to this paragraph for services other than those specified in paragraph (1)(A) shall not be longer than the period of ineligibility that would have resulted if the individual had expended the assets transferred for the costs of medical care furnished on and after the date the individual applied for medical assistance, as determined by the State in accordance with clause (ii).

"(ii) In determining the period of ineligibility of an individual pursuant to clause (i), the State—

"(I) may presume that the individual's cost of medical care furnished is equal to the average cost to a private patient for such care on a daily, monthly, or other basis, or

"(II) may use any other method approved by the Secretary.";

(3) in paragraph (4), as redesignated—

(A) by amending subparagraph (B) to read as follows:

"(B) the resources—

"(i) were transferred to the individual's spouse or to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1);

"(ii) were transferred from the individual's spouse to another for the sole benefit of the individual's spouse and did not exceed the amount permitted under section 1924(f)(1); or

"(iii) were transferred to the individual's child described in subparagraph (A)(ii)(II);";

(B) in subparagraph (C)—

(i) by striking "any";

(ii) by striking "or (ii)" and inserting "(ii)"; and

(iii) by striking "; or" and inserting ", or (iii) all assets transferred by an individual for less than fair market value have been returned to the individual;";

(C) by amending subparagraph (D) to read as follows:

"(D) the State determines (in accordance with regulations promulgated by the Secretary) that denial of eligibility would work an undue hardship; or";

(D) by adding at the end the following new subparagraph:

"(E) the State determines that the total fair market value of all of the assets transferred by the individual during the period between the date specified in paragraph (1)(B)(i) and the date specified by the State under paragraph (1)(B)(ii) are below an amount determined appropriate by the State and approved by the Secretary."; and

(E) by adding at the end the following flush sentence:

"In determining whether an individual has made a satisfactory showing to the State under subparagraph (C)(ii), the State shall consider the individual's health status at the time of the transfer of assets and whether, at the time of such transfer, the individual retained assets sufficient to meet the individual's foreseeable future health care needs based on such health status.";

(4) by striking paragraph (5), as redesignated, and inserting the following:

"(5) For purposes of this subsection, in the case of an asset held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the asset (or the affected portion of such asset) shall be considered to be transferred by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such asset, except to the extent an action taken by a person other than the individual is an action consistent with partial ownership of the asset, as provided in regulations issued by the Secretary.";

(5) by adding the following at the end of paragraph (6), as redesignated: "In the case of a transfer by the spouse of an institutionalized individual which results in a period of ineligibility for medical assistance under a State plan for the institutionalized individual, a State shall apply a reasonable methodology to transfer all or a portion of any such period of ineligibility to such spouse if the spouse becomes an institutionalized individual."; and

(6) by amending paragraph (7), as redesignated, to read as follows:

"(7) For purposes of this subsection:

"(A) The term 'assets', with respect to an individual, includes all income and resources of the individual and of the individual's spouse, including any income or resources which the individual or such individual's spouse is entitled to but does not receive because of action—

"(i) by the individual or such individual's spouse,

"(ii) by a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or such individual's spouse, or

"(iii) by any person, including any court or administrative body, acting at the direction or upon the request of the individual or such individual's spouse.

"(B) The term 'income' has the meaning given such term in section 1612.

"(C) The term 'resources' has the meaning given such term in section 1613, without regard (in the case of an institutionalized individual) to the exclusion described in subsection (a)(1) of such section.

"(D) The term 'institutionalized individual' means, and the term 'individual is institutionalized' refers to, an individual receiving any of the services specified in paragraph (1)(A).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(51) (42 U.S.C. 1396a(a)(51)) is amended—

(A) by striking "(A)"; and

(B) by striking ", and (B)" and all that follows and inserting a semicolon.

(2) Section 1924(f)(1) (42 U.S.C. 1396r-5(f)(1)) is amended by striking "transfer an amount" and inserting "transfer an amount sufficient to make the resources of the community spouse".

(c) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to assets disposed of before the date which is 60 days after the date of the enactment of this Act.

SEC. 7423. TREATMENT OF CERTAIN TRUSTS.

(a) IN GENERAL.—Section 1917 (42 U.S.C. 1396p) is amended by adding at the end the following:

"(d)(1) For purposes of determining an individual's eligibility for, or amount of, benefits under a State plan under this title, the following rules shall apply to a trust established by such individual:

"(A) In the case of a revocable trust—

"(i) the corpus of the trust shall be considered resources available to the individual,

"(ii) payments from the trust to or for the benefit of the individual shall be considered income of the individual, and

"(iii) any other payments from the trust shall be considered a transfer of assets by the individual subject to subsection (c).

"(B) In the case of an irrevocable trust—

"(i) the portion of the corpus from which, or the income on the corpus from which, payment to the individual could be made shall be considered resources available to the individual, and payments from that portion of the corpus or income—

"(I) to or for the benefit of the individual, shall be considered income of the individual, and

"(II) for any other purpose, shall be considered a transfer of assets by the individual subject to subsection (c); and

"(ii) any portion of the trust from which, or any income on the corpus from which, no payment could under any circumstances be made to the individual shall be considered, as of the date of establishment of the trust (or, if later, the date on which payment to the individual was foreclosed) a transfer of assets by the individual subject to subsection (c), and payments from such portion of the trust after such date shall be disregarded.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if—

"(i) any of the following individuals established such trust other than by will:

"(I) the individual,

"(II) the individual's spouse,

"(III) a person, including a court or administrative body, with legal authority to act in place of or on behalf of the individual or the individual's spouse, or

"(IV) a person, including any court or administrative body, acting at the direction or upon the request of the individual or the individual's spouse; and

"(ii) assets of the individual were used to form all or part of the corpus of the trust.

"(B) In the case of a trust the corpus of which includes assets of an individual (as determined under subparagraph (A)) and assets of any other person or persons, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(3) This subsection shall apply without regard to—

"(A) the purposes for which a trust is established,

"(B) whether the trustees have or exercise any discretion under the trust,

"(C) any restrictions on when or whether distributions may be made from the trust, or

"(D) any restrictions on the use of distributions from the trust.

"(4)(A) This subsection shall not apply to any of the following trusts:

"(i) A trust containing the assets of a disabled individual (as determined under section 1614(a)(3)) established for the benefit of such individual by a parent, grandparent, legal guardian of the individual, or a court if the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title.

"(ii) A trust established in a State for the benefit of an individual if—

"(I) the trust is composed only of pension, Social Security, and other income to the individual (and accumulated income in the trust),

"(II) the State will receive all amounts remaining in the trust upon the death of such individual up to an amount equal to the total medical assistance received by the individual under a State plan under this title, and

"(III) the State makes medical assistance available to individuals described in section 1902(a)(10)(A)(ii)(V), but does not make such assistance available to individuals for nursing facility services under section 1902(a)(10)(C).

"(B) For purposes of this subsection, the term 'trust' includes any legal instrument or device that is similar to a trust but includes an annuity only to such extent and in such manner as the Secretary specifies.

"(C) The State agency shall establish procedures (in accordance with standards specified by the Secretary) under which the agency waives the application of this subsection with respect to an individual if the individual establishes that such application would work an undue hardship on the individual as determined on the basis of criteria established by the Secretary.

"(5) For purposes of this subsection, the terms 'assets', 'income', and 'resources' shall have the meaning given to such terms under subsection (c)(7).".

(b) CONFORMING AMENDMENTS.—(1) Section 1902(a)(18) (42 U.S.C. 1396a(a)(18)) is amended by striking "and transfers of assets" and inserting ", transfers of assets, and treatment of certain trusts".

(2) Section 1902 (42 U.S.C. 1396a) is amended by repealing subsection (k).

(c) EFFECTIVE DATE.—(1)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1993.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements imposed by such amendments solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(2) The amendments made by this section shall not apply with respect to trusts established before the date which is 60 days after the date of the enactment of this Act.

Subpart D—Improvement in Identification and Collection of Third Party Payments

SEC. 7431. LIABILITY OF THIRD PARTIES TO PAY FOR CARE AND SERVICES.

(a) LIABILITY OF ERISA PLANS.—(1) Section 1902(a)(25)(A) (42 U.S.C. 1396a(a)(25)(A)) is amended by striking "insurers)" and inserting "insurers, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, and health maintenance organizations)".

(2) Section 1903(o) (42 U.S.C. 1396b(o)) is amended by striking "regulation)" and inserting "regulation and including a group health plan (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974)), a service benefit plan, and a health maintenance organization".

(b) REQUIRING STATE TO PROHIBIT INSURERS FROM TAKING MEDICAID STATUS INTO ACCOUNT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) by striking "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding after subparagraph (G) the following new subparagraph:

"(H) assurances satisfactory to the Secretary that the State has in effect laws which prohibit any health insurer (including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a service benefit plan, and a health maintenance organization), in enrolling an individual or in making any payments for benefits to the individual or on the individual's behalf, from taking into account that the individual is eligible for or is provided medical assistance under a plan under this title for such State, or any other State;".

(c) STATE RIGHT TO THIRD PARTY PAYMENTS FOR RECIPIENT.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)), as amended by subsection (b), is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by adding "and" at the end of subparagraph (H); and

(3) by adding after subparagraph (H) the following new subparagraph:

"(I) assurances satisfactory to the Secretary that the State has in effect laws under which, to the extent that payment has been made under the State plan for medical assistance for health care items or services furnished to an individual, the State is considered to have acquired the rights of such individual to payment by any other party for such health care items or services;".

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsections (a)(1), (b), and (c) shall apply to calendar quarters beginning on or after October 1, 1993, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by subsections (a) and (b), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(3) The amendment made by subsection (a)(2) shall apply to items and services furnished on or after October 1, 1993.

SEC. 7432. MEDICAL CHILD SUPPORT.

(a) STATE PLAN REQUIREMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by subsection (c), is amended—

(1) by striking "and" at the end of paragraph (58);

(2) by striking the period at the end of paragraph (59) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(60) provide that the State agency shall provide assurances satisfactory to the Secretary that the State has in effect the laws relating to medical child support required under section 1908.".

(b) MEDICAL CHILD SUPPORT LAWS.—Title XIX (42 U.S.C. 1936 et seq.) is amended by inserting after section 1907 the following new section:

"REQUIRED LAWS RELATING TO MEDICAL CHILD SUPPORT

"SEC. 1908. (a) IN GENERAL.—The laws relating to medical child support, which a State is required to have in effect under section 1902(a)(60), are as follows:

"(1) A law that prohibits an insurer from denying enrollment of a child under the health coverage of the child's parent on the ground that—

"(A) the child was born out of wedlock,

"(B) the child is not claimed as a dependent on the parent's Federal income tax return, or

"(C) the child does not reside with the parent or in the insurer's service area.

"(2) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an insurer, a law that requires such insurer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1)); and

"(B) if such a parent fails to provide such health insurance coverage for any such child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV.

"(3) In any case in which a parent is required by a court or administrative order to provide health coverage for a child and the parent is eligible for family health coverage through an employer doing business in the State, a law that requires such employer—

"(A) to permit such parent to enroll under such family coverage any such child who is otherwise eligible for such coverage (without regard to any enrollment season restrictions and subject to the requirements under paragraph (1));

"(B) if such a parent fails to provide such health insurance coverage for a child, to enroll such child under such family coverage upon application by the child's other parent or by the State agency administering the program under this title or part D of title IV;

"(C) not to disenroll (or eliminate coverage of) any such child unless the employer is provided satisfactory written evidence that—

"(i) such court or administrative order is no longer in effect, or

"(ii) the child is or will be enrolled in comparable health coverage which will take effect not later than the effective date of such disenrollment; and

"(D) to withhold from such employee's compensation the employee's share (if any) of premiums for health coverage and to pay such share of premiums to the insurer.

"(4) A law that prohibits an insurer from imposing requirements on a State agency, which has been assigned the rights of an individual eligible for medical assistance under this title and covered for health benefits from the insurer, that are different from requirements applicable to an agent or assignee of any other individual so covered.

"(5) A law that requires an insurer, in any case in which a child has health coverage through the insurer of a noncustodial parent—

"(A) to provide such information to the custodial parent as may be necessary for the child to obtain benefits through such coverage;

"(B) to permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and

"(C) to make payment on claims submitted in accordance with subparagraph (B) directly to such custodial parent, the provider, or the State agency.

"(6) A law that permits the State agency under this title to garnish the wages, salary, or other employment income of, and requires withholding amounts from State tax refunds to, any person who—

"(A) is required by court or administrative order to provide coverage of the costs of health services to a child who is eligible for medical assistance under this title,

"(B) has received payment from a third party for the costs of such services to such child, but

"(C) has not used such payments to reimburse, as appropriate, either the other parent or guardian of such child or the provider of such services,

to the extent necessary to reimburse the State agency for expenditures for such costs under its plan under this title, but any claims for current or past-due child support shall take priority over any such claims for the costs of such services.

"(b) SPECIAL RULE.—The Secretary may provide by regulation for such exceptions to the requirement under subsection (a)(3) as the Secretary determines necessary to ensure compliance with the conditions of any order referred to in such subsection or with the maximum amounts permitted to be withheld under section 303(b) of the Consumer Credit Protection Act.

"(c) DEFINITION.—For purposes of this subsection, the term 'insurer' includes a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, a health maintenance organization, and an entity offering a service benefit plan.".

(c) REDESIGNATIONS TO PARAGRAPHS ADDED BY OBRA-1990.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (54);

(2) in the paragraph (55) inserted by section 4602(a)(3) of OBRA-1990, by striking the period at the end and inserting a semicolon;

(3) by redesignating the paragraph (55) inserted by section 4604(b)(3) of OBRA-1990 as paragraph (56), by transferring and inserting it after the paragraph (55) inserted by section 4602(a)(3) of such Act, and by striking the period at the end and inserting a semicolon;

(4) by placing paragraphs (57) and (58), inserted by section 4751(a)(1)(C) of OBRA-1990, immediately after paragraph (56), as redesignated by paragraph (3);

(5) in the paragraph (58) inserted by section 4751(a)(1)(C) of OBRA-1990, by striking the period at the end and inserting "; and"; and

(6) by redesignating the paragraph (58) inserted by section 4752(c)(1)(C) of OBRA-1990 as paragraph (59) and by transferring and inserting it after the paragraph (58) inserted by section 4751(a)(1)(C) of such Act.

(d) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by this section apply to calendar quarters beginning on or after April 1, 1994.

(2) In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7433. OFFSET OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE AGAINST OVERPAYMENTS OF STATE AND FEDERAL INCOME TAXES.

(a) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subsections (e), (f), (g), (h), and (i) as subsections (f), (g), (h), (i), and (j), respectively; and

(B) by adding after subsection (d) the following new subsection:

"(e) COLLECTION OF CERTAIN DEBTS OWED TO STATES.—

"(1) IN GENERAL.—Upon receiving notice from any State under section 1931(b)(1) of the Social Security Act that a named person owes a legally enforceable debt for any payment obligation relating to medical assistance, the Secretary shall—

"(A) reduce the amount of any overpayment payable to such person by the amount of such debt;

"(B) pay the amount by which such overpayment is reduced under subparagraph (A) to such State; and

"(C) notify the person making such overpayment that such overpayment has been reduced by an amount necessary to satisfy such debt.

"(2) PRIORITIES FOR OFFSET.—Any overpayment by a person shall be reduced pursuant to this subsection after such overpayment is reduced pursuant to subsections (c) and (d) and before such overpayment is credited to the future liability for tax of such person pursuant to subsection (b). Any overpayment by a person shall be applied against any debts described in paragraph (1) in the order in which such debts accrued.

"(3) NOTICE; PROTECTION OF OTHER PERSONS FILING JOINT RETURN.—For purposes of this subsection, rules similar to the rules described in clause (i) and the first sentence of clause (ii) of subsection (d)(3)(B) shall apply.

"(4) DEFINITION.—For purposes of this subsection, the term 'medical assistance' means medical assistance provided under title XIX of the Social Security Act.".

(2) CONFORMING AMENDMENT.—Section 6402(f) of the Internal Revenue Code of 1986, as redesignated, is amended by striking "(c) or (d)" and inserting "(c), (d), or (e)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall be effective for taxable years beginning after December 31, 1993.

(b) AMENDMENTS TO THE SOCIAL SECURITY ACT.—

(1) STATE PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 7432, is amended—

(A) by striking "and" at the end of paragraph (59);

(B) by striking the period at the end of paragraph (60) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(61) provide that recovery of any legally enforceable debt for any payment obligation relating to medical assistance provided under this title shall be made in accordance with a program for the collection of such debt from State and Federal tax refunds in accordance with section 1931.".

(2) PROGRAM FOR COLLECTIONS FROM STATE AND FEDERAL TAX REFUNDS.—Title XIX (42

U.S.C 1936 et seq.) is amended by adding at the end the following new section:

"COLLECTION OF PAYMENT OBLIGATIONS RELATING TO MEDICAL ASSISTANCE FROM STATE AND FEDERAL TAX REFUNDS

"SEC. 1931. (a) STATE TAX REFUNDS.—If a State with a State plan approved under this title has a State income tax system, such State shall require the State agency administering the State plan and the State agency responsible for administering the States income tax system to develop and implement a program under which any person determined appropriate by the State agency administering the State plan who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title will have withheld an appropriate amount from any refund otherwise payable to such person under the State income tax system.

"(b) FEDERAL TAX REFUNDS.—

"(1) NOTICE TO THE SECRETARY OF THE TREASURY.—

"(A) IN GENERAL.—If a State with a State plan approved under this title—

"(i) implements a program described in subsection (a), or

"(ii) is a State that does not have a State income tax system,

the State agency administering such plan may provide a notice to the Secretary of the Treasury regarding any person determined appropriate by such State agency who owes a legally enforceable debt for any payment obligation relating to medical assistance provided under this title and the Secretary of the Treasury shall withhold an appropriate amount from any refund otherwise payable to such person in accordance with section 6402(e) of the Internal Revenue Code of 1986 (hereafter in this section referred to as the 'Code').

"(B) REGULATIONS RELATING TO NOTICES.—The Secretary of the Treasury shall issue regulations, after consultation with the Secretary, which—

"(i) prescribe the timing by which State agencies may submit notices of payment obligations relating to medical assistance,

"(ii) specify the manner in which such notices must be submitted,

"(iii) specify the necessary information that must be contained in or accompany such notices,

"(iv) specify the minimum payment obligation relating to medical assistance to which the offset procedures may be applied,

"(v) specify the fee that a State must pay to reimburse the Secretary of the Treasury for the full cost of applying the offset procedure, and

"(vi) provide that the Secretary of the Treasury will advise the Secretary, not less frequently than annually, of the States which have furnished notices under this subsection, the number of cases in each State with respect to which such notices have been furnished, the total amount of payment obligations sought to be collected under this subsection by each State, and the amount of such collections actually made in the case of each State.

"(2) NOTICE.—Prior to notifying the Secretary of the Treasury under paragraph (1), the State agency shall send a notice to the person owing the legally enforceable debt for a payment obligation relating to medical assistance provided under this title which—

"(A) explains that a withholding may be made under 6402(e) of the Code from any refund otherwise payable to such person,

"(B) instructs the person having the payment obligation of the steps which may be taken to contest the State's determination that such payment obligation is owed or the amount of the payment obligation, and

"(C) provides information with respect to procedures to be followed, in the case of a joint return, to protect the share of the refund which may be payable to another person.

"(3) EXCESS WITHHOLDING.—In any case in which an amount was withheld under section 6402(e) of the Code and the State subsequently determines that the amount certified as owing with respect to medical assistance was in excess of the amount actually owed at the time the amount withheld is distributed to the State, the State shall pay the excess amount withheld to the named person determined to have the payment obligation (or, in the case of amounts withheld on the basis of a joint return, jointly to the parties filing such return).".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—The amendments made by this paragraph shall apply to calendar quarters beginning on or after December 31, 1993.

(B) SPECIAL RULE.—In the case of a State which the Secretary determines requires State legislation (other than legislation authorizing or appropriating funds) in order to comply with the amendments made by subparagraph (A), the State shall not be regarded as failing to comply with such amendments solely on the basis of its failure to meet the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Subpart E—Assuring Proper Payments to Disproportionate Share Hospitals

SEC. 7441. ASSURING PROPER PAYMENTS TO DISPROPORTIONATE SHARE HOSPITALS.

(a) DISPROPORTIONATE SHARE HOSPITALS REQUIRED TO PROVIDE MINIMUM LEVEL OF SERVICES TO MEDICAID PATIENTS.—Section 1923 (42 U.S.C. 1396r-4) is amended—

(1) in subsection (a)(1)(A), by striking "requirement" and inserting "requirements";

(2) in subsection (b)(1), by striking "requirement" and inserting "requirements";

(3) in the heading to subsection (d), by striking "REQUIREMENT" and inserting "REQUIREMENTS";

(4) by adding at the end of subsection (d) the following new paragraph:

"(3) No hospital may be defined or deemed as a disproportionate share hospital under a State plan under this title or under subsection (b) or (e) of this section unless the hospital has a medicaid inpatient utilization rate (as defined in subsection (b)(2)) of not less than 1 percent.";

(5) in subsection (e)(1)—

(A) by striking "and" before "(B)", and

(B) by inserting before the period at the end the following: ", and (C) the plan meets the requirement of subsection (d)(3) and such payment adjustments are made consistent with the fourth sentence of subsection (c)"; and

(6) in subsection (e)(2)—

(A) in subparagraph (A), by inserting "(other than the fourth sentence of subsection (c))" after "(c)",

(B) by striking "and" at the end of subparagraph (A),

(C) by striking the period at the end of subparagraph (B) and inserting ", and", and

(D) by adding at the end the following new subparagraph:

"(C) subsection (d)(3) shall apply.".

(b) LIMITING AMOUNT OF PAYMENT ADJUSTMENTS FOR STATE OR COUNTY HOSPITALS TO UNCOVERED COSTS.—Subsection (c) of section 1923 (42 U.S.C. 1396r-4) is amended by adding at the end the following: "A payment adjustment during a year is not considered to be consistent with this subsection with respect to a hospital owned or operated by a State (or by an instrumentality of, or a unit of government within, a State) if the payment adjustment exceeds the costs incurred during the year of furnishing hospital services (as determined by the Secretary and net of payments under this title, other than under this section, and by uninsured patients) by the hospital to individuals who either are eligible for medical assistance under the State plan or have no health insurance (or other source of third party coverage) for services provided during the year. For purposes of the preceding sentence, payments made to a hospital for services provided to indigent patients made by a State or a unit of local government within a State shall not be considered to be a source of third party payment.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments to States under section 1903(a) of the Social Security Act which are for payments to hospitals made under State plans after the end of the State fiscal year that ends during 1995.

Subpart F—Anti-Fraud and Abuse Provisions

SEC. 7451. APPLICATION OF MEDICARE RULES LIMITING CERTAIN PHYSICIAN REFERRALS.

(a) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by subsection (b), is amended—

(1) in paragraph (12), by striking "or" at the end,

(2) in paragraph (13), by striking the period at the end and inserting "; or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) with respect to any amount expended for an item or service for which payment would be denied under section 1877(g)(1) if the item or service were furnished to an individual entitled to benefits under title XVIII.".

(b) REDESIGNATIONS.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by section 2(b)(2) of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, is amended—

(1) by redesignating the paragraph (12) inserted by section 4752(a)(2) of OBRA-1990 as paragraph (11), by transferring and inserting it after the paragraph (10) inserted by section 4401(a)(1)(B) of OBRA-1990, and by striking the period at the end and inserting a semicolon;

(2) by redesignating the paragraph (14) inserted by section 4752(e) of OBRA-1990 as paragraph (12), by transferring and inserting it after paragraph (11), as redesignated by paragraph (2), and by striking the period at the end and inserting "; or"; and

(3) by redesignating the paragraph (11) inserted by section 4801(e)(16)(A) of OBRA-1990 as paragraph (13) and by transferring and inserting it after paragraph (12), as redesignated by paragraph (3), and by striking "; or" and inserting a period.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after October 1, 1993.

Subtitle C—Income Security Programs

SEC. 7601. MATCHING OF STATE ADMINISTRATIVE COSTS.

(a) AFDC MATCHING.—Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended to read as follows:

"(3) in the case of any State, 50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a) of this Act other than services furnished pursuant to section 402(g); and".

(b) TERRITORIAL PROGRAMS FOR AGED, BLIND, AND DISABLED.—Sections 3(a)(4), 1003(a)(3), 1403(a)(3), and 1603(a)(4) (42 U.S.C. 303(a)(3), 1203(a)(3), 1353(a)(3), and 1383 note) (as in effect as provided by section 303 of the Social Security Amendments of 1972) are each amended by striking "the sum of" and all that follows and inserting "50 percent of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall be effective with respect to calendar quarters beginning on or after April 1, 1994, and

(2) SPECIAL RULE.—In the case of a State whose legislature meets biennially, and does not have a regular session scheduled in calendar year 1994, the amendments made by subsections (a) and (b) shall be effective no later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

SEC. 7602. STATE PATERNITY ESTABLISHMENT PROGRAMS.

(a) PERFORMANCE STANDARDS FOR STATE PATERNITY ESTABLISHMENT PROGRAMS.—Section 452(g) (42 U.S.C. 652(g)) is amended—

(1) in paragraph (1)—

(A) by striking "1991" and inserting "1994";

(B) by inserting "is based on reliable data and" before "equals or exceeds"; and

(C) by striking subparagraphs (A), (B), and (C) and inserting the following new subparagraphs:

"(A) 75 percent;

"(B) for a State with a paternity establishment percentage of not less than 50 percent but less than 75 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 3 percentage points; or

"(C) for a State with a paternity establishment percentage of less than 50 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 6 percentage points."; and

(2) in paragraph (2)—

(A) by striking "(or under all such plans)" each place it appears;

(B) by inserting "or part (E)" after "under part A" each place it appears;

(C) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) the term 'reliable data' means the most recent data available which are found by the Secretary to be reliable for purposes of this section.";

(D) by inserting "unless paternity is established for such child" after "the death of a parent"; and

(E) by inserting "or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interest of such child to do so" after "cooperate under section 402(a)(26)".

(b) STATE PLAN REQUIREMENTS FOR THE ESTABLISHMENT OF PATERNITY.—Section 466(a) (42 U.S.C. 666(a)) is amended—

(1) in paragraph (2)—

(A) by striking "at the option of the State,"; and

(B) by inserting "or paternity establishment" after "support order issuance and enforcement";

(2) in paragraph (5) by adding at the end the following new subparagraphs:

"(C) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that the rights and responsibilities of acknowledging paternity are explained and ensure that due process safeguards are afforded. Such procedures must include (i) a hospital-based program for the voluntary acknowledgment of paternity during the period immediately preceding or following the birth of a child, and (ii) the inclusion of signature lines on applications for official birth certificates which, once signed by the father and the mother, constitute a voluntary acknowledgment of paternity.

"(D) Procedures under which the voluntary acknowledgment of paternity creates a rebuttable, or at the option of the State, conclusive presumption of paternity, and under which such voluntary acknowledgment is admissible as evidence of paternity.

"(E) Procedures under which the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without first requiring any further proceedings to establish paternity.

"(F) Procedures which provide that (i) any objection to genetic testing results must be made in writing within a specified number of days before any hearing at which such results may be introduced into evidence, and (ii) if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability of the alleged father being the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law."; and

(3) by inserting after paragraph (10) the following new paragraph:

"(11) Procedures under which a State must give full faith and credit to a determination of paternity made by any other State, whether established through voluntary acknowledgment or through administrative or judicial processes.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective with respect to a State on the later of—

(1) October 1, 1993 or,

(2) the date of enactment by the legislature of such State of all laws required by such amendments,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 7603. FEES FOR FEDERAL ADMINISTRATION OF STATE SUPPLEMENTARY PAYMENTS.

(a) IN GENERAL.—

(1) OPTIONAL STATE SUPPLEMENTARY PAYMENTS.—Section 1616(d) (42 U.S.C. 1382e(d)) is amended—

(A) by inserting "(1)" after "(d)";

(B) by inserting ", plus an administration fee assessed in accordance with paragraph (2) and any additional services fee charged in accordance with paragraph (3)" before the period; and

(C) by adding after and below the end the following:

"(2)(A) The Secretary shall assess each State an administration fee in an amount equal to—

"(i) the number of supplementary payments made by the Secretary on behalf of the State under this section for any month in a fiscal year; multiplied by

"(ii) the applicable rate for the fiscal year.

"(B) As used in subparagraph (A), the term 'applicable rate' means—

"(i) for fiscal year 1995, $1.67;

"(ii) for fiscal year 1996, $3.33;

"(iii) for fiscal year 1997, $5.00; and

"(iv) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as the Secretary determines pursuant to criteria established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(C) All fees collected pursuant to this paragraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(3)(A) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this section.

"(B) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in subparagraph (A).

"(C) The additional services fee shall be payable in advance or by way of reimbursement.

"(4) All administration fees and additional services fees collected pursuant to this subsection shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(2) MANDATORY STATE SUPPLEMENTARY PAYMENTS.—Section 212(b)(3) of Public Law 93-66 (42 U.S.C. 1382 note) is amended—

(A) by inserting "(A)" after "(3)";

(B) by inserting ", plus an administration fee assessed in accordance with subparagraph (B) and any additional services fee charged in accordance with subparagraph (C)" before the period; and

(C) by adding after and below the end the following:

"(B)(i) The Secretary shall assess each State an administration fee in an amount equal to—

"(I) the number of supplementary payments made by the Secretary on behalf of the State under this subsection for any month in a fiscal year; multiplied by

"(II) the applicable rate for the fiscal year.

"(ii) As used in clause (i), the term 'applicable rate' means—

"(I) for fiscal year 1995, $1.67;

"(II) for fiscal year 1996, $3.33;

"(III) for fiscal year 1997, $5.00; and

"(IV) for fiscal year 1998 and each succeeding fiscal year, $5.00, or such different rate as

the Secretary determines pursuant to regulations established in regulations is appropriate for the State, taking into account the complexity of the State's supplementary payment program.

"(iii) All fees collected pursuant to this subparagraph shall be transferred to the United States at the same time that amounts for such supplementary payments are required to be so transferred.

"(C)(i) The Secretary shall charge a State an additional services fee if, at the request of the State, the Secretary provides additional services beyond the level customarily provided, in the administration of State supplementary payments pursuant to this subsection.

"(ii) The additional services fee shall be in an amount that the Secretary determines is necessary to cover all costs (including indirect costs) incurred by the Federal Government in furnishing the additional services referred to in clause (i).

"(iii) The additional services fee shall be payable in advance or by way of reimbursement.

"(D) All administration fees and additional services fees collected pursuant to this paragraph shall be deposited in the general fund of the Treasury of the United States as miscellaneous receipts.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to supplementary payments made pursuant to section 1616(a) of the Social Security Act or section 212(a) of Public Law 93-66 for any calendar month beginning after September 30, 1994, and to services furnished after such date, regardless of whether regulations to implement such amendments have been promulgated by such date, or whether any agreement entered into under such section 1616(a) or such section 212(a) has been modified.

Subtitle D—Miscellaneous Provisions

PART I—TRADE PROVISIONS

SEC. 7701. EXTENSION OF AUTHORITY TO LEVY CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking out "1995" and inserting "1998".

PART II—IMPROVED ACCESS TO CHILDHOOD IMMUNIZATIONS

SEC. 7801. AVAILABILITY OF MEDICAID PAYMENTS FOR PEDIATRIC VACCINE REPLACEMENT PROGRAMS.

(a) IN GENERAL.—Section 1902(a)(32) (42 U.S.C. 1396a(a)(32)) is amended—

(1) by striking "and" at the end of subparagraph (B),

(2) by striking the period at the end of subparagraph (C) and inserting "; and", and

(3) by adding at the end the following new subparagraph:

"(D) in the case of payment for a pediatric vaccine administered to individuals entitled to medical assistance under the State plan, the State plan may make payment directly to the manufacturer of the vaccine under a voluntary replacement program agreed to by the State pursuant to which the manufacturer (i) supplies doses of the vaccine to providers administering the vaccine, (ii) periodically replaces the supply of the vaccine, and (iii) charges the State the manufacturer's bid price to the Centers for Disease Control and Prevention for the vaccine so administered plus a reasonable premium to cover shipping and handling of returns;".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

PART III—DISCLOSURE PROVISIONS

SEC. 7901. DISCLOSURE OF RETURN INFORMATION FOR ADMINISTRATION OF CERTAIN VETERANS PROGRAMS.

(a) GENERAL RULE.—Subparagraph (D) of section 6103(l)(7) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local agencies administering certain programs) is amended by striking "September 30, 1997" in the second sentence following clause (viii) and inserting "September 30, 1998".

(b) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317(g) of title 38, United States Code, is amended by striking out "September 30, 1997" and inserting "September 30, 1998".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7902. USE OF RETURN INFORMATION FOR HEALTH COVERAGE CLEARINGHOUSE.

(a) ESTABLISHMENT OF HEALTH COVERAGE CLEARINGHOUSE.—Part A of title XI (42 U.S.C. 1301 et seq.) is amended by adding at the end the following new section:

"THIRD PARTY LIABILITY CLEARINGHOUSE

"SEC. 1144. (a) ESTABLISHMENT OF CLEARINGHOUSE.—

"(1) IN GENERAL.—The Secretary shall establish and operate a Third Party Liability Clearinghouse (hereafter in this section referred to as the 'Clearinghouse') for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of the medicare program under title XVIII and the medicaid program under title XIX.

"(2) DIRECTOR.—The Clearinghouse established pursuant to paragraph (1) shall be headed by a Director.

"(b) DATA BANK.—

"(1) MAINTENANCE OF INFORMATION.—The Clearinghouse shall maintain a data bank containing information obtained pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986. Information in the data bank shall be retained for not less than 1 year after the date the information was obtained.

"(2) DISCLOSURE OF INFORMATION IN DATA BANK.—The Director is authorized (subject to the restriction in section 6103(l)(12)(E)(i) of the Internal Revenue Code of 1986) to disclose any information in the data bank established pursuant to paragraph (1) to the Commissioner of Social Security, the Secretary of the Treasury, employers, group health plans, the administrator of the medicare program under title XVIII, and the administrators of the medicaid program under title XIX, to the extent necessary to assist the administration of such programs.

"(c) REQUIREMENT THAT EMPLOYERS FURNISH INFORMATION.—

"(1) IN GENERAL.—An employer shall furnish to the Director the information requested pursuant to section 6103(l)(12)(C)(i) of the Internal Revenue Code of 1986 within 60 days after receipt of such a request.

"(2) CIVIL MONEY PENALTY FOR FAILURE TO COOPERATE.—An employer (other than a Federal or other governmental entity) who willfully or repeatedly fails to provide a timely and accurate response to a request for information pursuant to paragraph (1) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not to exceed $1,000 for each individual or individual's spouse with respect to which such a request is made. The provisions of section 1128A (other than subsections (a) and (b)) shall apply to such civil money penalty in the same manner as such provisions apply to penalties or proceedings under section 1128A(a).

"(d) COLLECTIONS FROM THIRD PARTIES.—The Director is authorized, upon request by the administrator of the medicare program under title XVIII or any administrator of the medicaid program under title XIX, to assist in the collection of amounts due from liable third parties to reimburse costs incurred by such program for health care items and services.

"(e) FEES FOR CLEARINGHOUSE SERVICES.—The Director shall establish fees for services provided under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986 and subsection (d) which are designed to cover the full costs to the Clearinghouse of providing such services. Clearinghouse services under such section and subsection shall be available subject to payment of such fees.

"(f) EVALUATION RESPONSIBILITIES.—The Director shall evaluate methods for improving—

"(1) procedures for the collection, management, and appropriate disclosure of health care coverage information, and

"(2) Federal laws and policies concerning third party liability for medical care.

"(g) DEFINITIONS.—For purposes of this section, the term 'group health plan' has the meaning given to such term in section 6103(l)(12)(G) of the Internal Revenue Code of 1986.".

(b) DISCLOSURE OF TAX RETURN INFORMATION.—

(1) IN GENERAL.—Paragraph (12) of section 6103(l) of the Internal Revenue Code of 1986, as amended by section 7303, is amended to read as follows:

"(12) DISCLOSURE OF CERTAIN TAXPAYER RETURN INFORMATION FOR PURPOSES OF IDENTIFYING HEALTH INSURANCE COVERAGE OF CERTAIN INDIVIDUALS AND SPOUSES.—

"(A) RETURN INFORMATION FROM INTERNAL REVENUE SERVICE.—The Secretary shall, upon written request from the Commissioner of Social Security (referred to in this subparagraph as the 'Commissioner'), disclose to the Commissioner available filing status and taxpayer identity information from the individual master files of the Internal Revenue Service relating to whether any individual identified by the Commissioner was a married individual (as defined in section 7703) for any specified year after 1986, and, if so, the name of the spouse of such individual and such spouse's TIN.

"(B) RETURN INFORMATION FROM SOCIAL SECURITY ADMINISTRATION.—The Commissioner shall, upon written request from the Director of the Third Party Liability Clearinghouse (referred to in this subparagraph as the 'Director'), disclose to the Director the following information with respect to the individuals, and the spouses of such individuals, specified in subparagraph (A):

"(i) For each such individual who is identified as having received wages (as defined in section 3401(a)) above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name, address, and TIN of the employer, and

"(III) the information reported under section 6051(a)(10).

"(ii) For each individual who was identified as married under subparagraph (A) and whose spouse is identified as having received wages above an amount (if any) specified by the Secretary of Health and Human Services from an employer in a previous year—

"(I) the name and TIN of the individual,

"(II) the name and TIN of the spouse,

"(III) the name, address, and TIN of the spouse's employer, and

"(IV) the information reported under section 6051(a)(10) with respect to the spouse.

"(C) DISCLOSURE BY THIRD PARTY LIABILITY CLEARINGHOUSE.—The Director may (subject to the provisions of subparagraph (E)) disclose—

"(i) with respect to the information disclosed under subparagraph (B), to the employer referred to in such subparagraph the name and TIN of each individual identified under such subparagraph as having received wages from the employer (hereafter referred to in this subparagraph as the 'employee') for purposes of determining during what period such employee or the employee's spouse may be (or have been) covered under a group health plan of the employer and what benefits are or were covered under the plan (including the name, address, and identifying number of the plan),

"(ii) to the administrator of the medicare program under title XVIII of the Social Security Act or to any administrator of the medicaid program under title XIX of such Act the information disclosed under subparagraph (B) and clause (i) for purposes of providing information concerning employment and group health coverage of individuals and individual's spouses who are program beneficiaries,

"(iii) to any agent of such Director the information referred to in subparagraph (B) for purposes of carrying out clauses (i) and (ii) on behalf of such Director, and

"(iv) to any person specified in subsection (b)(2) of section 1144 of the Social Security Act, information in the data bank established pursuant to subsection (b)(1) of such section, for the purposes specified in such subsection.

"(D) DISCLOSURE BY CERTAIN PROGRAMS TO GROUP HEALTH PLANS.—The administrator of the medicare program under title XVIII of the Social Security Act or any administrator of the medicaid program under title XIX of such Act may (subject to the provisions of subparagraph (E)) disclose information concerning an employee or spouse disclosed to the Director pursuant to subparagraph (B) and redisclosed to such administrator pursuant to subparagraph (C)—

"(i) to any group health plan which provides or provided coverage to such employee or spouse, and

"(ii) to any agent of such administrator,

for purposes of identifying, or collecting on claims under coverage of such employee or spouse under such group health plan.

"(E) SPECIAL RULES.—

"(i) RESTRICTIONS ON DISCLOSURE.—Information may be disclosed under subparagraphs (A) through (D) only for purposes of, and to the extent necessary in, determining the extent to which any individual is covered under any group health plan.

"(ii) TIMELY RESPONSE TO REQUESTS.—Any request made under subparagraph (A) or (B) shall be complied with as soon as possible but in no event later than 120 days after the date the request was made.

"(F) DISCLOSURE CONCERNING ENFORCEMENT ACTIVITIES.—The Secretary shall, upon written request from the Secretary of Health and Human Services, disclose to the Secretary of Health and Human Services the status of any activities undertaken (with respect to persons specified by the Secretary of Health and Human Services) to enforce the requirements of section 5000.

"(G) DEFINITIONS.—For purposes of this paragraph, the term 'group health plan' means any group health plan (as defined in section 5000(b)).".

(2) REPORTING OF GROUP HEALTH PLAN INFORMATION.—Section 6051(a) of the Internal Revenue Code of 1986 is amended—

(A) by striking "and" at the end of paragraph (8),

(B) by striking the period at the end of paragraph (9) and inserting ", and", and

(C) by inserting after paragraph (9) the following new paragraph:

"(10) whether a group health plan (as defined in section 6103(l)(12)(G)) is available to the employee and the plan coverage (single or family) elected by such employee (if any).".

(c) CONFORMING AMENDMENT.—Section 1862(b)(5) (42 U.S.C. 1395y(b)(5)), as amended by section 7303, is amended to read as follows:

"(5) IDENTIFICATION OF SECONDARY PAYER SITUATIONS.—In addition to any other information provided under this title to fiscal intermediaries and carriers, the Administrator shall disclose to such intermediaries and carriers (or to such a single intermediary or carrier as the Secretary may designate) the information received under section 6103(l)(12)(C)(ii) of the Internal Revenue Code of 1986.".

(d) EXCEPTION FROM PRIVACY ACT REQUIREMENTS.—Subsection (a)(8)(B) of section 552a of title 5, United States Code, is amended—

(1) in clause (v), by striking "; or" at the end;

(2) in clause (vi), by striking the semicolon at the end and inserting "; or"; and

(3) by adding at the end the following new clause:

"(vii) matches performed pursuant to section 6103(l)(12) of the Internal Revenue Code of 1986 and section 1144 of the Social Security Act for the purpose of identifying third parties responsible for payment for health care items and services furnished to beneficiaries of certain Federal and federally assisted programs;".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1995.

PART IV—OTHER PROVISIONS

SEC. 7950. DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS OF TAX.

(a) GENERAL RULE.—Subsection (e) of section 6611 of the Internal Revenue Code of 1986 (relating to income tax refund within 45 days after return is filed) is amended to read as follows:

"(e) DISALLOWANCE OF INTEREST ON CERTAIN OVERPAYMENTS.—

"(1) REFUNDS WITHIN 45 DAYS AFTER RETURN IS FILED.—If any overpayment of tax imposed by this title is refunded within 45 days after the last day prescribed for filing the return of such tax (determined without regard to any extension of time for filing the return) or, in the case of a return filed after such last date, is refunded within 45 days after the date the return is filed, no interest shall be allowed under subsection (a) on such overpayment.

"(2) REFUNDS AFTER CLAIM FOR CREDIT OR REFUND.—If—

"(A) the taxpayer files a claim for a credit or refund for any overpayment of tax imposed by this title, and

"(B) such overpayment is refunded within 45 days after such claim is filed,

no interest shall be allowed on such overpayment from the date the claim is filed until the day the refund is made.

"(3) IRS INITIATED ADJUSTMENTS.—If an adjustment initiated by the Secretary, results in a refund or credit of an overpayment, interest on such overpayment shall be computed by subtracting 45 days from the number of days interest would otherwise be allowed with respect to such overpayment."

(b) EFFECTIVE DATES.—

(1) Paragraph (1) of section 6611(e) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall apply in the case of returns the due date for which (determined without regard to extensions) is on or after January 1, 1994.

(2) Paragraph (2) of section 6611(e) of such Code (as so amended) shall apply in the case of claims for credit or refund of any overpayment filed on or after January 1, 1995, regardless of the taxable period to which such refund relates.

(3) Paragraph (3) of section 6611(e) of such Code (as so amended) shall apply in the case of any refund paid on or after January 1, 1995, regardless of the taxable period to which such refund relates.

SEC. 7951. FEES FOR APPLICATIONS FOR ALCOHOL LABELING AND FORMULA REVIEWS.

(a) IN GENERAL.—The Secretary of the Treasury or his delegate (hereinafter in this section referred to as the 'Secretary') shall establish a program requiring the payment of user fees for—

(1) requests for each certificate of alcohol label approval required under the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.) and for each request for exemption from such requirement, and

(2) requests for each formula review, and requests for each statement of process (including laboratory tests and analyses), under such Act or under chapter 51 of the Internal Revenue Code of 1986.

(b) PROGRAM CRITERIA.—

(1) IN GENERAL.—The fees charged under the program required by subsection (a) shall be determined such that the Secretary estimates that the aggregate of such fees received during any fiscal year will be $5,000,000.

(2) MINIMUM FEES.—The fee charged under the program required by subsection (a) shall not be less than—

(A) $50 for each request referred to in subsection (a)(1), and

(B) $250 for each request referred to in subsection (a)(2).

(c) APPLICATION OF SECTION.—Subsection (a) shall apply to requests made on or after the 90th day after the date of the enactment of this Act.

(d) DEPOSIT AND CREDIT AS OFFSETTING RECEIPTS.—The amounts collected by the Secretary under the program required by subsection (a) (to the extent such amounts do not exceed $5,000,000) shall be deposited into the Treasury as offsetting receipts and ascribed to the alcohol compliance program of the Bureau of Alcohol, Tobacco, and Firearms.

TITLE VIII—ACHIEVEMENT OF SPENDING CUTS PRIOR TO CONSIDERATION OF ANY NEW TAXES

SEC. 8001. FINDINGS.

The Congress finds that—

(1) that the root cause of the Federal deficit is that the Congress spends too much of the taxpayers' money; and

(2) that the appropriate course of congressional action is to focus upon enacting legislation which slows the growth in Federal Government spending as provided in this Act.

SEC. 8002. SENSE OF THE CONGRESS.

It is the sense of the Congress that no new taxes should be imposed on the American public until the spending restraints specified

in this Act have been enacted and achieved under the binding, enforceable procedures called for under this Act.

TITLE IX—COMMITTEE ON FOREIGN RELATIONS

SEC. 9001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FOREIGN SERVICE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect under section 826 or 858 of the Foreign Service Act of 1980 during fiscal year 1994, 1995, or 1996.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would take effect but for this subsection.

(c) RULE OF CONSTRUCTION.—

(1) SIZE OF COST-OF-LIVING ADJUSTMENT.—Nothing in this section shall be considered to affect the size of the cost-of-living adjustment under section 8340(b) or section 8462(b) of title 5, United States Code, in the same fiscal year as a cost-of-living increase described in subsection (a).

(2) DETERMINATIONS OF ELIGIBILITY.—The delay in the effective date of cost-of-living adjustments under subsection (b) shall not affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 826 or 858 of the Foreign Service Act of 1980.

SEC. 9002. ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM EXCEPT FOR INDIVIDUALS WITH CRITICAL MEDICAL CONDITIONS.

(a) IN GENERAL.—Section 807(e)(1) of the Foreign Service Act of 1980 (22 U.S.C. 4047(e)(1)) is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect January 1, 1994.

TITLE X—COMMITTEE ON GOVERNMENTAL AFFAIRS

Subtitle A—Civil Service

SEC. 10001. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—This section shall apply with respect to any cost-of-living increase scheduled to take effect, during fiscal year 1994, 1995, or 1996, under—

(1) section 8340(b) or 8462(b) of title 5, United States Code; or

(2) section 291 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2131), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102-496; 106 Stat. 3196).

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 10002. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Sections 8343a and 8420a of title 5, United States Code, are each amended—

(1) in subsection (a) by striking "an employee or Member may," and inserting "any employee or Member who has a life-threatening affliction or other critical medical condition may,"; and

(2) by striking subsection (f).

(b) CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.—Section 294(a) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2143(a)), as set forth in section 802 of the CIARDS Technical Corrections Act of 1992 (Public Law 102-496; 106 Stat. 3196), is amended by striking "a participant may," and inserting "any participant who has a life-threatening affliction or other critical medical condition may,".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

SEC. 10003. DISTRICT OF COLUMBIA GOVERNMENT CONTRIBUTIONS FOR CERTAIN EMPLOYEE AND ANNUITANT HEALTH BENEFITS.

(a) CONTRIBUTIONS AFTER 1993.—

(1) IN GENERAL.—Section 8906(g) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(3) The Government contributions authorized by this section for health benefits for an annuitant shall be paid by the government of the District of Columbia, in the case of an annuitant whose eligibility for an annuity is based on a separation from service with such government, or who is a survivor of such an annuitant or a survivor of an employee who died while employed by such government.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1993, and shall apply with respect to amounts payable for periods beginning on or after that date.

(b) CONTRIBUTIONS FOR PERIOD BETWEEN 1975 AND 1993.—

(1) IN GENERAL.—The government of the District of Columbia shall pay into the Employees Health Benefit Fund, as payment for any amounts which would, for the period beginning on January 1, 1975 through September 30, 1993, have been payable under the provisions of section 8906(g)(3) of title 5, United States Code (as added by subsection (a)(1) of this section) if such provision had been in effect as of January 1, 1975, of which—

(A) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1994;

(B) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1995;

(C) at least 25 percent of the total of such amounts shall be paid no later than January 1, 1996; and

(D) any remaining balance shall be paid no later than January 1, 1997.

(2) PRORATED PAYMENTS.—In determining any amount for which the government of the District of Columbia is liable under paragraph (1), the amount of the liability shall be prorated to reflect only that portion of total service which is attributable to civilian service performed (by the former employee of the government of the District of Columbia or by the deceased individual referred to under section 8906 (g)(3) of title 5, United States Code, as the case may be) during the period beginning on January 1, 1975, through September 30, 1993, as estimated by the Office of Personnel Management.

Subtitle B—Postal Service

SEC. 10101. PAYMENTS TO BE MADE BY THE UNITED STATES POSTAL SERVICE.

(a) RELATING TO CORRECTED CALCULATIONS FOR PAST RETIREMENT COLAS.—In addition to any other payments required under section 8348(m) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Civil Service Retirement and Disability Fund a total of $693,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

(b) RELATING TO CORRECTED CALCULATIONS FOR PAST HEALTH BENEFITS.—In addition to any other payments required under section 8906(g)(2) of title 5, United States Code, or any other provision of law, the United States Postal Service shall pay into the Employees Health Benefits Fund a total of $348,000,000, of which—

(1) at least one-third shall be paid not later than September 30, 1996;

(2) at least two-thirds shall be paid not later than September 30, 1997; and

(3) any remaining balance shall be paid not later than September 30, 1998.

Subtitle C—Miscellaneous

SEC. 10201. FEDERAL EMPLOYEES' SURVIVOR ANNUITY IMPROVEMENTS.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

(1) REDUCTION FOR SPOUSAL ANNUITY.—Section 8339(j) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in the second sentence, by striking out ", within such 2-year period,"; and

(ii) by striking out the fourth sentence and inserting in lieu thereof the following: "The Office shall, by regulation, provide for payment of the deposit required under this paragraph by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under this paragraph, except that the total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph, paragraph (5), or subsection (k)(2) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction, which shall be effective on the same date as the election under this paragraph, shall be permanent and unaffected by any future termination of the entitlement of the former spouse. Such reduction shall be independent of and in addition to the reduction required under the first sentence of this paragraph."; and

(B) in paragraph (5)(C)—

(i) in clause (ii), by striking out ", within 2 years after the date of the remarriage or, if later, the death or remarriage of the former spouse (or of the last such surviving former spouse),"; and

(ii) by amending clause (iii) to read as follows:

"(iii) The Office shall, by regulation, provide for payment of the deposit required under clause (ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be de-

signed so that the present value of the future reduction is actuarially equivalent to the deposit required under clause (ii), except that total reductions in the annuity of an employee or Member to pay deposits required by the provisions of this paragraph or paragraph (3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this clause, which shall be effective on the same date as the election under clause (i), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under clause (i).".

(2) REDUCTION RELATING TO FORMER SPOUSE.—Section 8339(k)(2) of title 5, United States Code, is amended—

(A) in subparagraph (B)(ii), by striking out "Within 2 years after the date of the marriage, the" and inserting in lieu thereof "The"; and

(B) by amending subparagraph (C) to read as follows:

"(C) The Office shall, by regulation, provide for payment of the deposit required under subparagraph (B)(ii) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subparagraph (B)(ii), except that total reductions in the annuity of an employee or Member to pay deposits required by this subsection or subsection (j)(3) shall not exceed 25 percent of the annuity computed under subsections (a) through (i), (n), and (q), including adjustments under section 8340. The reduction required by this subparagraph, which shall be effective on the same date as the election under subparagraph (A), shall be permanent and unaffected by any future termination of the marriage. Such reduction shall be independent of and in addition to the reduction required under subparagraph (A).".

(3) DEPOSITS.—Section 8334(h) of title 5, United States Code, is amended by striking out "and by section 8339(j)(5)(C) and the last sentence of section 8339(k)(2) of this title".

(b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8418 of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out ", before the expiration of the 2-year period involved,"; and

(2) by amending subsection (b) to read as follows:

"(b) The Office shall, by regulation, provide for payment of the deposit required under subsection (a) by a reduction in the annuity of the employee or Member. The reduction shall, to the extent practicable, be designed so that the present value of the future reduction is actuarially equivalent to the deposit required under subsection (a), except that the total reductions in the annuity of an employee or Member to pay deposits required by this section shall not exceed 25 percent of the annuity computed under section 8415 or section 8452, including adjustments under section 8462. The reduction required by this subsection, which shall be effective at the same time as the election under section 8416 (b) and (c) or section 8417(b), shall be permanent and unaffected by any future termination of the marriage or the entitlement of the former spouse. Such reduction shall be independent of and in addition to the reduction required under section 8416 (b) and (c) or section 8417(b).".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the first day of the first month beginning 30 days after the date of the enactment of this Act and shall apply to all deposits required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, on which no payment has been made prior to such effective date.

(2) PARTIAL DEPOSIT.—For any deposit required under section 8339(j) (3) and (5), 8339(k)(2), or 8418 of title 5, United States Code, or section 4 (b) and (c) of the Civil Service Retirement Spouse Equity Act of 1984 that has been partially, but not fully, paid before the effective date of this Act, the Office shall by regulation provide for determining the remaining portion of the deposit and for payment of the remaining portion of the deposit by a prospective reduction in the annuity of the employee or Member. The reduction shall be similar to the reductions provided pursuant to the amendments made under this section.

TITLE XI—JUDICIARY

SEC. 1101. PATENT AND TRADEMARK FEES.

Section 10101 of the Omnibus Budget Reconciliation Act of 1990 (35 U.S.C. 41 note) is amended—

(1) in subsection (a) by striking "1995" and inserting "1998";

(2) in subsection (b)(2) by striking "1995" and inserting "1998"; and

(3) in subsection (c)—

(A) by striking "through 1995" and inserting "through 1998"; and

(B) by adding at the end the following:

"(6) $111,000,000 in fiscal year 1996.

"(7) $115,000,000 in fiscal year 1997.

"(8) $119,000,000 in fiscal year 1998.".

TITLE XII—COMMITTEE ON LABOR AND HUMAN RESOURCES

Subtitle A—Student Loan Provisions

SEC. 12001. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Student Loan Reform Act of 1993".

(b) REFERENCES.—References in this subtitle to "the Act" are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

CHAPTER 1—FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 12011. FEDERAL DIRECT STUDENT LOAN PROGRAM.

Part D of title IV (20 U.S.C. 1087a) is amended to read as follows:

"PART D—FEDERAL DIRECT STUDENT LOAN PROGRAM

"SEC. 451. PURPOSE; PROGRAM AUTHORIZATION.

"(a) PURPOSE.—It is the purpose of this part—

"(1) to simplify the delivery of student loans to borrowers and eliminate borrower confusion;

"(2) to provide a variety of repayment plans, including income contingent repayment, to borrowers so that borrowers have flexibility in managing their student loan repayment obligations, and so that those obligations do not foreclose careers in community or public service for those borrowers;

"(3) to replace, through an orderly transition, the Federal Family Education Loan Program under part B of this title with the Federal Direct Student Loan Program under this part;

"(4) to avoid the unnecessary cost, to taxpayers and borrowers, and administrative complexity associated with the Federal Family Education Loan Program under part B of this title through the use of a direct student loan program; and

"(5) to create a more streamlined student loan program that can be managed more effectively at the Federal level.

"(b) PROGRAM AUTHORITY.—There are hereby made available, in accordance with the provisions of this part, such sums as may be necessary to make loans to all eligible students in attendance at participating institutions of higher education selected by the Secretary (and the eligible parents of such students), to enable such students to pursue their courses of study at such institutions during the period beginning July 1, 1994. Such loans shall be made by participating institutions, or consortia thereof, that have agreements with the Secretary to originate loans, or by alternative originators designated by the Secretary to make loans for students in attendance at participating institutions (and their parents).

"SEC. 452. FUNDS FOR ORIGINATION OF DIRECT STUDENT LOANS.

"(a) IN GENERAL.—The Secretary shall provide funds for student and parent loans under this part—

"(1) directly to an institution of higher education that has an agreement with the Secretary under section 454(a) to participate in the direct student loan program under this part and that also has an agreement with the Secretary under section 454(b) to originate loans under this part; or

"(2) through an alternative originator designated by the Secretary, on the basis of the need and the eligibility of students at each participating institution, and parents of such students, for such loans.

"(b) FEES FOR ORIGINATION SERVICES.—

"(1) FEES FOR INSTITUTIONS.—The Secretary shall pay fees to institutions of higher education or consortia thereof having agreements under section 454(b), in an amount established by the Secretary, to assist in meeting the costs of loan origination. Such fees—

"(A) shall be paid by the Secretary based on all the loans made under this part to a particular borrower in the same academic year;

"(B) shall be subject to a sliding scale that decreases the amount of such fees as the number of borrowers increases; and

"(C)(i) for academic year 1994–1995, shall not exceed a program-wide average of $10 per borrower for all the loans made under this part to such borrower in the same academic year; and

"(ii) for succeeding academic years, the Secretary shall establish such average fee pursuant to regulations.

"(2) FEES FOR ALTERNATIVE ORIGINATORS.—The Secretary shall pay fees for loan origination services to alternative originators of loans made under this part in an amount established by the Secretary in accordance with the terms of the contract described in section 456(b) between the Secretary and each such alternative originator.

"(c) NO ENTITLEMENT TO PARTICIPATE OR ORIGINATE.—No institution of higher education shall have a right to participate in the program authorized by this part, originate loans, or perform any program function under this part. Nothing in this subsection shall be construed so as to limit the entitlement of an eligible student attending a participating institution (or the eligible parent of such student) to borrow under this part nor limit the borrower's contractual right against the United States to receive any loan for which the student (or parent) is eligible.

"(d) DELIVERY OF LOAN FUNDS.—Loan funds shall be paid and delivered to an institution by the Secretary prior to the beginning of

the payment period established by the Secretary in a manner that is consistent with payment and delivery of basic grants under subpart 1 of part A.

"SEC. 453. SELECTION OF INSTITUTIONS FOR PARTICIPATION AND ORIGINATION.

"(a) PHASE-IN OF PROGRAM.—

"(1) GENERAL AUTHORITY.—The Secretary shall enter into agreements pursuant to section 454(a) with institutions of higher education to participate in the direct student loan program under this part, and agreements pursuant to section 454(b) with institutions of higher education, or consortia thereof, to originate loans in such program, for academic years beginning on or after July 1, 1994. Alternative origination services, through which an entity other than the participating institution at which the student is in attendance originates the loan, shall be provided by the Secretary, through 1 or more contracts under section 456(b) or such other means as the Secretary may provide, for students attending participating institutions that do not originate direct student loans under this part. Such agreements for the academic year 1994–1995 shall, to the extent feasible, be entered into not later than January 1, 1994.

"(2) TRANSITION PROVISIONS.—In order to ensure an expeditious but orderly transition from the loan programs under part B of this title to the direct student loan program under this part, the Secretary shall, in the exercise of the Secretary's discretion, determine the number of institutions with which the Secretary shall enter into agreements under subsections (a) and (b) of section 454 for any academic year, except that the Secretary shall exercise such discretion so as to achieve the following goals:

"(A) For academic year 1994–1995, loans made under this part shall represent 5 percent of the new student loan volume for such year.

"(B) For academic year 1995–1996, loans made under this part shall represent 30 percent of the new student loan volume for such year.

"(C) For academic year 1996–1997, loans made under this part shall represent 40 percent of the new student loan volume for such year.

"(D) For academic year 1997–1998 and fiscal year 1998, loans made under this part shall represent 50 percent of the new student loan volume for such years.

"(3) NEW STUDENT LOAN VOLUME.—For the purpose of this part, the term 'new student loan volume' means the estimated sum of all loans that will be made, insured or guaranteed under this part and part B in the year for which the determination is made. The Secretary shall base the estimate described in the preceding sentence on the most recent program data available.

"(4) CASH MANAGEMENT.—The requirements of sections 3335, 6501, and 6503 of title 31, United States Code (the Cash Management Improvement Act of 1990) shall apply to the program under this part only to the extent specified in a schedule established by the Secretaries of Education and the Treasury, except that such schedule shall provide for the application of all such requirements not later than July 1, 1998.

"(b) SELECTION CRITERIA.—

"(1) APPLICATION.—Each institution of higher education desiring to participate in the direct student loan program under this part shall submit an application satisfactory to the Secretary containing such information and assurances as the Secretary may require.

"(2) SELECTION CRITERIA.—The Secretary shall select institutions for participation in the direct student loan program under this part, and shall enter into agreements with such institutions under section 454(a), from among those institutions that submit the applications described in paragraph (1), and meet such other eligibility requirements as the Secretary shall prescribe, by, to the extent possible—

"(A)(i) categorizing such institutions according to anticipated loan volume, length of academic program, control of the institution, highest degree offered, size of student enrollment, percentage of students borrowing under part B, geographic location, annual loan volume, default experience and composition of the student body; and

"(ii) beginning in academic year 1995–1996 selecting institutions that are reasonably representative of each of the categories described pursuant to clause (i); and

"(B) if the Secretary determines it necessary to carry out the purposes of this part, selecting additional institutions.

"(c) SELECTION CRITERIA FOR ORIGINATION.—

"(1) IN GENERAL.—The Secretary may enter into a supplemental agreement with an institution (or a consortium of such institutions) that—

"(A) has an agreement under subsection 454(a);

"(B) desires to originate loans under this part; and

"(C) meets the criteria described in paragraph (2).

"(2) TRANSITION SELECTION CRITERIA.—For academic year 1994–1995, the Secretary may approve an institution to originate loans only if such institution—

"(A) made loans under part E of this title in academic year 1993–1994 and did not exceed the applicable maximum default rate under section 462(g) for the most recent fiscal year for which data are available;

"(B) is not on the reimbursement system of payment for any of the programs under subpart 1 or 3 of part A, part C, or part E;

"(C) is not overdue on program or financial reports or audits required under this title;

"(D) is not subject to an emergency action, or a limitation, suspension, or termination under section 428(b)(1)(T), 432(h), or 487(c);

"(E) in the opinion of the Secretary, has not had significant deficiencies identified by a State postsecondary review entity under subpart 1 of part H of this title;

"(F) in the opinion of the Secretary, has not had severe performance deficiencies for any of the programs under this title, including such deficiencies demonstrated by audits or program reviews submitted or conducted during the 5 calendar years immediately preceding the date of application;

"(G) provides an assurance that such institution has no delinquent outstanding debts to the Federal Government, unless such debts are being repaid under or in accordance with a repayment arrangement satisfactory to the Federal Government, or the Secretary in the Secretary's discretion determines that the existence or amount of such debts has not been finally determined by the cognizant Federal agency; and

"(H) meets such other criteria as the Secretary may establish to protect the financial interest of the United States and to promote the purposes of this part.

"(3) REGULATIONS GOVERNING APPROVAL AFTER TRANSACTION.—For academic year 1995–1996 and subsequent academic years, the Secretary shall promulgate and publish in the Federal Register regulations governing the approval of institutions to originate loans under this part in accordance with section 458(a)(2).

"(d) CONSORTIA.—Subject to such requirements as the Secretary may prescribe, eligible institutions of higher education with agreements under section 454(a) may apply to the Secretary as consortia to originate loans under this part for students in attendance at such institutions. Such institutions shall each be required to meet the requirements of subsection (c) with respect to loan origination.

"SEC. 454. AGREEMENTS WITH INSTITUTIONS.

"(a) PARTICIPATION AGREEMENTS.—An agreement with any institution of higher education for participation in the direct student loan program under this part shall—

"(1) provide for the establishment and maintenance of a direct student loan program at the institution under which the institution will—

"(A) identify eligible students who seek student financial assistance at such institution in accordance with section 484;

"(B) estimate the need of each such student as required by part F of this title for an academic year, except that, any loan obtained by a student under this part with the same terms as loans made under section 428H (except as otherwise provided in this part), or a loan obtained by a parent under this part with the same terms as loans made under section 428B (except as otherwise provided in this part), or obtained under any State-sponsored or private loan program, may be used to offset the expected family contribution of the student for that year;

"(C) provide a statement that certifies the eligibility of any student to receive a loan under this part that is not in excess of the annual or aggregate limit applicable to such loan, except that the institution may, in exceptional circumstances identified by the Secretary, refuse to certify a statement that permits a student to receive a loan under this part, or certify a loan amount that is less than the student's determination of need (as determined under part F of this title), if the reason for such action is documented and provided in written form to such student;

"(D) set forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G (other than subsection (b)(1) of such section); and

"(E) provide timely and accurate information—

"(i) concerning the status of student borrowers (and students on whose behalf parents borrow under this part) while such students are in attendance at the institution and concerning any new information of which the institution becomes aware for such students (or their parents) after such borrowers leave the institution, to the Secretary for the servicing and collecting of loans made under this part; and

"(ii) if the institution does not have an agreement with the Secretary under subsection (b), concerning student eligibility and need, as determined under subparagraphs (A) and (B), to the Secretary as needed for the alternative origination of loans to eligible students and parents in accordance with this part;

"(2) provide assurances that the institution will comply with requirements established by the Secretary relating to student loan information with respect to loans made under this part;

"(3) provide that the institution accepts responsibility and financial liability stemming from its failure to perform its functions pursuant to the agreement;

"(4) provide that students at the institution and their parents (with respect to such students) will be eligible to participate in the programs under part B of this title at the discretion of the Secretary for the period during which such institution participates in the direct student loan program under this part;

"(5) provide for the implementation of a quality assurance system, as established by the Secretary and developed in consultation with institutions of higher education, to ensure that the institution is complying with program requirements and meeting program objectives;

"(6) provide that the institution will not charge any fees of any kind, however described, to student or parent borrowers for origination activities or the provision of any information necessary for a student or parent to receive a loan under this part, or any benefits associated with such loan; and

"(7) include such other provisions as the Secretary determines are necessary to protect the interests of the United States and to promote the purposes of this part.

"(b) ORIGINATION.—An agreement with any institution of higher education, or consortia thereof, for the origination of loans under this part shall—

"(1) supplement the agreement entered into in accordance with subsection (a);

"(2) include provisions established by the Secretary that are similar to the participation agreement provisions described in paragraphs (1)(E)(ii), (2), (3), (4), (5), (6), and (7) of subsection (a), as modified to relate to the origination of loans by the institution or consortium;

"(3) provide that the institution or consortium will originate loans to eligible students and parents in accordance with this part; and

"(4) provide that the note or evidence of obligation on the loan shall be the property of the Secretary.

"(c) WITHDRAWAL AND TERMINATION PROCEDURES.—The Secretary shall establish procedures by which institutions or consortia may withdraw or be terminated from the program under this part.

"SEC. 455. TERMS AND CONDITIONS OF LOANS.

"(a) IN GENERAL.—

"(1) PARALLEL TERMS, CONDITIONS, BENEFITS, AND AMOUNTS.—Unless otherwise specified in this part, loans made to borrowers under this part shall have the same terms, conditions, and benefits as loans made to borrowers under sections 428, 428B, and 428H of this title.

"(2) DESIGNATION OF LOANS.—Loans made to borrowers under this part that, except as otherwise specified in this part, have the same terms, conditions, and benefits as loans made to borrowers under—

"(A) section 428 shall be known as 'Federal Direct Stafford Loans';

"(B) section 428B shall be known as 'Federal Direct PLUS Loans'; and

"(C) section 428H shall be known as 'Federal Direct Unsubsidized Stafford Loans'.

"(b) INTEREST RATE.—

"(1) RATES FOR FDSL AND FDUSL.—(A) For Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.1 percent,

except that such rate shall not exceed 8.25 percent.

"(B)(i) Notwithstanding the provisions of subparagraph (A), with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest for interest which accrues—

"(I) prior to the beginning of the repayment period of the loan; or

"(II) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under clause (ii).

"(ii) For purposes of clause (i) the rate determined under this clause shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(II) 2.5 percent,

except that such rate shall not exceed 8.25 percent.

"(2) RATES FOR FDPLUS.—For Federal Direct PLUS Loans for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 52-week Treasury bills auctioned at final auction held prior to such June 1; plus

"(B) 3.1 percent,

except that such rate shall not exceed 9 percent.

"(3) PUBLICATION.—The Secretary shall determine the applicable rates of interest under this subsection after consultation with the Secretary of Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.

"(c) ORIGINATION FEE.—The Secretary shall charge the borrower of a loan made under this part an origination fee of 6.5 percent of the principal amount of the loan.

"(d) REPAYMENT PLANS.—

"(1) DESIGN AND SELECTION.—Consistent with criteria established by the Secretary, the Secretary shall offer a borrower of a loan made under this part a variety of plans for repayment of such loan, including principal and interest on the loan. The borrower shall be entitled to accelerate, without penalty, repayment on the borrowers loans under this part. The borrower may choose—

"(A) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time;

"(B) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L);

"(C) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over a fixed or extended period of time, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(D) an income contingent repayment plan, with varying annual repayment amounts based on the income of the borrower, paid over an extended period of time, not to exceed 20 years, except that the plan described in this subparagraph shall not be available to the borrower of a Federal Direct PLUS loan.

"(2) SELECTION BY SECRETARY.—If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the Secretary may provide the borrower with a repayment plan described in subparagraph (A), (B), or (C) of paragraph (1).

"(3) CHANGES IN SELECTIONS.—The borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the Secretary's selection of a plan for the borrower under paragraph (2), as the case may be, under such terms and conditions as may be established by the Secretary.

"(4) ALTERNATIVE REPAYMENT PLANS.—The Secretary may provide, on a case by case basis, an alternative repayment plan to a borrower of a loan made under this part who demonstrates to the satisfaction of the Secretary that the terms and conditions of the repayment plans available under paragraph (1) are not adequate to accommodate the borrower's exceptional circumstances. In designing such alternative repayment plans, the Secretary shall ensure that such plans do not exceed the cost to the Federal Government, as determined on the basis of the present value of future payments by such borrowers, of loans made using the plans available under paragraph (1).

"(5) REPAYMENT AFTER DEFAULT.—The Secretary may require any borrower who has defaulted on a loan made under this part to—

"(A) pay all reasonable collection costs associated with such loan; and

"(B) repay the loan pursuant to an income contingent repayment plan.

"(e) INCOME CONTINGENT REPAYMENT.—

"(1) INFORMATION AND PROCEDURES.—The Secretary may obtain such information as is reasonably necessary regarding the income of a borrower (and the borrower's spouse, if applicable) of a loan made under this part that is, or may be, repaid pursuant to income contingent repayment, for the purpose of determining the annual repayment obligation of the borrower. The Secretary shall establish procedures for determining the borrower's repayment obligation on that loan for such year, and such other procedures as are necessary to implement effectively income contingent repayment.

"(2) REPAYMENT BASED ON ADJUSTED GROSS INCOME.—A repayment schedule for a loan made under this part and repaid pursuant to income contingent repayment shall be based on the adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the borrower or, if the borrower is married and files a Federal income tax return jointly with the borrower's spouse, on the adjusted gross income of the borrower and the borrower's spouse.

"(3) ADDITIONAL DOCUMENTS.—A borrower who chooses, or is required, to repay a loan made under this part pursuant to income contingent repayment, and for whom adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, shall provide to the Secretary other documentation of income satisfactory to the Secretary, which documentation the Secretary may use to determine an appropriate repayment schedule.

"(4) REPAYMENT SCHEDULES.—Income contingent repayment schedules shall be established by regulations promulgated by the Secretary and shall require payments that

vary in relation to the appropriate portion of the annual income of the borrower (and the borrower's spouse, if applicable) as determined by the Secretary.

"(5) CALCULATION OF BALANCE DUE.—The balance due on a loan made under this part that is repaid pursuant to income contingent repayment shall equal the unpaid principal amount of the loan, any accrued interest, and any fees, such as late charges, assessed on such loan. The Secretary may promulgate regulations limiting the amount of interest that may be capitalized on such loan, and the timing of any such capitalization.

"(6) NOTIFICATION TO BORROWERS.—The Secretary shall establish procedures under which a borrower of a loan made under this part who chooses or is required to repay such loan pursuant to income contingent repayment is notified of the terms and conditions of such plan, including notification of such borrower that if a borrower considers that special circumstances, such as a loss of employment by the borrower or the borrower's spouse, warrant an adjustment in the borrower's loan repayment as determined using the information described in subparagraph (A), or the alternative documentation described in paragraph (3), the borrower may contact the Secretary, who shall determine whether such adjustment is appropriate, in accordance with criteria established by the Secretary.

"(f) DEFERMENT.—

"(1) EFFECT ON PRINCIPAL AND INTEREST.—A borrower of a loan made under this part who meets the requirements described in paragraph (2) shall be eligible for a deferment, during which periodic installments of principal need not be paid, and interest—

"(A) shall not accrue, in the case of a Federal Direct Stafford Loan or a Federal Direct Consolidation Loan that consolidated only Federal Direct Stafford Loans, or a combination of such loans and Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(B) shall accrue and be capitalized or paid by the borrower, in the case of a Federal Direct PLUS Loan, a Federal Direct Unsubsidized Stafford Loan, or a Federal Direct Consolidation Loan other than loans described in subparagraph (A).

"(2) ELIGIBILITY.—A borrower of a loan made under this part shall be eligible for a deferment during any period—

"(A) during which the borrower—

"(i) is carrying at least one-half the normal full-time work load for the course of study that the borrower is pursuing, as determined by the eligible institution (as such term is defined in section 435) the borrower is attending; or

"(ii) is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for individuals with disabilities approved by the Secretary,

except that no borrower shall be eligible for a deferment under this subparagraph, or a loan made under this part (other than a Federal Direct PLUS Loan or a Federal Direct Consolidation Loan), while serving in a medical internship or residency program;

"(B) not in excess of 3 years during which the borrower is seeking and unable to find full-time employment;

"(C) not in excess of 3 years during which the Secretary determines, in accordance with regulations prescribed under section 435(o), that the borrower has experienced or will experience an economic hardship, regardless of the reason for such hardship.

"(g) FEDERAL DIRECT CONSOLIDATION LOANS.—A borrower of a loan made under this part may consolidate such loan with the loans described in section 428C(a)(4) and section 428C(d)(1)(C) only under such terms and conditions as the Secretary shall establish pursuant to regulations promulgated under this part. Loans made under this subsection shall be known as 'Federal Direct Consolidation Loans'.

"(h) BORROWER DEFENSES.—Notwithstanding any other provision of law, the Secretary shall specify in regulations (except as authorized under section 458(a)), which acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under this part, except that in no event may a borrower recover from the Secretary, in any action arising from or relating to a loan made under this part, an amount in excess of the amount such borrower has repaid on such loan.

"(i) NONDISCHARGEABILITY IN BANKRUPTCY.—Notwithstanding any other provision of law, a loan made under this part shall not be dischargeable in any Federal or State bankruptcy proceeding.

"(j) LOAN APPLICATION AND PROMISSORY NOTE.—The common financial reporting form required in 483(a)(1) shall constitute the application for loans made under this part. The Secretary shall develop, print, and distribute to participating institutions a standard promissory note and loan disclosure form.

"(k) LOAN DISBURSEMENT.—

"(1) IN GENERAL.—Payments of loan proceeds to students under this part shall be made by crediting the student's account for tuition and fees, and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account. Loan proceeds that remain after the application of the previous sentences shall be delivered to the borrower in accordance with section 427(a)(3).

"(2) PAYMENT PERIODS.—The Secretary shall establish periods for the payments described in paragraph (2) in a manner that is consistent with payment of basic grants under subpart 1 of part A.

"(l) FISCAL CONTROL AND FUND ACCOUNTABILITY.—

"(1) IN GENERAL.—(A) An institution shall maintain financial records in a manner consistent with records maintained for other programs under title IV.

"(B) An institution may maintain loan funds under this part in the same account as other Federal student financial assistance.

"(2) PAYMENTS; REFUNDS; ENROLLMENT STATUS.—Payments, refunds and enrollment status shall be reconciled in a manner and schedule that is consistent with the manner and schedule set forth for the quarterly submission of a payment summary report required of institutions participating in the program assisted under subpart 1 of part A.

"(3) TRANSACTION HISTORIES.—All transaction histories under this part shall be maintained using the same system designated by the Secretary for the provision of basic grants under subpart 1 of part A.

"(m) ENTITLEMENT PROVISION.—Except as provided in section 454(a)(1)(C), an eligible student in attendance at a participating institution (or a parent borrower) shall have a contractual right against the United States to receive any loan under this part for which such student (or parent) is eligible.

"SEC. 456. CONTRACTS.

"(a) CONTRACTS FOR SUPPLIES AND SERVICES.—

"(1) IN GENERAL.—The Secretary may award 1 or more contracts for services and supplies described in subsection (b). The entities with which the Secretary may enter into such contracts shall include entities which the Secretary determines are qualified to provide such services and supplies and will comply with the procedures applicable to the award of such contracts. In the case of awarding contracts for the servicing of loans under this part, the Secretary shall only enter into contracts with entities that have extensive experience and a demonstrated record in loan servicing and collection.

"(2) EXEMPTION.—The Secretary may award, through June 30, 1998, contracts under this section without regard to the requirements in section 303 of the Federal Property and Administrative Services Act of 1949, section 18 of the Office of Federal Procurement Policy Act, and section 8(e) of the Small Business Act, and the corresponding requirements of the Federal Acquisition Regulations, if the Secretary determines, on a case-by-case basis, that exemption from such requirements is in the public interest and necessary for the orderly transition from the loan programs under part B to the direct student loan program under this part.

"(3) APPLICATION OF REQUIREMENTS.—On and after July 1, 1998, all statutory and regulatory requirements described in paragraph (2) shall apply to the award of a contract under this section.

"(b) CONTRACTS FOR ORIGINATION, SERVICING, AND DATA SYSTEMS.—The Secretary may enter into 1 or more contracts for—

"(1) the alternative origination of loans to students attending institutions with agreements to participate in the program under this part (or their parents), if such institutions do not have agreements with the Secretary under section 454(b);

"(2) the servicing and collection of loans made under this part;

"(3) the establishment and operation of 1 or more data systems for the maintenance of records on all loans made under this part;

"(4) services to assist in the orderly transition from the loan programs under part B to the direct student loan program under this part; and

"(5) such other aspects of the direct student loan program as the Secretary determines are necessary to ensure the successful operation of the program.

"SEC. 457. SECRETARIAL ACTIVITIES.

"(a) REGULATORY ACTIVITIES.—

"(1) NOTICE IN LIEU OF REGULATIONS FOR FIRST YEAR OF PROGRAM.—The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part, that the Secretary, in consultation with members of the higher education community, determine are reasonable and necessary to the successful implementation of the direct student loan program under this part in academic year 1994–1995. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.

"(2) NEGOTIATED RULEMAKING.—Beginning with academic year 1995–1996, all standards, criteria, procedures and regulations implementing this part shall be subject to negotiated rulemaking, including all such standards, criteria, procedures and regulations promulgated from the date of enactment of this part.

"(b) CLOSING DATE FOR APPLICATIONS FROM INSTITUTIONS.—The Secretary shall establish a date not later than October 1, 1993, as the closing date for receiving applications from

institutions of higher education desiring to participate in the direct loan program under this part in academic year 1994–1995.

"(c) PUBLICATION OF LIST OF PARTICIPATING INSTITUTIONS AND CONTROL GROUP.—Not later than January 1, 1994, the Secretary shall publish in the Federal Register a list of the institutions of higher education selected to participate in the direct loan program under this part in academic year 1994–1995.

"SEC. 458. REPORTS.

"(a) ANNUAL REPORTS.—The Secretary shall submit to the Congress not later than July 1, 1994, and each July 1 for the 4 succeeding years an annual report describing the progress and status of the direct loan program.

"(b) RESEARCH, DEMONSTRATION, AND EVALUATION.—The Secretary may use a portion of the funds made available pursuant to section 460 for research on, or the demonstration or evaluation of, any aspects of the program authorized by this part, including flexible repayment plans.

"SEC. 459. FUNDS FOR ADMINISTRATIVE EXPENSES.

"(a) IN GENERAL.—In each fiscal year beginning with fiscal year 1994, there shall be available to the Secretary of Education from funds not otherwise appropriated, funds to be obligated for administrative costs under this part, including the costs of the transition from the loan programs under part B to the direct student loan program under this part and transition support for the expenses of guaranty agencies in servicing outstanding loans in their portfolios and in guaranteeing new loans, not to exceed $20,000,000 in fiscal year 1994, $70,000,000 in fiscal year 1995, $170,000,000 in fiscal year 1996, $305,000,000 in fiscal year 1997, and $480,000,000 in fiscal year 1998. If in any fiscal year, the Secretary determines that additional funds for administrative expenses are needed as a result of such transition, or the expansion of the direct student loan program under this part, the Secretary is authorized to use funds available under this section for any succeeding fiscal year for such expenses, except that the total expenditures by the Secretary shall not exceed $1,045,000,000 in fiscal years 1994 through 1998.

"(b) AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

"(c) BUDGET JUSTIFICATION.—The Secretary shall include in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.

"(d) NOTIFICATION.—In the event the Secretary finds it necessary to use the authority provided to the Secretary under subsection (a) to draw funds for administrative expenses from a future year's funds, the Secretary shall immediately notify the Committees on Appropriations of the Senate and of the House of Representatives, and the Labor and Human Resources Committee of the Senate and the Education and Labor Committee of the House of Representatives, of such action and explain the reasons for such action.

"SEC. 459A. NATIONAL STUDENT LOAN REFORM COMMISSION.

"(a) ESTABLISHMENT.—There is hereby established a bipartisan commission to be known as the National Student Loan Reform Commission (hereafter in this section referred to as the 'Commission').

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Commission shall be composed of 15 members appointed by the President with the advice and consent of the Senate who are representative of a broad combination of types of institutions of higher education, of whom at least 8 members shall be financial aid administrators.

"(2) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

"(3) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

"(4) MEETINGS.—The Commission shall meet at the call of the Chairman.

"(5) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

"(6) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and Vice Chairman from among its members.

"(c) DUTIES.—The Commission shall—

"(1) advise the President and the Congress on the operation of the Federal Direct Student Loan Program and the Federal Family Education Loan Program;

"(2) evaluate and report to the Congress regarding such programs on not less than an annual basis; and

"(3) not later than January 1, 1997, report to the President and the Congress with final recommendations on the advisability of replacing the Federal Family Education Loan Program with direct lending.

"(d) POWERS OF THE COMMISSION.—

"(1) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

"(2) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"(3) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(4) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

"(e) COMMISSION PERSONNEL MATTERS.—

"(1) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

"(2) TRAVEL EXPENSES.—The members of the Commission 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 Commission.

"(3) STAFF.—

"(A) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

"(B) COMPENSATION.—The Chairman of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

"(4) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

"(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

"(6) AUTHORITY TO CONTRACT.—Subject to the Federal Property and Administrative Services Act of 1949, the Commission is authorized to enter into contracts with Federal and State agencies, private firms, institutions and individuals for the conduct of activities necessary to the discharge of its duties and responsibilities.

"(7) SOURCE OF ADMINISTRATIVE SUPPORT.—Financial and administrative support services (including those related to budget and accounting, financial reporting, payroll, and personnel) shall be provided to the Commission by the General Services Administration (or other organization the Commission determines appropriate) for which payment shall be made in advance or by reimbursement, from funds of the Commission, in such amounts as may be agreed by the Chairman of the Commission and the Administrator of General Services (or head of another organization the Commission determines appropriate).

"(f) TERMINATION OF THE COMMISSION.—The Commission shall terminate 18 months after the date on which the Commission submits its report under subsection (c)(3).".

CHAPTER 2—STUDENT LOAN SAVINGS

SEC. 12021. SECRETARY'S EQUITABLE SHARE.

Section 428(c)(6)(A)(ii) of the Act (20 U.S.C. 1078(c)(6)(A)(ii)) is amended by striking "30 percent" and inserting "27 percent".

SEC. 12022. INTEREST RATES.

Section 427A of the Higher Education Act of 1965 (20 U.S.C. 1077a) is amended—

(1) in subsection (c)(4), by adding at the end the following new subparagraph:

"(E) Notwithstanding subparagraphs (A) and (D) for any loan made pursuant to section 428B for which the first disbursement is made on or after July 1, 1994—

"(i) subparagraph (B) shall be applied by substituting "3.1" for "3.25"; and

"(ii) the interest rate shall not exceed 9 percent.";

(2) by redesignating subsections (f), (g) and (h) as subsections (g), (h) and (j), respectively;

(3) by adding after subsection (e) the following new subsection:

"(f) INTEREST RATES FOR NEW LOANS AFTER JULY 1, 1994.—

"(1) IN GENERAL.—Notwithstanding subsections (a), (b), (d) and (e) of this section, with respect to any loan made, insured, or guaranteed under this part (other than a loan made pursuant to sections 428B and 428C) for which the first disbursement is made on or after July 1, 1994, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 3.10 percent,

except that such rate shall not exceed 8.25 percent.

"(2) CONSULTATION.—The Secretary shall determine the applicable rate of interest under paragraph (1) after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination."; and

(4) by inserting after subsection (h) (as redesignated in paragraph (2)) the following new subsection:

"(i) IN-SCHOOL AND GRACE PERIOD INTEREST RATES.—

"(1) APPLICABLE RATE.—Notwithstanding any other provision of this section, with respect to any loan for which the first disbursement is made on or after October 1, 1993, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall not exceed the rate determined under paragraph (2).

"(2) METHOD OF CALCULATION.—For purposes of paragraph (1) the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction prior to such June 1; plus

"(B) 2.5 percent,

except that such rate shall not exceed 8.25 percent.".

SEC. 12023. LENDER AND STUDENT LOAN FEES.

Section 438 of the Act (20 U.S.C. 1087-1) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) LOAN FEES FROM LENDERS.—

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder shall be reduced by the Secretary by a loan fee in an amount determined in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount of such loan fee, then the Secretary shall deduct such excess amount from subsequent quarters' payments until the total amount has been deducted.

"(2) AMOUNT OF LOAN FEES.—With respect to any loan under this part (other than loans made under sections 428B, 428C and 439(o)) for which a note or other written evidence of the loan was sent or delivered to the borrower for signing on or after October 1, 1993, the amount of the loan fee which shall be deducted under paragraph (1) shall be equal to .50 percent of the principal amount of the loan.

"(3) PLUS, CONSOLIDATION, SLMA LOANS.—With respect to any loans made under section 428B, 428C, and 439 on or after October 1, 1993, each eligible lender under this part shall pay to the Secretary a loan fee of .50 percent of the principal amount of the loan.

"(4) DISTRIBUTION OF LOAN FEES.—The Secretary shall deposit all fees collected pursuant to paragraph (3) into the insurance fund established in section 431.".

SEC. 12024. OFFSET FEE.

Subsection (h) of section 439 of the Act (20 U.S.C. 1087-2(h)) is amended by adding at the end the following new paragraph:

"(6) OFFSET FEE.—(A) The Association shall pay to the Secretary, on a monthly basis, an offset fee calculated on an annual basis in an amount equal to 0.30 percent of the principal amount of each loan made, insured or guaranteed under this part which the Association holds on or after the date of enactment of this paragraph.

"(B) The Secretary shall deposit all fees collected pursuant to subparagraph (A) into the insurance fund established in section 431.".

SEC. 12025. ELIMINATION OF TAX EXEMPT FLOOR.

Section 438(b)(2)(B) of the Act (20 U.S.C. 1087-1(b)(2)(B)) is amended by adding at the end the following new clause:

"(iv) Notwithstanding clauses (i) and (ii), the quarterly rate of the special allowance for holders of loans which are financed with funds obtained by the holder from the issuance of obligations originally issued on or after October 1, 1993, the income from which is excluded from gross income under the Internal Revenue Code of 1986, shall be 85 percent of the quarterly rate of the special allowance established under subparagraph (A). Such rate shall also apply to holders of loans which were made or purchased with funds obtained by the holder from collections or default reimbursements on, or interests or other income pertaining to, eligible loans made or purchased with funds described in the preceding sentence of this subparagraph or from income on the investment of such funds.".

SEC. 12026. REDUCTION IN INTEREST RATE FOR CONSOLIDATION LOANS; REBATE FEE.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078-3) is amended—

(1) in paragraph (1) of subsection (c)—

(A) in subparagraph (A), by striking "or (C)";

(B) by amending subparagraph (B) to read as follows:

"(B) A consolidation loan made on or after October 1, 1993, shall bear interest on the unpaid principal balance of the loan, during any 12-month period beginning on July 1 and ending on June 30, determined on the preceding June 1, which interest shall be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 3.10 percent,

except that such rate shall not exceed 9 percent."; and

(C) by striking subparagraph (C); and

(2) by adding at the end the following new subsection:

"(f) INTEREST PAYMENT REBATE FEE.—

"(1) IN GENERAL.—Each holder of a consolidation loan under this section shall pay to the Secretary, on a monthly basis and in such manner as the Secretary shall prescribe, a rebate fee calculated on an annual basis equal to 0.70 percent of the principal plus accrued unpaid interest on such loan.

"(2) DEPOSIT.—The Secretary shall deposit all fees collected pursuant to subsection (a) into the insurance fund established in section 431.".

(b) ENFORCEMENT.—Subsection (d) of section 435 of the Act (20 U.S.C. 1085(d)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (1), by striking "(5)" and inserting "(6)"; and

(2) by adding at the end the following new paragraph:

"(6) REBATE FEE REQUIREMENT.—To be an eligible lender under this part, an eligible lender shall pay rebate fees in accordance with section 428C(f).".

SEC. 12026A. INSURANCE PREMIUM.

(a) INSURANCE PREMIUM.—Section 428(b)(1)(H) of the Act (20 U.S.C. 1078(b)(1)(H)) is amended by striking "3 percent" and inserting "1 percent".

(b) REINSURANCE FEES.—Section 428(c) of the Act is amended—

(1) by striking paragraph (9); and

(2) by redesignating paragraph (10) as paragraph (9).

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on July 1, 1994.

SEC. 12027. LOAN TRANSFER FEE.

Section 428(b)(2) of the Act (20 U.S.C. 1078(b)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) provide that, if a lender or holder, on or after October 1, 1993, sells, transfers, or assigns a loan under this part, then the transferee shall pay to the Secretary a transfer fee in an amount equal to 0.25 percent the principal and accrued unpaid interest of the loan, which transfer fee shall be deposited into the insurance fund established in section 431, except that the provisions of this subparagraph shall not apply to any such sale, transfer or assignment by a lender or holder to such lender's or holder's affiliate or pursuant to—

"(i) a merger or other consolidation transaction; or

"(ii) a sale or other transfer of all or any substantial portion of such lender's or holder's business or student lending business.".

SEC. 12028. RISK SHARING.

(a) GUARANTY AGENCY REINSURANCE PERCENTAGE.—Section 428(c)(1) of the Act (20 U.S.C. 1078(c)(1)) is amended—

(1) in subparagraph (A), by striking "100 percent" and inserting "98 percent";

(2) in subparagraph (B)(i), by striking "90 percent" and inserting "88 percent";

(3) in subparagraph (B)(ii), by striking "80 percent" and inserting "78 percent"; and

(4) by adding at the end the following new subparagraphs:

"(E) Notwithstanding any other provisions of this section, in the case of a loan made pursuant to a lender of last resort program, the Secretary shall apply the provisions of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '100 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '100 percent' for '78 percent'.

"(F) Notwithstanding any other provisions of this section, in the case of an outstanding loan transferred to a guaranty agency from another guaranty agency pursuant to a plan approved by the Secretary in response to the insolvency of the latter such guarantee agency, the Secretary shall apply the provision of—

"(i) the fourth sentence of subparagraph (A) by substituting '100 percent' for '98 percent';

"(ii) subparagraph (B)(i) by substituting '90 percent' for '88 percent'; and

"(iii) subparagraph (B)(ii) by substituting '80 percent' for '78 percent'.".

(b) RISK SHARING BY THE STUDENT LOAN MARKETING ASSOCIATION.—Section 428(b)(1)(G) of the Act (20 U.S.C. 1078(b)(1)(G)) is amended by inserting before the semicolon at the end thereof the following: ", except that for loans held by the Student Loan Marketing Association (other than loans made with advances to guaranty agencies pursuant to section 439(p)) such percentage shall be 95 percent".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any loan made on or after October 1, 1993.

SEC. 12029. PLUS LOAN AMOUNTS AND DISBURSEMENTS.

(a) LOAN AMOUNTS.—

(1) AMENDMENT.—Section 428B(b) of the Act (20 U.S.C. 1078-2(b)) is amended to read as follows:

"(b) LIMITATIONS ON AMOUNTS OF LOANS.—

"(1) ANNUAL LIMIT.—Subject to paragraph (2), the maximum amount parents may borrow for one student in any academic year or its equivalent (as defined by regulation of the Secretary) is $10,000.

"(2) LIMITATION BASED ON NEED.—Any loan under this section may be counted as part of the expected family contribution in the determination of need under this title, but no loan may be made to any parent under this section for any academic year in excess of (A) the student's estimated cost of attendance, minus (B) other financial aid as certified by the eligible institution under section 428(a)(2)(A). The annual insurable limit on account of any student shall not be deemed to be exceeded by a line of credit under which actual payments to the borrower will not be made in any year in excess of the annual limit.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective for loans made on or after July 1, 1994.

(b) MULTIPLE DISBURSEMENT REQUIRED.—

(1) AMENDMENT.—The matter preceding paragraph (1) of section 428B(c) of the Act (20 U.S.C. 1078-2(c)) is amended by inserting "shall be disbursed in accordance with the requirements of section 428G and" after "under this section".

(2) CONFORMING AMENDMENTS.—Section 428G(e) of the Act (20 U.S.C. 1078-7(e) is amended—

(A) by striking "PLUS, CONSOLIDATION," and inserting "CONSOLIDATION"; and

(B) by striking "section 428B or 428C" and inserting "section 428C".

CHAPTER 3—CONFORMING AMENDMENTS

SEC. 12041. PRESERVING LOAN ACCESS.

(a) PURPOSE.—It is the purpose of the amendments made by this section to provide the Secretary with flexible authority as needed to preserve access to student and parent loans under part B of title IV of the Act during the transition from the Federal Family Education Loan Program under such part to the Federal Direct Student Loan Program under part D of such title.

(b) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES.—

(1) AMENDMENT.—Section 428(j) of the Act (20 U.S.C. 1078(j)) is amended by adding at the end the following new paragraph:

"(4) ADVANCES TO GUARANTY AGENCIES FOR LENDER-OF-LAST-RESORT SERVICES DURING TRANSITION TO DIRECT LENDING.—(A) In order to ensure the availability of loan capital during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title, the Secretary is authorized to provide a guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as are determined appropriate by the Secretary, in order to ensure that the guaranty agency will make loans as the lender-of-last-resort. Such agency shall make such loans in accordance with this subsection and the requirements of the Secretary.

"(B) Notwithstanding any other provision in this part, a guaranty agency serving as a lender-of-last-resort under this paragraph shall be paid a fee, established by the Secretary, for making such loans in lieu of interest and special allowance subsidies, and shall be required to assign such loans to the Secretary on demand. Upon such assignment, the portion of the advance represented by the loans assigned shall be considered repaid by such guaranty agency.".

(2) CONFORMING AMENDMENT.—Section 422(c)(7) of the Act (20 U.S.C. 1072(c)(7)) is amended by striking all beginning with "to a guaranty agency" through the period and inserting "to a guaranty agency—

"(A) in accordance with section 428(j), in order to ensure that the guaranty agency shall make loans as the lender-of-last-resort during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title; or

"(B) if the Secretary is seeking to terminate the guaranty agency's agreement, or assuming the guaranty agency's functions, in accordance with section 428(c)(10)(F)(v), in order to assist the agency in meeting its immediate cash needs, ensure the uninterrupted payment of claims, or ensure that the guaranty agency shall make loans as described in subparagraph (A);".

(c) LENDER REFERRAL SERVICES.—Section 428(e) of the Act (20 U.S.C. 1078(e)) is amended—

(1) in paragraph (1)—

(A) by amending the paragraph heading to read as follows: "IN GENERAL; AGREEMENTS WITH GUARANTY AGENCIES.—";

(B) by inserting the subparagraph designation "(A)" immediately before "The Secretary";

(C) by striking "in any State" and inserting "with which the Secretary has an agreement under subparagraph (B)"; and

(D) by adding at the end the following new subparagraph:

"(B)(i) The Secretary may enter into agreements with guaranty agencies that meet standards established by the Secretary to provide lender referral services in geographic areas specified by the Secretary. Such guaranty agencies shall be paid in accordance with paragraph (3) for such services.

"(ii) The Secretary shall publish in the Federal Register whatever standards, criteria, and procedures, consistent with the provisions of this part and part D of this title, the Secretary determines are reasonable and necessary to provide lender referral services under this subsection and ensure loan access to student and parent borrowers during the transition from the loan programs under this part to the direct student loan programs under part D of this title. Section 431 of the General Education Provisions Act shall not apply to the publication of such standards, criteria, and procedures.";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "in a State" and inserting "with which the Secretary has an agreement under paragraph (1)(B)";

(B) by amending subparagraph (A) to read as follows:

"(A)(i) such student is either a resident of, or is accepted for enrollment in, or is attending, an eligible institution located in a geographic area for which the Secretary (I) determines that loans are not available to all eligible students, and (II) has entered into an agreement with a guaranty agency under paragraph (1)(B) to provide lender referral services; and";

(3) in paragraph (3), by striking "The" and inserting "From funds available for costs of transition under section 460 of the Act, the"; and

(4) by striking paragraph (5).

(d) STUDENT LOAN MARKETING ASSOCIATION.—Section 439(q) of the Act (20 U.S.C. 1087-2(q)) is amended—

(1) in paragraph (1)(A)—

(A) in the first sentence, by striking "the Association or its designated agent may begin making loans" and inserting "the Association or its designated agent shall, not later than July 1, 1994, begin making loans to such eligible borrowers"; and

(B) by striking the second sentence:

(2) in paragraph (2)(A), by striking "the Association or its designated agent may" and inserting "the Association or its designated agent shall, not later than July 1, 1994,"; and

(3) in paragraph (3), by striking all beginning with "that—" through the period at the end of subparagraph (B) and inserting "that the conditions that caused the implementation of this subsection have ceased to exist."

SEC. 12042. GUARANTY AGENCY RESERVES.

Section 422 of the Act (20 U.S.C. 1072) is amended by adding at the end the following new subsection:

"(g) PRESERVATION OF GUARANTY AGENCY RESERVES.—

"(1) AUTHORITY TO RECOVER FUNDS.—Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased with such reserve funds, regardless of who holds or controls the reserves or assets, shall be considered to be the property of the United States to be used in the operation of the program authorized by this part or the program authorized by part D of this title. However, the Secretary may not require the return of all reserve funds of a guaranty agency to the Secretary unless the Secretary determines that such return is in the best interest of the operation of the program authorized by this part or the program authorized by part D of this title, or to ensure the proper maintenance of such agency's funds or assets or the orderly ter-

mination of the guaranty agency's operations and the liquidation of its assets. The reserves shall be maintained by each guaranty agency to pay program expenses and contingent liabilities, as authorized by the Secretary, except that the Secretary may direct a guaranty agency, or such agency's officers or directors, to cease any activities involving expenditure, use or transfer of the guaranty agency's reserve funds or assets which the Secretary determines is a misapplication, misuse, or improper expenditure of such funds or assets.

"(2) TERMINATION PROVISIONS IN CONTRACTS.—(A) To ensure that the funds and assets of the guaranty agency are preserved, any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subsection shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section.

"(B) The Secretary may direct a guaranty agency to suspend or cease activities under any contract entered into by or on behalf of such agency after January 1, 1993, if the Secretary determines that the misuse or improper expenditure of such guaranty agency's funds or assets or such contract provides unnecessary or improper benefits to such agency's officers or directors.

"(3) PENALTIES.—Violation of any direction issued by the Secretary under this subsection may be subject to the penalties described in section 490 of this Act.".

SEC. 12043. ASSIGNMENT OF LOANS.

Section 428(c)(8) of the Act (20 U.S.C. 1078(c)(8)) is amended—

(1) in the first sentence, by inserting the subparagraph designation "(A)" before "If the";

(2) by striking the second and third sentences; and

(3) by adding at the end the following new subparagraph:

"(B) An orderly transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title shall be deemed to be in the Federal fiscal interest, and a guaranty agency shall promptly assign loans to the Secretary under this paragraph upon the Secretary's request.".

SEC. 12044. TERMINATION OF GUARANTY AGENCY AGREEMENTS; ASSUMPTION OF GUARANTY AGENCY FUNCTIONS BY THE SECRETARY.

Section 428(c)(10) of the Act (20 U.S.C. 1078(c)(10)) is amended—

(1) in subparagraph (C), by inserting ", as appropriate," after "the Secretary shall require";

(2) in subparagraph (D)—

(A) by inserting the clause designation "(i)" before "Each";

(B) by striking "Each" and inserting "If the Secretary is not seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a";

(C) by adding at the end the following new clause:

"(ii) If the Secretary is seeking to terminate the guaranty agency's agreement under subparagraph (E), or assuming the guaranty agency's functions under subparagraph (F), a management plan described in subparagraph (C) shall include the means by which the Secretary and the guaranty agency shall work together to ensure the orderly termination of the operations, and liquidation of the assets, of the guaranty agency.";

(3) in subparagraph (E)—

(A) in clause (ii), by striking "or" after the semicolon;

(B) in clause (iii), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new clauses:

"(iv) the Secretary determines that such action is necessary to protect the Federal fiscal interest;

"(v) the Secretary determines that such action is necessary to ensure the continued availability of loans to student or parent borrowers; or

"(vi) the Secretary determines that such action is necessary to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title.";

(4) in subparagraph (F)—

(A) in the matter preceding clause (i), by striking "Except as provided in subparagraph (G), if" and inserting "If";

(B) by amending clause (v) to read as follows:

"(v) provide the guaranty agency with additional advance funds in accordance with section 422(c)(7), with such restrictions on the use of such funds as is determined appropriate by the Secretary, in order to—

"(I) meet the immediate cash needs of the guaranty agency;

"(II) ensure the uninterrupted payment of claims; or

"(III) ensure that the guaranty agency will make loans as the lender-of-last-resort, in accordance with subsection (j)(4);";

(C) in clause (vi)—

(i) by striking "and to avoid" and inserting ", to avoid";

(ii) by striking the period and inserting a comma and "and to ensure an orderly transition from the loan programs under this part to the direct student loan programs under part D of this title."; and

(iii) by redesignating such clause as clause (vii); and

(D) by inserting after clause (v) the following new clause:

"(vi) use all funds and assets of the guaranty agency to assist in the activities undertaken in accordance with this subparagraph and take appropriate action to require the return, to the guaranty agency or the Secretary, of any funds or assets provided by the guaranty agency, under contract or otherwise, to any person or organization; or";

(5) by striking subparagraph (G);

(6) by redesignating subparagraphs (H), (I), and (J) as subparagraphs (I), (J), and (K), respectively;

(7) by inserting after subparagraph (F) the following new subparagraphs:

"(G) Notwithstanding any other provision of law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement under subparagraph (E), or has assumed a guaranty agency's functions under subparagraph (F)—

"(i) such guaranty agency may not file for bankruptcy;

"(ii) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(iii) any contract with respect to the administration of a guaranty agency's reserve funds, or the administration of any assets purchased or acquired with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of this subparagraph shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iv) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency;

"(H) Notwithstanding any other provision of law, the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding student loan guarantees under this part), the functions of which the Secretary has assumed, shall not exceed the fair market value of the reserves of the guaranty agency, minus any necessary liquidation or other administrative costs.";

(8) in subparagraph (K) (as redesignated by paragraph (5)), by striking all beginning with "system, together" through the period and inserting "system and the progress of the transition from the loan programs under this part to the direct student loan programs under part D of this title.".

SEC. 12045. CONSOLIDATION LOANS.

(a) AMENDMENT.—Section 428C of the Act (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(A), by striking all beginning with "(A)" through the period at the end of clause (ii) and inserting "(A) For the purpose of this section, the term 'eligible borrower' means a borrower who, at the time of application for a consolidation loan is in repayment status, or in a grace period preceding repayment, or is a delinquent or defaulted borrower who will reenter repayment through loan consolidation.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A)(ii), by inserting "with income-sensitive repayment terms" after "obtain a consolidation loan";

(ii) by redesignating subparagraph (E) as subparagraph (F); and

(iii) by inserting after subparagraph (D) the following new subparagraph:

"(E) that the lender shall offer an income-sensitive repayment schedule, established by the lender in accordance with the regulations promulgated by the Secretary, to the borrower of any consolidation loan made by the lender on or after July 1, 1994; and";

(B) in paragraph (4), by amending subparagraph (C) to read as follows:

"(C)(i) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid in accordance with clause (ii), during any period for which the borrower would be eligible for a deferral under section 428(b)(1)(M), and that any such period shall not be included in determining the repayment schedule pursuant to subsection (c)(2) of this section; and

"(ii) provides that interest shall accrue and be paid—

"(I) by the Secretary, in the case of a consolidation loan that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; or

"(II) by the borrower, or capitalized, in the case of a consolidation loan other than a loan described in subclause (I);"; and

(C) by adding at the end the following new paragraph:

"(5) DIRECT LOANS.—In the event that a borrower is unable to obtain a consolidation loan from a lender with an agreement under subsection (a)(1), the Secretary shall offer any such borrower who applies for it, a direct consolidation loan to be repaid pursuant to income contingent repayment under part D of this title or pursuant to any other repayment provision under this section, except that the Secretary shall not offer such loans if, in the Secretary's judgment, the Department of Education does not have the necessary origination and servicing arrangements in place for such loans."; and

(3) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking "income sensitive repayment schedules. Such repayment terms" and inserting "income sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary. Except as required by such income sensitive repayment schedules, or by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5), such repayment terms";

(II) by redesignating clauses (i), (ii), (iii), (iv), and (v) as clauses (ii), (iii), (iv), (v), and (vi), respectively; and

(III) by inserting before clause (ii) (as redesignated by subclause (II)) the following new clause:

"(i) is less than $7,500, then such consolidation loan shall be repaid in not more than 10 years;";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraph (C) as subparagraph (B); and

(B) in paragraph (3)(A), by inserting "except as required by the terms of repayment pursuant to income contingent repayment offered by the Secretary under subsection (b)(5)," before "the lender".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective for loans made on or after July 1, 1994.

SEC. 12046. CONSOLIDATION OF PROGRAMS.

(a) IN GENERAL.—Section 428H of the Act (20 U.S.C. 1078-9) is amended—

(1) in the matter preceding paragraph (1) of subsection (b), by inserting "(including graduate and professional students as defined in regulations promulgated by the Secretary)" after "484";

(2) in subsection (d), by inserting ", except that—

"(1) the maximum annual amount of loans under this section an independent student (or a student whose parents are unable to borrow under the Federal Direct PLUS Loan Program) may borrow in any academic year or its equivalent or in any period of 7 consecutive months, whichever is longer, shall be as follows:

"(A) In the case of such a student attending an eligible institution who has not completed such student's first 2 years of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $4,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $2,500, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,500, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(B) In the case of such a student attending an eligible institution who has completed the first 2 years of undergraduate study but who has not completed the remainder of a program of undergraduate study, the amount determined in accordance with section 428(b)(1), plus—

"(i) $5,000, if such student is enrolled in a program whose length is at least one academic year in length (as determined under section 481);

"(ii) $3,325, if such student is enrolled in a program whose length is less than one academic year, but at least ⅔ of such an academic year; and

"(iii) $1,675, if such student is enrolled in a program whose length is less than ⅔, but at least ⅓, of such an academic year.

"(C) In the case of such a student who is a graduate or professional student attending an eligible institution, the amount determined in accordance with section 428(b)(1), plus $10,000; and

"(2) the maximum aggregate amount of such loans such student may borrow shall be adjusted to reflect the increased annual limits described in paragraph (1)" before the period;

(3) in subsection (e), by adding at the end the following new paragraphs:

"(5) AMORTIZATION.—The amount of the periodic payment and the repayment schedule for any loan made pursuant to this section shall be established by assuming an interest rate equal to the applicable rate of interest at the time the repayment of the principal amount of the loan commences. At the option of the lender, the note or other written evidence of the loan may require that—

"(A) the amount of the periodic payment will be adjusted annually; or

"(B) the period of repayment of principal will be lengthened or shortened,

in order to reflect adjustments in interest rates occurring as a consequence of section 427A(c)(4).

"(6) REPAYMENT PERIOD.—For purposes of calculating the 10-year repayment period under section 428(b)(1)(D), such period shall commence at the time the first payment of principal is due from the borrower."; and

(4) by adding at the end the following new subsection:

"(h) REFINANCING.—

"(1) REFINANCING TO SECURE COMBINED PAYMENT.—An eligible lender may at any time consolidate loans held by such lender which are made under this section to a borrower, including loans which were made under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986, under a single repayment schedule which provides for a single principal payment and a single payment of interest, and shall calculate the repayment period for each included loan from the date of the commencement of repayment of the most recent included loan. Unless the consolidated loan is obtained by a borrower who is electing to obtain variable interest under paragraph (2) or (3), such consolidated loan shall bear interest at the weighted average of the rates of all included loans rounded to the nearest whole percent. The extension of any repayment period of an included loan pursuant to this paragraph shall be reported (if required by such loan) to the Secretary or guaranty agency insuring the loan, as the case may be, but no additional insurance premiums shall be payable with respect to any such extension. The extension of the repayment period of any included loan shall not require the formal extension of the promissory note evidencing the included loan or the execution of a new promissory note, but shall be treated as an administrative forbearance of the repayment terms of the included loan.

"(2) REFINANCING TO SECURE VARIABLE INTEREST RATE.—An eligible lender may reissue a loan which was made under this section before July 1, 1987, or under sections 428A and 428B as such sections were in effect prior to the date of enactment of the Higher Education Amendments of 1986 in order to permit the borrower to obtain the interest rate provided under section 427A(c)(4). A lender offering to reissue a loan or loans for such purpose may charge a borrower an amount not to exceed $100 to cover the administrative costs of reissuing such loan or loans, not more than one-half of which shall be paid to the guarantor of the loan being reissued to recover costs of reissuance. Reissuance of a loan under this paragraph shall not affect any insurance applicable with respect to the loan, and no additional insurance fee may be charged to the borrower with respect to the loan.

"(3) REFINANCING BY DISCHARGE OF PREVIOUS LOAN.—A borrower who has applied to an original lender for reissuance of a loan under paragraph (2) and who is denied such reissuance may obtain a loan from another lender for the purpose of discharging the loan from such original lender. A loan made for such purpose—

"(A) shall bear interest at the applicable rate of interest provided under section 427A(c)(4);

"(B) shall not result in the extension of the duration of the note (other than as permitted under subsection (e)(5)(B));

"(C) may be subject to an additional insurance fee but shall not be subject to the administrative cost charge permitted by paragraph (2) of this subsection; and

"(D) shall be applied to discharge the borrower from any remaining obligation to the original lender with respect to the original loan.

"(4) CERTIFICATION IN LIEU OF PROMISSORY NOTE PRESENTATION.—Each new lender may accept certification from the original lender of the borrower's original loan in lieu of presentation of the original promissory note.

"(5) NOTIFICATION TO BORROWERS OF AVAILABILITY OF REFINANCING OPTIONS.—Each holder of a loan made under this section or under section 428B as in effect prior to the date of enactment of this Act shall, not later than October 1, 1993, in the case of loans made before the date of enactment of this paragraph, notify the borrower of such loan—

"(A) of the refinancing options for which the borrower is eligible under this subsection;

"(B) of those options which will be made available by the holder and of the practical consequences of such options in terms of interest rates and monthly and total payments for a set of loan examples; and

"(C) that, with respect to any option that the holder will not make available, the holder will, to the extent practicable, refer the borrower to an eligible lender offering such option.".

(b) REPEAL.—

(1) REPEALER.—Section 428A of the Act is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on July 1, 1994.

(c) TERMS, CONDITIONS AND BENEFITS.—Notwithstanding the amendments made by this section, with respect to loans provided under sections 428A and 428H of the Higher Education Act of 1965 (as such sections existed

on the date preceding the date of enactment of this Act) the terms, conditions and benefits applicable to such loans under such sections shall continue to apply to such loans after the date of enactment of this Act.

SEC. 12047. ORIGINATION FEE; INSURANCE PREMIUM.

Section 428H of the Act (20 U.S.C. 1078-8) is amended—

(1) in subsection (f)—

(A) in the subsection heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(B) in the heading of paragraph (1), by striking "/INSURANCE PREMIUM";

(C) in paragraph (1)—

(i) by striking "a combined origination fee and insurance premium in the amount of 6.5 percent" and inserting "an origination fee in the amount of 3.0 percent"; and

(ii) by striking the second sentence;

(D) in paragraph (2), by striking "combined fee and premium" and inserting "origination fee";

(E) in paragraph (3), by striking "combined origination fee and insurance premium" and inserting "origination fee";

(F) in paragraph (4)—

(i) in the heading, by striking "INSURANCE PREMIUM" and inserting "ORIGINATION FEE";

(ii) by striking "combined origination fee and insurance premiums" and inserting "origination fees"; and

(iii) by striking "and premiums to pay" and inserting "to pay"; and

(G) in paragraph (5)—

(i) in the heading, by inserting "ORIGINATION FEE AND" before "INSURANCE"; and

(ii) in the second sentence—

(I) by striking "6.5 percent insurance premium" and inserting "combined origination fee under this subsection and the insurance premium under subsection (h)"; and

(II) by inserting "origination fee and" before "insurance"; and

(2) by adding at the end the following new subsection:

"(h) INSURANCE PREMIUM.—Each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) may charge a borrower under this section an insurance premium equal to not more than 1 percent of the principal amount of the loan, if such premium will not be used for incentive payments to lenders."

SEC. 12048. DISBURSEMENTS FOR FIRST YEAR STUDENTS.

Section 428(G) of the Act (20 U.S.C. 1078-7) is amended—

(1) in the heading for subsection (b), by striking "AND ENDORSEMENT"; and

(2) in subsection (b)—

(A) by striking paragraph (1);

(B) in paragraph (2)—

(i) by striking "other than a student described in paragraph (1)"; and

(ii) by striking "(2) OTHER STUDENTS.—".

CHAPTER 4—COST SHARING BY STATES

SEC. 12061. COST SHARING BY STATES.

(a) AMENDMENT.—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended by adding at the end the following new subsection:

"(n) STATE SHARE OF DEFAULT COSTS.—

"(1) IN GENERAL.—In the case of any State in which there are located any institutions of higher education with cohort default rates that exceed 20 percent, such State shall pay to the Secretary an amount equal to—

"(A) the new loan volume attributable to all institutions in the State for the current fiscal year; multiplied by

"(B) the percentage specified in paragraph (2); multiplied by

"(C) the quotient of—

"(i) the sum of the amounts calculated under paragraph (3) for each such institution in the State; divided by

"(ii) the total amount of loan volume attributable to current and former students of institutions located in that State entering repayment in the period used to calculate the cohort default rate.

"(2) PERCENTAGE.—For purposes of paragraph (1)(B), the percentage used shall be—

"(A) 12.5 percent for fiscal year 1995;

"(B) 20 percent for fiscal year 1996; and

"(C) 50 percent for fiscal year 1997 and succeeding fiscal years.

"(3) CALCULATION.—For purposes of paragraph (1)(C)(i), the amount shall be determined by calculating for each institution the amount by which—

"(A) the amount of the loans received for attendance by such institution's current and former students who (i) enter repayment during the fiscal year used for the calculation of the cohort default rate, and (ii) default before the end of the following fiscal year; exceeds

"(B) 20 percent of the loans received for attendance by all the current and former students who enter repayment during the fiscal year used for the calculation of the cohort default rate.

"(4) FEE.—A State may charge a fee to an institution of higher education that participates in the program under this part and is located in that State according to a fee structure, approved by the Secretary, that is based on the institution's cohort default rate and the State's risk of loss under this subsection. Such fee structure shall include a process by which an institution with a high cohort default rate is exempt from any fees under this paragraph if such institution demonstrates to the satisfaction of the State that exceptional mitigating circumstances, as determined by the State and approved by the Secretary, contributed to its cohort default rate.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1994.

CHAPTER 5—GENERAL EFFECTIVE DATE

SEC. 12071. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall be effective on October 1, 1993.

Subtitle B—Public Health Service Act Provisions

SEC. 12101. DELAY IN COST-OF-LIVING ADJUSTMENTS IN FEDERAL EMPLOYEE RETIREMENT BENEFITS DURING FISCAL YEARS 1994, 1995, AND 1996.

(a) APPLICABILITY.—

(1) IN GENERAL.—This section shall apply with respect to any cost-of-living increase for any person described under paragraph (2) scheduled to take effect, during fiscal year 1994, 1995, or 1996, under section 8340(b) or 8462(b) of title 5, United States Code.

(2) ANNUITANTS.—The provisions of paragraph (1) shall apply to any annuitant who on the date preceding the date of retirement was a member of the National Health Service Corps.

(b) DELAY IN EFFECTIVE DATE OF ADJUSTMENTS.—A cost-of-living increase described in subsection (a) shall not take effect until the first day of the third calendar month after the date such increase would otherwise take effect.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to affect any determination relating to eligibility for an annuity increase or the amount of the first increase in an annuity under section 8340(b) or (c) or section 8462 (b) or (c) of title 5, United States Code, or comparable provisions of law.

SEC. 12102. PERMANENT ELIMINATION OF THE ALTERNATIVE-FORM-OF-ANNUITY OPTION EXCEPT FOR INDIVIDUALS WITH A CRITICAL MEDICAL CONDITION.

(a) CIVIL SERVICE RETIREMENT SYSTEM; FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—A member of the National Health Service Corps who is covered under chapter 83 or 84 of title 5, United States Code, and has a life-threatening affliction or other critical medical condition may elect annuity benefits under section 8343a or 8420a of title 5, United States Code, as the case may be.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1995, and shall apply with respect to any annuity commencing on or after that date.

TITLE XIII—VETERANS' PROGRAMS

SEC. 13001. PERMANENT EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Section 5503(f) of title 38, United States Code, is amended by striking out paragraph (7).

SEC. 13002. POLICY REGARDING COST-OF-LIVING ADJUSTMENT IN COMPENSATION RATES.

The fiscal year 1994 cost-of-living adjustments in the rates of and limitations for compensation payable under chapter 11 of title 38, United States Code, and of dependency and indemnity compensation payable under chapter 13 of such title will be no more than a percentage equal to the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1993, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)), with all increased monthly rates and limitations (other than increased rates or limitations equal to a whole dollar amount) rounded down to the next lower dollar. The effective date of such adjustments shall not be earlier than December 4, 1993.

SEC. 13003. REDUCTION IN BASIC PAY AND INCENTIVES OF MONTGOMERY GI BILL PARTICIPANTS.

(a) ACTIVE DUTY.—Section 3011(b) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such

fiscal year under section 3015(g)(3) of this title.".

(b) SELECTED RESERVE.—Section 3012(c) of such title is amended—

(1) by inserting "(1)" after "(c)";

(2) by designating the second sentence as paragraph (2); and

(3) in paragraph (1), as so designated, by striking out "shall be reduced by" and all that follows through the period and inserting in lieu thereof "shall be reduced by—

"(A) in the case of an individual who first enters on active duty before October 1, 1993, $100 for each of the first 12 months that such individual is entitled to such pay;

"(B) in the case of an individual who first enters on active duty during the fiscal year beginning on October 1, 1993, $137 for each of the first 12 months that such individual is entitled to such pay; and

"(C) in the case of an individual who first enters on active duty during any fiscal year beginning after September 30, 1994, an amount for each of the first 12 months that such individual is entitled to such pay that is equal to the amount of the monthly pay reduction of an individual under this paragraph during the previous fiscal year increased by the same percentage, if any, as the percentage by which monthly rates of educational assistance are increased for such fiscal year under section 3015(g)(3) of this title.".

(c) ENROLLMENT BEFORE INVOLUNTARY SEPARATION.—Section 3018A(b) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(5) shall be considered the date that the individual first enters on active duty.".

(d) ENROLLMENT BY VOLUNTARY SEPARATION INCENTIVE RECIPIENTS.—Section 3018B(b)(1) of such title is amended by striking out "$1,200" and inserting in lieu thereof "an amount equal to 12 times the amount of the monthly pay reduction determined for the individual in accordance with section 3011(b)(1) or section 3012(c)(1) of this title. For the purposes of such determination, the date of the individual's election to receive assistance under subsection (a)(1)(E) shall be considered the date that the individual first enters on active duty.".

SEC. 13004. PERMANENT EXTENSION OF PROCEDURES APPLICABLE TO LIQUIDATION SALES UPON DEFAULT OF HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

(a) INCLUSION OF RESALE LOSSES IN NET-VALUE CALCULATION.—Paragraph (1)(C) of section 3732(c) of title 38, United States Code, is amended by inserting "(including losses sustained on the resale of the property)" after "resale".

(b) PERMANENT EXTENSION OF AUTHORITY.—Paragraph (11) of such section is repealed.

SEC. 13005. INCREASE IN CERTAIN LOAN FEES.

(a) FEE INCREASE.—Paragraph (2) of section 3729(a) of title 38, United States Code, is amended—

(1) in the matter above subparagraph (A), by striking out "1.25 percent" and inserting in lieu thereof "2 percent";

(2) in subparagraph (A), by striking out "one percent" and inserting in lieu thereof "1 percent";

(3) in subparagraph (B), by striking out "0.75 percent" and inserting in lieu thereof "1.50 percent";

(4) in subparagraph (C), by striking out "0.50 percent" and inserting in lieu thereof "1.25 percent"; and

(5) in subparagraph (D)—

(i) by striking out "two percent" in clause (i) and inserting in lieu thereof "2.75 percent";

(ii) by striking out "one percent" in clause (ii) and inserting in lieu thereof "1 percent";

(iii) by striking out "1.50 percent" in clause (iii)(I) and inserting in lieu thereof "2.25 percent"; and

(iv) by striking out "1.25 percent" in clause (iii)(II) and inserting in lieu thereof "2 percent".

(b) FEE FOR MANUFACTURED HOMES.—Such paragraph is further amended—

(1) in subparagraph (A), by striking out "or for any purpose specified in section 3712 of this title (other than section 3712(a)(1)(F))";

(2) by striking out "and" at the end of subparagraph (D);

(3) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(4) by adding at the end the following:

"(F) in the case of a loan made for any purpose specified in section 3712 of this title (other than subsection (a)(1)(F) of such section), the amount of such fee shall be one percent of the total loan amount.".

(c) REPEAL OF TEMPORARY INCREASE IN FEES.—Such section is further amended—

(1) in paragraph (2), by striking out "Except as provided in paragraph (6) of this subsection, the" in the matter above subparagraph (A) and inserting in lieu thereof "The"; and

(2) by striking out paragraph (6).

SEC. 13006. PERMANENT EXTENSION OF MEDICAL CARE COST RECOVERY AUTHORITY.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking out "before August 1, 1994,".

SEC. 13007. PERMANENT EXTENSION OF REQUIREMENT THAT CERTAIN VETERANS MAKE COPAYMENTS FOR HEALTH-CARE SERVICES.

(a) MEDICATION COPAYMENT REQUIREMENT.—Section 1722A of title 38, United States Code, is amended by striking out subsection (c).

(b) HEALTH-CARE CATEGORIES AND COPAYMENTS.—Section 8013 of the Omnibus Budget Reconciliation Act of 1990 (38 U.S.C. 1710 note) is amended by striking out subsection (e).

SEC. 13008. PERMANENT AUTHORITY TO VERIFY INCOME ELIGIBILITY FOR NEED-BASED BENEFITS.

(a) AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO OBTAIN INFORMATION.—Section 5317 of title 38, United States Code, is amended by striking out subsection (g).

(b) AUTHORITY FOR SECRETARY OF TREASURY TO PROVIDE INFORMATION.—Section 6103(*l*)(7)(D) of the Internal Revenue Code of 1986 is amended by striking out the last sentence.

TITLE XIV—BUDGET PROCESS REFORM

SEC. 14001. SHORT TITLE.

This title may be cited as the "Budget Enforcement and Spending Control Act of 1993".

Subtitle A—Congressional Budget Process and Gramm-Rudman

SEC. 14101. IMPOSITION OF A MAXIMUM DEFICIT AMOUNT AND DISCRETIONARY SPENDING LIMITS EXTENDED THROUGH FISCAL YEAR 1998.

(a) MAXIMUM DEFICIT AMOUNTS.—

(1) AMOUNTS.—Section 601(a)(1) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994, $336,100,000,000;

"(E) with respect to fiscal year 1995, $332,600,000,000;

"(F) with respect to fiscal year 1996, $313,000,000,000;

"(G) with respect to fiscal year 1997, $292,500,000,000; and

"(H) with respect to fiscal year 1998, $288,100,000,000.".

(2) 60 VOTE POINT OF ORDER.—Section 904 of the Congressional Budget Act of 1974 is amended—

(A) in the second sentence of subsection (c) by striking "and 606(c)" and inserting "605(b), and 606(c)"; and

(B) in the third sentence of subsection (d) by striking "and 606(c)" and inserting "605(b), and 606(c)".

(b) DISCRETIONARY SPENDING.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (D) and (E) and inserting the following:

"(D) with respect to fiscal year 1994—

"(i) for the defense category: $264,051,000,000 in new budget authority and $279,262,000,000 in outlays;

"(ii) for the international category: $21,311,000,000 in new budget authority and $21,406,000,000 in outlays; and

"(iii) for the domestic category: $209,071,000,000 in new budget authority and $238,212,000,000 in outlays;

"(E) with respect to fiscal year 1995—

"(i) for the defense category: $262,624,000,000 in new budget authority and $272,744,000,000 in outlays;

"(ii) for the international category: $21,287,000,000 in new budget authority and $21,167,000,000 in outlays; and

"(iii) for the domestic category: $208,880,000,000 in new budget authority and $239,980,000,000 in outlays;

"(F) with respect to fiscal year 1996—

"(i) for the defense category: $254,139,000,000 in new budget authority and $265,742,000,000 in outlays;

"(ii) for the international category: $21,270,000,000 in new budget authority and $21,053,000,000 in outlays; and

"(iii) for the domestic category: $216,212,000,000 in new budget authority and $239,823,000,000 in outlays;

"(G) with respect to fiscal year 1997—

"(i) for the defense category: $248,490,000,000 in new budget authority and $249,705,000,000 in outlays;

"(ii) for the international category: $21,263,000,000 in new budget authority and $21,088,000,000 in outlays; and

"(iii) for the domestic category: $219,633,000,000 in new budget authority and $239,925,000,000 in outlays; and

"(H) with respect to fiscal year 1998—

"(i) for the defense category: $254,260,000,000 in new budget authority and $253,173,000,000 in outlays;

"(ii) for the international category: $21,090,000,000 in new budget authority and $20,854,000,000 in outlays; and

"(iii) for the domestic category: $216,722,000,000 in new budget authority and $240,498,000,000 in outlays.".

(c) EXTENSION THROUGH FISCAL YEAR 1998.—

(1) POINT OF ORDER.—Section 601(b)(1) of the Congressional Budget Act of 1974 is amended by striking "or 1995" and inserting "1995, 1996, 1997, and 1998".

(2) SECTION 602(c) AND (d).—Subsections (c) and (d) of section 602 of the Congressional Budget Act of 1974 are amended by striking "1995" and inserting "1998".

(3) BUDGET RESOLUTIONS.—Section 606(a) of the Congressional Budget Act of 1974 is

amended by striking "and 1995" and inserting "1995, 1996, 1997, and 1998".

(4) SCORING OF EMERGENCIES.—Section 606(d)(2) of the Congressional Budget Act of 1974 is amended by striking "251(b)(2)(C), 251(b)(2)(D), and 252(e)" and inserting "and 251(b)(2)(C)".

(5) EFFECTIVE DATE FOR TITLE.—Section 607 of the Congressional Budget Act of 1974 is amended by striking "1995" and inserting "1998".

SEC. 14102. ENFORCEMENT OF LIMITS.

(a) DEFINITIONS.—

(1) CATEGORY.—Paragraph (4) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(4) The term 'category' means for fiscal years 1991 through 1998 any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the 3 categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.".

(2) BUDGET RESOURCES.—Paragraph (6) of section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

"(6) The term 'budgetary resources' means new budget authority; unobligated balances; direct spending authority; and obligation limitations.".

(3) OUT YEAR.—Section 250(c)(14) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking beginning with "fiscal years" through the period and inserting "4 fiscal years that follow the budget year.".

(b) ENFORCING DISCRETIONARY SPENDING LIMITS.—

(1) COVERAGE.—Section 251(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) by striking the caption and inserting "FISCAL YEARS 1993–1998 ENFORCEMENT.—"; and

(B) striking "252" and inserting "252, section 252A,".

(2) ADJUSTMENTS.—Subsection (b) of section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in paragraph (1) in the matter before subparagraph (A)—

(i) by striking "budget year 1992, 1993, 1994, or 1995" and inserting "each budget year for fiscal years 1993 through 1998"; and

(ii) by striking "outyear through 1995" and inserting "outyear through 1998"; and

(B) by amending paragraph (2)(D) to read as follows:

"(D) If, for any fiscal year 1994 through 1998, appropriations for discretionary accounts are enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements and the outlays flowing in all years from such appropriations.".

(c) PAY-AS-YOU-GO.—

(1) IN GENERAL.—Section 252(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended in the caption by striking "1995" and inserting "2003".

(2) SEQUESTRATION.—Section 252(b) of such Act is amended—

(A) by striking "and the prior fiscal year";

(B) in the matter before paragraph (1) by striking "251" and inserting "251, section 252A,"; and

(C) in paragraph (2) by striking "or section 253".

(3) OMB ESTIMATES.—Section 252(d) of such Act is amended by striking "1995" each place it appears and inserting "2003".

(4) EMERGENCY LEGISLATION.—Section 252(e) of such Act is amended by—

(A) striking ", for fiscal year 1991, 1992, 1993, 1994, or 1995,"; and

(B) striking "through 1995" and inserting "through 2003".

(5) LOOK-BACK.—Section 252 of such Act is amended by adding at the end thereof the following:

"(f) LOOK-BACK.—If legislation is enacted providing direct spending or receipts that cause a net deficit increase for the current year that was not included in the final sequester report for that year, the deficit increase shall be included in the next fiscal year.".

(d) ENFORCING MANDATORY SPENDING LIMITS.—

(1) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(A) in paragraph (3) by inserting after "may be" the following: ", or, for any fiscal year, the amount (if any) by which outlays for that year (for mandatory spending) exceed the mandatory spending limit for that year"; and

(B) by adding at the end thereof the following:

"(22) The term 'mandatory spending' means direct spending excluding Social Security, net interest, and deposit insurance.".

(2) ENFORCEMENT.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 252 the following new section:

"SEC. 252A. ENFORCING MANDATORY SPENDING LIMITS.

"(a) DETERMINING MANDATORY SPENDING LIMITS.—

"(1) IN GENERAL.—When the President submits a budget for 1996 pursuant to section 1105(a) of title 31, United States Code, OMB shall determine the limits on mandatory spending for fiscal years 1996 through 2003 in accordance with this subsection.

"(2) MANDATORY SPENDING LIMITS.—For each fiscal year, the mandatory spending limit shall equal the sum of—

"(A) the baseline levels in such fiscal year for mandatory accounts providing benefits that are not projected to grow faster than allowable growth in such fiscal year;

"(B) the allowable growth level in such fiscal year for mandatory accounts providing benefits that are projected to grow faster than allowable growth in such fiscal year; and

"(C) the baseline levels in such fiscal year for mandatory spending accounts not providing benefits to individuals.

"(3) ALLOWABLE GROWTH.—

"(A) IN GENERAL.—For each mandatory spending account that provides benefits to individuals (including programs that provide matching funds to States that provide benefits to individuals), the allowable growth level for fiscal year 1996 and each fiscal year thereafter shall be the baseline amount for the prior fiscal year multiplied by 1 plus the sum of the following percentages:

"(i) inflation;

"(ii) the percentage change in the number of beneficiaries from the prior year; plus

"(iii)(I) 1 percent for fiscal year 1996;

"(II) 1 percent for fiscal year 1997; and

"(III) 0 percent for fiscal year 1998 and each fiscal year thereafter.

"(B) BASELINE.—Under subparagraph (A)—

"(i) for fiscal year 1996, the baseline shall be the baseline for fiscal year 1995; and

"(ii) for fiscal years after 1996, the baseline shall be the lower of the baseline for the previous fiscal year or the allowable growth level for the previous fiscal year.

"(b) FISCAL YEARS 1996–2003 ENFORCEMENT.—

"(1) SEQUESTRATION.—Within 15 calendar days after Congress adjourns to end a session and on the same day as a sequestration (if any) under sections 251, 252, and 253, there shall be a sequestration to eliminate a budget-year breach, if any, of the mandatory spending limit.

"(2) DETERMINING A BREACH.—

"(A) NECESSARY SAVINGS.—When the President submits the budget for a fiscal year under section 1105(a) of title 31, United States Code, OMB shall calculate—

"(i) the mandatory spending baseline for the fiscal year and compare the baseline to the mandatory spending limit as adjusted pursuant to subsection (c) to determine the savings in mandatory spending necessary to avoid a sequester; and

"(ii) for each mandatory spending account, the amount, if any, by which such amounts exceed allowable growth using the same formula applied under subsection (b)(3).

"(B) REDUCTIONS IN LEGISLATION.—The Office of Management and Budget shall sum the estimates of changes in mandatory spending (as provided by paragraph (5)) in the fiscal year caused by mandatory spending legislation enacted during the session of Congress and compare that amount to the necessary savings in mandatory spending required by subparagraph (A). Legislative provisions that increase or decrease mandatory spending due to increases or decreases in payments from one account in the government to another shall not be counted in estimating a breach.

"(3) ELIMINATING A BREACH OF THE MANDATORY SPENDING LIMIT.—

"(A) IN GENERAL.—The amount required to be sequestered in a fiscal year under paragraph (2) shall be obtained by—

"(i) first reducing mandatory spending accounts estimated by OMB to be growing faster than allowable growth in that year by a uniform percentage, except that no such account shall be reduced below the level equal to the allowable growth level for each such account; and

"(ii) if additional reductions are necessary, by reducing all mandatory spending accounts, including accounts reduced pursuant to subsection (i), a uniform percentage.

"(B) EXEMPTIONS.—The following accounts and activities shall be exempted from sequestration under this section:

"(i) Prior legal obligations.

"(ii) Payments from one direct spending account to another.

"(iii) Offsetting receipts.

"(4) LOOK-BACK.—If legislation is enacted providing mandatory spending that causes a breach for the current year that was not included in the final sequester report for that year, the mandatory spending limit for the next fiscal year shall be reduced by the amount of that breach.

"(5) OMB ESTIMATES.—

"(A) IN GENERAL.—As soon as practicable after Congress completes action on any mandatory spending legislation enacted after OMB determines the original limits in mandatory spending pursuant to subsection (a),

after consultation with the Committees on the Budget of the House of Representatives and the Senate, CBO shall provide OMB with an estimate of the amount of change in outlays and the number of beneficiaries in each fiscal year through fiscal year 2003 resulting from that legislation. Within 5 calendar days after the enactment of any mandatory spending legislation enacted after OMB determines the original limits on mandatory spending pursuant to subsection (a), enactment of this section, OMB shall transmit a report to the House of Representatives and to the Senate containing such CBO estimate of that legislation, an OMB estimate of the amount of change in outlays and the number of beneficiaries (pursuant to subsection (c)(1)(B)) in each fiscal year through fiscal year 2003 resulting from that legislation, and an explanation of any difference between the two estimates. Those OMB estimates shall be made using current economic and technical assumptions.

"(B) SCOREKEEPING.—The Office of Management and Budget and the Congressional Budget Office shall prepare estimates under this subsection in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, the Congressional Budget Office, and the Office of Management and Budget.

"(c) ADJUSTMENTS TO MANDATORY SPENDING LIMITS.—

"(1) IN GENERAL.—When the President submits the budget under section 1105(a) of title 31, United States Code, for budget years 1997 through 2003, OMB shall calculate and the budget shall include, adjustments to mandatory spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear through 2003 to reflect the following:

"(A) CHANGES IN CONCEPTS AND DEFINITIONS.—After consultation with the House and Senate Committees on the Budget, any changes in concepts and definitions shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions minus those levels using the concepts and definitions in effect before such changes.

"(B) CHANGES IN BENEFICIARIES.—The adjustment produced by changes in beneficiaries shall equal the sum of the following calculation for each account providing benefits to individuals:

"(i) the current assumption of the number of beneficiaries for each fiscal year (budget year and outyears) minus the assumed number of beneficiaries from the most recent prior adjustment for that fiscal year, multiplied by

"(ii) the per capita spending amount for that fiscal year as determined by OMB at the time the original mandatory spending limits were determined, and assuming that each account was limited to the allowable growth level used in calculating the mandatory spending limit for that fiscal year.

Adjustments under this subparagraph shall exclude any changes in beneficiaries due to the enactment of legislation after the determination and submission of the original mandatory spending limits pursuant to subsection (a).

"(C) CHANGES IN INFLATION.—The adjustment produced by changes in inflation shall equal—

"(i) the current assumption of inflation for each fiscal year (budget year and outyears) minus the inflation rate assumed for that fiscal year from the most recent prior adjustment, multiplied by

"(ii) the mandatory spending limit for that fiscal year, as adjusted in the President's budget from the prior year, plus the adjustment required pursuant to subparagraph (B). Inflation shall be measured by the average of the estimated gross domestic product implicit price deflator index for a fiscal year divided by the average index for the prior fiscal year.

"(2) ADJUSTMENTS FOR EMERGENCIES.—

"(A) IN GENERAL.—When OMB submits a sequestration report under section 254(g), OMB shall calculate, and the sequestration report, and subsequent budget submitted by the President under section 1105(a) of title 31, United States Code, shall include, adjustments to mandatory spending limits for emergency legislation as provided in subparagraph (B).

"(B) ADJUSTMENT.—If a provision of mandatory spending legislation is enacted that the President designates as emergency requirements and that the Congress so designates in statute, the adjustments shall be the total budget authority and outlays flowing from such legislation.".

(3) PRESIDENT'S BUDGET AND CONGRESSIONAL BUDGET RESOLUTION.—

(A) PRESIDENT'S BUDGET.—If the President submits the budget for a fiscal year 1996 through 2003 in which baseline mandatory spending exceeds the spending limit established in paragraph (2), the budget shall include specific proposals to reduce mandatory spending to comply with the mandatory cap without a sequester.

(B) CONGRESSIONAL BUDGET.—

(i) CONGRESSIONAL BUDGET.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"(j) MANDATORY SPENDING LIMIT.—It shall not be in order in the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on such a resolution) or a bill or resolution (or amendment, motion, or conference report on such bill or resolution), that provides for mandatory spending for any fiscal year 1996 through 2003, in excess of the limit established in section 252A of the Balanced Budget and Emergency Deficit Control Act of 1985.".

(ii) POINT OF ORDER.—The second sentence of section 904(c) of the Congressional Budget Act of 1974 is amended by inserting after "301(i)", the following "301(j)".

(4) SPECIAL RULE FOR FISCAL YEAR 1995 PAY-AS-YOU-GO AND MANDATORY CAP SCORECARD.—The scoring of mandatory spending and revenues in fiscal year 1996 and the application of sections 252 and 252A of the Balance Budget and Emergency Deficit Control Act of 1985, as added and amended by this Act shall be modified on the date of the President's budget submission for fiscal year 1996 as follows:

(1) Any changes in direct spending enacted after such date shall be scored only against the mandatory cap under section 252A.

(2) Any deficit in the pay-as-you-go spending scorecard for section 252 on such date shall be eliminated and the amount of such deficit shall be subtracted from the mandatory cap under section 252A.

(f) ENFORCING DEFICIT TARGETS.—

(1) MANDATORY CAP.—Section 253(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by—

(A) striking "and section 252" and inserting "252, and 252A";

(B) striking "or section 252" and inserting ", section 252, or section 252A"; and

(C) inserting after "pay-as-you-go)," the following: "or section 252A (enforcing mandatory spending caps),".

(2) EXCESS DEFICIT.—Section 253(b)(2) of such Act is amended by inserting after "section 252(e)" the following: "or under section 252A".

(3) ADJUSTMENTS.—Section 253 of such Act is amended—

(A) in subsection (b) by amending paragraph (3) to read as follows:

"(3) the deposit insurance reestimate for that year, if any, calculated under subsection (g).";

(B) in subsection (h) by striking "for fiscal year 1994 and fiscal year 1995" each time it appears and inserting "for fiscal years 1994 through 1998"; and

(C) by striking subsection (g) and redesignating subsection (h) as subsection (g).

(g) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (d)(2) by striking "through 1995" and inserting "through 1998";

(2) in subsection (d) by—

(A) redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) inserting after paragraph (3) the following:

"(4) MANDATORY SPENDING SEQUESTRATION REPORTS.—The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

"(A) The amount of reduction in mandatory spending, if any, required under subsection 252A.

"(B) A list identifying each law enacted and sequestration implemented after the date of enactment of this section included in the calculation of the amount of spending excess and specifying the budgetary effect of each such law.

"(C) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate the excess under section 252A.";

(3) in paragraph (2)(A) by striking "through 1995" and inserting "through 1998"; and

(4) in paragraph (3) by striking "through 1995" and inserting "through 2003".

(h) For the purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act, OMB shall not include the net deficit impact of this Act in its pay-as-you-go estimates and reports for fiscal years 1993 through 2003.

SEC. 14103. GENERAL EXTENSION THROUGH FISCAL YEAR 1998.

(a) IN GENERAL.—The provisions of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, the Budget Enforcement Act of 1990, and any other related statute, as modified by this title, are extended through fiscal year 1998 for purposes of enforcing the budget limits set forth in this title.

(b) GRAMM-RUDMAN.—Section 275(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "September 30, 1995" and inserting "September 30, 1998".

MITCHELL (AND BOXER) AMENDMENT NO. 507

Mr. MITCHELL (for himself, Mrs. BOXER, Mr. NICKLES, Mr. BENNETT, and Mr. FORD) proposed an amendment to the bill (S. 1134), supra, as follows:

On page 422, line 24, strike "$15,000" and insert "$20,500".

NICKELS (AND OTHERS) AMENDMENT NO. 508

Mr. NICKLES (for himself, Mr. SHELBY, Mr. GRASSLEY, Mr. KOHL, Mr. HELMS, Mr. BURNS, Mr. BOND, Mr. PRESSLER, Mr. D'AMATO, Mr. COVERDELL, Mr. CRAIG, Mrs. HUTCHISON, Mr. MURKOWSKI, Mr. GRAMM, and Mr. MCCAIN) proposed an amendment to the bill (S. 1134), supra, as follows:

Beginning on page 614, line 23, strike all through page 625, line 10.

On page 627, lines 2 and 3, strike ", and" and all that follows to the period.

On page 636, lines 17 and 18, strike ", and" and all that follows to the period.

GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993

ROTH AMENDMENT NO. 509

Mr. NICKLES (for Mr. ROTH) proposed an amendment to the bill (S. 20) to provide for the establishment, testing, and evaluation of strategic planning and performance measurement in the Federal Government, and for other purposes, as follows:

On page 8, strike out lines 15 through 21, and insert in lieu thereof the following:

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

On page 27, strike out lines 24 through lines 5 on page 28 and insert in lieu thereof the following:

No provision or amendment made by this Act may be construed as—

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for an executive session to consider S. 636, the Freedom of Access to Clinic Entrances Act of 1993; and the nominations of Maria Echeveste, to be Administrator of the Wage and Hour Division at the Department of Labor; Sharon Porter Robinson, to be Assistant Secretary for Educational Research and Improvement at the Department of Education; and Judith Winston, to be general counsel at the Department of Education, during the session of the Senate on Wednesday, June 23, at 9 a.m. in SD-430.

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

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Senate Armed Services Committee be authorized to meet on Wednesday, June 23, 1993, at 9:30 a.m. in open session to receive testimony on the Defense Conversion and Reinvestment Program in review of the Defense authorization request for fiscal year 1994 and Future Years Defense Program.

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 at 2 p.m. on Wednesday, June 23, 1993, in open session, to receive testimony on counterproliferation, weapons reduction, and the implementation of arms control treaties in review of the Defense authorization request for fiscal year 1994 and the Future Years Defense Program.

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

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 9:30 a.m. to mark up S. 1003, legislation extending fast-track authority to the Uruguay round.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, June 23, at 2:30 p.m., for a hearing on the nomination of Benjamin Erdreich, to be Chairman and member of the U.S. Merit Systems Protection Board.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 10 a.m. to hold a nomination hearing on Penn Kemble, to be Deputy Director of the U.S. Information Agency.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 2 p.m. to hold ambassadorial nomination hearings on Robert Hunter to be Ambassador to NATO and Raymond Flynn to be Ambassador to the Holy See.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. The Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on legislation concerning VA health care programs at 10 a.m. on Wednesday, June 23, 1993. The hearing will be held in room 418 of the Russell Senate Office Building.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on June 23, 1993, 1:30 p.m. on nominations of Albert J. Herberger to be Administrator of the Maritime Administration and Everett M. Ehrlich to be Under Secretary of Commerce for Economic Affairs.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 23, 1993, at 10 a.m. to hold a hearing on the Department of Commerce's first annual report on the international economic position of the United States, which will focus on current efforts to improve America's international trade position.

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

SUBCOMMITTEE ON TOXIC SUBSTANCES, RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I ask unanimous consent that the Subcommittee on Toxic Substances, Research and Development, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Wednesday, June 23, beginning at 9:30 a.m., to conduct a hearing on reauthorization of the Clean Water Act, focusing on State revolving fund, stormwater, and combined sewer overflow issues.

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

ADDITIONAL STATEMENTS

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1993

• Mr. DURENBERGER. Mr. President, I rise in support of H.R. 2118, the supplemental appropriations for fiscal year 1993. The bill combines the two House supplemental bills and reduces the pricetag to $1.9 billion versus $2.7 billion for the two House bills. Although there are a number of very legitimate funding requests in this bill, Mr. President, I'm particularly pleased that the legislation supplements pre-

viously approved appropriations for the current fiscal year for the Pell Grant Program and for summer youth jobs.

The legislation—as reported by the Appropriations Committee—includes $360 million to help cover what is now almost $2 billion in past shortfalls in the Pell program. Because of these past shortfalls, the average Pell grant awarded low-income students has actually declined over the past several years—during a time when Congress has approved significant increases in the authorized maximum Pell grants that may be awarded.

This additional funding must be considered only a downpayment on fulfilling the commitment we have made to this vital program and I look forward to working with the Appropriations Committee to continue pursuing this commitment in the normal appropriations cycle.

I should also note, Mr. President, that the House has appropriated less than half the $360 million the Senate Appropriations Committee has included in this legislation. Assuming the higher number remains in the bill now before us, I would hope that Senate conferees would vigorously defend the Senate position.

A second provision that is a high priority for me, Mr. President, is the additional $200 million which is appropriated for summer youth jobs. My own State is ready, willing, and able to offer additional young people meaningful work experiences that, in many cases are linked to career exploration, community service, and education programs in their local communities. I'm strongly committed to making sure it remains in this important piece of legislation.

In the best of all worlds, Mr. President, I would oppose supplemental appropriations—which are an indication that the Congress is unable to do its job during the normal appropriations process. However, because the bill's funding is either offset or within the current allocations, I will support the bill.

This does not mean that I would not want to see the bill improved. I was disappointed that the Appropriations Committee chose to strike the administration's request for additional SBA loan authority, which was included in the House bill.

Past experience has demonstrated the significant impact that expansion of small businesses has on job growth in this country. Because there is so obvious a shortfall in loans—as related to loan demand in my own State and others, as well—I intend to support Senator BUMPERS' amendment to provide $181 million to fund this program.

There are several other amendments being offered which would further cut the funding of this bill. At this time, several such amendments appear to be positive, and I will look forward to the debate on these issues.

I would also expect that we will see amendments offered during this debate that will provide additional nonemergency funding for worthwhile programs—shifting funds from unallocated sources in other programs or through shifts in overall priorities among and between different categories of spending.

Among the potential candidates for amendments to increase spending for such worthwhile programs are Chapter 1, TRIO programs and perhaps others.

To my colleagues—and my constituents in Minnesota—I must say I face these types of amendments with very mixed feelings.

In many cases, these are programs that I strongly support and programs that I'm confident could make very effective use of additional funding—even this late in the fiscal year.

On the other hand, I have a great deal of respect for the priority setting and allocation that goes on through our normal budgeting and appropriations process. And, I have a great deal of reluctance to tamper with that process—especially without the benefit of hearings and an opportunity to fully understand the relative needs and competing priorities of all the worthwhile programs that could make effective use of additional funding.

I offer these comments not to foreclose the possibility of supporting nonemergency spending requests from individual programs as we consider amendments to this bill. But, I do believe it's important for both my colleagues—and my constituents to know how, in general, I approach these kinds of requests.

And, particularly in cases where I will vote to oppose nonemergency spending requests during this debate, I pledge to work with both my colleagues and constituents to do whatever is fiscally possible to address those unmet needs through the normal process of setting budget and appropriations spending priorities.

Finally, Mr. President, I feel compelled to point one other important difference between the legislation now before us and the previously passed House bill. Unlike the House bill, the Senate legislation does not include a $72 million rescission in the State Student Incentive Grant Program.

In my State—and many others—these funds are already committed to assist lower income students finance their higher education. To rescind those funds now—particularly with the funding crisis that's facing the Pell program—would be totally inconsistent with strong bipartisan support in this body for expanding financial access for all Americans who can benefit from a college education.

On this issue, as well, Mr. President, I believe Senate conferees should forcefully defend the Senate's position.

With that brief explanation of my own priorities in this legislation and how I intend to approach this debate, Mr. President, I urge the support of my colleagues.●

MONBERG SETS EXAMPLE OTHERS SHOULD FOLLOW

● Mr. BROWN. Mr. President, Washington journalist Helene Monberg, a Colorado native, continues to serve as an example for others. Long recognized for her active role in improving the lives of others, Helene recently established a scholarship fund for students attending college in Colorado in honor of her late parents.

Although she is far from a wealthy person, Helene believes each of us has an obligation to try to help those less fortunate. She says the problems of our country are so great, all of us must pitch in, whatever our financial status. If all of us follow Helene Monberg's example, our country will be a far better place to live.

I commend the following article from Helene's hometown paper, the Leadville Herald Democrat, to my colleagues.

The article follows:

MONBERG ENDOWS SEVERAL SCHOLARSHIP FUNDS

Helene C. Monberg, a veteran newswoman, announced at a reception given in her honor Jan. 28 in Washington, D.C., by the American Water Resources Association that she is establishing a scholarship fund for students attending college in her home state of Colorado.

The Association "roasted" Ms. Monberg for her long career in writing about natural resource problems, programs and issues that affect the 17 Western reclamation states. She is the editor of Western Resources Wrap-up which she has published for the past 28 years.

Ms. Monberg said, "I am setting up a scholarship fund in my will in honor and in memory of my parents, Luther and Helene Denzler Monberg, longtime residents of my hometown of Leadville, Colorado. Initially, annually there will be six starter scholarships of $5,000 each, two to go to financially-needy students attending the University of Colorado at Boulder; two to go to financially-needy students attending the University of Southern Colorado in Pueblo; two to go to two graduating seniors from Lake County High School who need financial aid to attend college. All must be highly-motivated students with good grades."

The reception raised about $300 for the Achievement Scholarship Program (ASP) which Ms. Monberg founded in 1973 and operated through 1989 to provide scholarships for Washington-area youths on parole and probation to attend college and trade schools. To assure ASP's future, Ms. Monberg turned the program over to the Arch Training Center of Washington, D.C., to operate.

Ms. Monberg was the Washington correspondent for the Pueblo Chieftain and Star-Journal from 1947–84 while she operated a news bureau. She is a graduate of the University of Colorado and of Leadville High School and is a Leadville native.●

TRIBUTE TO WILLIAM ANTHONY BROWN

● Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a truly car-

ing Kentuckian. William Anthony Brown is executive director of the largest hospital in Kentucky, Audubon Regional Medical Center.

A native of New York City, Bill Brown is a transplanted Louisvillian who really makes a difference in his community. As CEO of recently formed Galen Health Care's largest Kentucky facility, he has come a long way from his early professional life. In fact, Mr. President, it was a setback early in his career that helped Bill Brown get where he is today.

After receiving his bachelor's in economics from Fordham University, Mr. Brown worked as a high school teacher in New York. It was an occupation he enjoyed as well as one which he believes gave him the confidence to speak to large groups and convey his ideas. But his exciting early career came to an abrupt halt when he opened the paper one morning to find that he along with 600 other teachers had been laid off.

True to his nature, he took this potential setback and turned it into a positive event. In fact, he now believes it was the best thing that could have happened to him. It was at this time that he began his affiliation with work in the health care industry; this in turn led to his eventual position with the Audubon Regional Medical Center.

Bill Brown has a presence that others recognize and admire. Some describe it as an aura which says he is a caring person. He knows well how to mix the business part of his industry with the equally important aspect of caring and understanding.

His work ethic is to be admired as well, Mr. President. He often works 7 days a week and his hours are as varied as the 24-hour business he serves. Helping him with this hectic schedule is what his wife calls a photographic memory.

Remarkably, this Kentuckian has time to serve many charitable organizations as well. Since 1986, he has been active with Home of the Innocents, Louisville Central Area, and the Action League for Physically Handicapped Adults. As if that were not enough, he and his wife Mickey are the proud parents of three young children.

Mr. President, I ask my colleagues to join me in paying tribute to this special Kentuckian. Bill Brown is truly someone who exemplifies the many things that are good in our health care system. In addition, I ask that an April 5, 1993, article from Business First be included in the RECORD.

The article follows:

HEALTH CARE WAS SECOND CHOICE FOR AUDUBON BOSS

(By Eric Benmour)

When William Brown was growing up in New York City, he didn't dream about being a hospital administrator.

In fact, it was only because he was laid off as a teacher in New York that he even pursued a career in the health care field.

His decision to take a job with a New York hospital eventually led him to Louisville, where he now serves as executive director of Audubon Regional Medical Center, which is owned by Galen Health Care Inc.

Brown, 43, says he has been lucky.

"Opportunities have presented themselves at opportune times," he says.

"I'm really excited about the future of this hospital and the future of Galen," Brown says. "I'm the CEO of the largest hospital in Kentucky. If there's something beyond that, that's great. When the time is right it will happen."

And those who work with him are glad he came to Louisville.

"He's been a wonderful adviser to us on a lot of different issues," says Amy Eady Spears, president of the board of directors for Home of the Innocents.

Brown has served as a board member of the organization, including chairing a search committee that found Home of the Innocents' current chief executive director.

Brown has a demeanor that serves him well in any stressful situation, Spears says.

"Bill would say this is not a problem, this is an opportunity," she says. "That's the essence of leadership."

Brown's skills will be tested by the ongoing cost pressures in the health care system and by Humana Inc.'s split into two organizations—one to focus on hospitals and one to sell insurance.

"There's a lot more autonomy now at the individual facilities, and that is clearly being felt," Brown says. Before, "you had to make decisions" thinking about both a hospital and an insurance strategy.

Brown says he doesn't know if this will be harder—because of having more autonomy—or easier—because he can focus on the hospital business without worrying about its impact on insurance.

Dr. Robert Goodin says Brown took a creative approach to cost control after he took the job as administrator of Audubon in 1990.

Brown hired a consultant to analyze some of the prices and physician practices at the hospitals, says Goodin, director of cardiology at Audubon.

The consultant was supposed to determine what part of the charges come from Humana and what were a result of physician habits, Goodin says.

For example, a heart surgeon may always lay out extra supplies in case he needs them during surgery.

That could add $5,000 to a bill.

In 1992, the hospital reduced charges for heart catheterization and balloon angioplasty.

Brown says he hired the consultant because he recognized that major employers and insurance companies would be contracting directly with physicians and hospitals for some services in an attempt to control costs. He says he wanted to make Audubon's costs competitive.

In August 1991, ABC–TV aired a report alleging overcharges at Humana hospitals.

Brown says his cost-control efforts started before the report aired. He says he thought the report wasn't fair because it discussed hospitals' charges, which only one patient out of 10 actually pays.

As a result of the consultant's work, Audubon put in "clinical pathways" for its cardiovascular procedures.

"It has great potential to cut into costs," Goodin says. "That's the type of creative leadership I think Bill exhibits. He's a very personable individual and a little on the quiet side."

Brown's wife, Mickey, says her husband grew up with the belief that hard work has its rewards.

"I think his reward is from self-satisfaction, knowing 'I did the best I could do,'" she says.

William Brown says his rewards are self satisfaction, but says "It's hard to quantify."

Brown grew up in New York City, one of five children raised by Anthony William and Loretta Reilly Brown. His father was president of a family-owned manufacturer that made aircraft parts and fire-alarm boxes. His mother was a homemaker and stayed home with the children.

Brown's parents are retired and live in New York.

"We're a very close family," William Brown says.

Once a year they all meet at Hilton Head Island, S.C.

"My parents emphasized the importance of education," Brown says. "All five of us have college degrees and master's degrees. We were always taught to work as hard and diligently as possible, whether it was doing homework or doing a part-time job. That has really influenced me."

Also, Brown says his parents taught their children to be as "helpful as we could to other people."

Brown thinks that attitude lends itself well to health care.

"It's very rewarding to be able to see positive outcomes for people," Brown says. "Even if the outcome isn't so positive, at least to be able to be there to support family members during a crisis."

As a youth, brown attended a college prep school in Wisconsin, which members of his mother's family had attended.

He then returned to New York, where he got a bachelor's degree in economics from Fordham University in 1971. He also obtained a teachers certificate to teach junior high and high school.

"I enjoyed it," Brown says. "Teaching really prepared me to be able to have a lot of confidence in talking with groups of people and presenting my ideas."

Brown was teaching social studies and economics when he read a headline in the New York Daily News about 600 New York City teachers being laid off.

"I was the first one laid off," he says.

When asked where he would be today if not for that layoff, Brown says he doesn't know. "It was probably the best thing that ever happened to me," he says.

He had a friend who referred him to the president of St. Vincent's Hospital and Medical Center. In 1973, Brown began working at that facility as assistant director of purchasing.

He went from there to a job with The Brooklyn Hospital.

"When I got into it (health care), I really liked it," Brown says. "What appealed to me then and what appeals to me now is the interaction with a lot of different people."

He moved to Louisville when he was recruited to take the post of director of shared materials management for both Jewish Hospital and NKC (Norton Hospital and Kosair Children's Hospital).

"I came out for an interview and really liked it," he says of Louisville.

Brown, who was 30 at the time, wasn't married yet. He says he wanted to get married and start a family. He thought Louisville would be a nicer environment than New York for doing so.

He started working in Louisville in October 1979. Shirley Powers, Norton's adminis-

trator, remembers why Jewish and NKC hired Brown.

"He's got a certain presence," she says. He made good eye contact, was articulate, dressed well, and had the experience, she says.

"He had all the criteria we were searching for," Powers says.

She says Brown has been successful in his career because he has "an aura about him that says he's a caring person," which is important in health care.

"You have to mix the business part with the concern part" to be an effective administrator, Powers says.

While serving in the director's position, Brown met his wife, Mary Brady, who is known as Mickey.

She met Brown when she stared working at NKC. She remembers him as being nice and thinking to herself, "This guy has got two jobs."

Mickey Brown says she also has been impressed with the fact her husband doesn't have to write anything down. "He has a photographic memory," she says.

In 1982, Jewish and NKC dissolved the joint program and William Brown took a job as assistant vice president of Jewish Hospital.

He was promoted to a vice president and senior vice president of the organization. He was also president and chief executive officer of Frazier Rehab Center when he left to take a job at Humana Hospital-Audubon in 1990.

Brown won't say if he was looking for a job or if Humana approached him.

Neither will James D. Bohanon, president of Galen Health Care Inc.

He says only that "we were looking for someone at that time" and learned Brown was available.

"He's clearly moved the hospital forward," Bohanon says. "There's no moss that grows on anything Bill's involved with."

He says the reduction in prices is an example of Brown's leadership.

Bohanon says Brown is well-prepared for working with Galen.

"I'm really excited about the future of this hospital and the future of Galen," Brown says.

He says he plans more marketing efforts this year. Last summer, Brown established a regional market outreach team to visit every county in central Kentucky and Southern Indiana biweekly.

They go to physicians offices and hospitals, where they talk with nursing directors and discharge planners about Audubon's services.

As the head of a business that runs nonstop, his hours and demands on his time can be unpredictable.

"I like to drop in on weekends and different shifts periodically," he says.

Brown even makes calls on vacations.

"I feel I'm fully responsible for the hospital," he says. "That's just part of the job. You sleep better when you know what's going on and you know everything is under control. My staff always knows how to reach me."

But he's no workaholic, his wife says.

"I think the highlight of his day is to see his children," she says.

The Browns have adopted three children—Blaine, 4, from Korea; Carey, 7, from Ecuador; and Katie Anne, 7 months, from Korea.

The couple adopted William Blaine when he was 4 months old; Carey when he was 6; and Katie Anne when she was 5 months old.

Brown says adopting the children hasn't changed his work schedule, but has affected his free time.

"The three kids have made my free time less free," he says. But he adds that the time is "more valuable and rewarding."

Sometimes he takes the two boys "fish shopping" to find new inhabitants for their fish tank. They may ride bikes or visit the zoo or other local sites.

In addition, Brown does volunteer work. He has worked with the Home of the Innocents since 1986; was active with the Louisville Central Area from 1987 through 1990; and the Action League for Physically Handicapped Adults from 1987 through 1990.

He is currently active with the Boy Scouts of America, as an executive board member, and the Judge's Growth Council.

He loves cooking, traveling and gardening around the Browns' River Fields home.

"His dream would be to live on the beach," Mickey Brown says.●

A VIEW FROM ABROAD

● Mr. DURENBERGER. Mr. President, the poets tell us that one of the greatest gifts that God can give us is to see ourselves as others see us. In the most recent issue of the Economist of London, there is an extremely perceptive analysis of where America stands in today's world.

According to the Economist, we are poised at a turning point in the history of our international relations. While we "can no more disengage from the world" than we "could dispatch California into the ocean," we nonetheless face some fundamental choices about how we are going to remain involved in a multipolar post-cold-war world. The Economist contends that we might consider a return to the balance-of-power politics of the early years of the Republic.

There is some excellent food for thought in this Economist article, and I ask that it be included in the RECORD.

The article follows:

[From the Economist, June 19, 1993]

THE RELUCTANT SHERIFF

Sometimes slumbering, sometimes springing to its guns, America has always treated the world with a mixture of involvement and disengagement. Self-absorbed for much of the 19th century, America finally plunged into the first world war in 1917; nervously isolationist for much of the 1920s and 1930s, it rose to the occasion in the 1940s. Now, after four decades of leading the free world, Americans are increasingly wondering whether they still want, or need, the job. The answer to both questions is yes—albeit with qualifications.

Recent events seem, at first, to support the disengagers. Since its high point in 1985–86, American military spending as a percentage of GNP has been shrinking steadily. Manpower is being cut, both at home and abroad; bases are being closed. The end of the cold war not only gives America a chance to tighten its military belt, but emboldens some of its crankier politicians to ask openly for disengagement. Almost all Americans agree that their country cannot be the world's lone sheriff, that Europe and Japan should do more to shoulder common burdens of defense, and that America's own domestic problems are more pressing than anything, however bloody or heart-wrenching, that flickers over the television screen from places far away.

This is not surprising. On the contrary, it is normal. Most countries construct their foreign policy, without apology, on the basis of national interest. After 1945, the cold war placed America in the position, unique in its history, of being the free world's guardian, spokesman and cheerleader. Over the years the rest of the free world became so used to this, so confident of the American sheriff, that it came to accept this aberration as a permanent truth. It should do so no longer.

AN INWARD GAZE

In fact, when the walls crashed down in Eastern Europe in 1989, American foreign policy had already shifted. Vietnam had taught the generals to avoid, as far as possible, wars where the aims were unclear and the exits unmarked. After the end of the cold war foreign policy is shifted again towards greater selectivity and calculation, and toward a multilateralism in which America could sometimes lead about sometimes hide. Hemispheric and global trading treaties—NAFTA and the GATT—have been held up, or picked at, because America is no longer prepared to act as a free-trade champion at the cost (or so it thinks) of jobs in Michigan or Texas. Bosnia, offering no prospect but expense, entanglement and death, failed the national-interest test spectacularly.

Is the United States therefore moving, in Thomas Jefferson's phrase, to a state of "remaining disengaged until necessity compels us"? That would put it too strongly. At this point in its history, bound by a thousand ties of trade, communication, investment, language, culture and imitation, America can no more disengage from the world than it could dispatch California into the ocean. It remains, because it is so huge, so prosperous and still so armor-plated, the place to which eyes automatically turn when the world's order is disrupted.

Yet with an economy barely creeping towards recovery and a $300 billion budget deficit, America does not feel like the engine of world growth, let alone world peace. With collapsing inner cities, high rates of violence and a society in danger of being balkanised by group interests, it is all too aware of its failures as the chief repository of democratic values. Lastly, America has its own problems with leadership; an impatience with politicians of all stripes, a cynicism about solutions, preference for the maverick path. This hardly equips it to impose a unifying discipline on others

SHERIFF AS CHAIRMAN

Some would argue that this is fine. Military might is no guarantee of skill, or subtlety, or right reading of a problem; multiaterlism seems safer. It is, but the limits of that approach, too, must be understood. The world of the next decade, stripped of its cold-war stabilisers, is likely to be a turbulent and frightening place. Medium-sized countries will more often be fighting medium-sized wars, and Bosnias may multiply. Protectionism is on the rise; trade wars, too, are in prospect.

This is not a world in which the democratic powers can afford to stumble round in disagreement. Multilateral institutions, such as NATO, the United Nations or the GATT, can be only as effective as their members. They need a leader who both believes in their aims and abides by their rules. Western Europe is not ready to act as unit in foreign policy. Japan is not yet prepared, and might never be trusted, to lead a security alliance in the Pacific. That is why the world needs America.

The United States has always fuelled its foreign policy with a sense of moral obliga-

tion as well as self-interest. Americans can still be persuaded to a course of action abroad simply because it is "right"; because a Calvinist sense of divine appointment compels it to set the world straight. It is this conviction, as much as sheer protective strength, that the world is hungry for. Nor is the need one-sided. At some point America pays a price, at home as well as aboard, when to fails to stand up for things it believes in.

Americans know this; and, in the baffling new world, they agonise over it. How is the balance to be struck between America's moral impulse, and its narrower interest? And how is America to judge what its best interests are? All foreign policy must involve leaps in the dark. A short-term cost may bring long-term benefits; to stay uninvolved may bring dangers of its own. In Somalia (see next article), are America's interests better served by a short-term engagement or by staying until the job is done? In Bosnia, should it have got involved at all?

The answer might lie, as much of the best of America lies, in the early history of the republic. The Founding Fathers saw their new country as preserver of equilibrium among competing nations. In 1918–19 this balancing role, of first among equals, fell to America quite naturally. It could do so again. Fundamentally, America's broadest interest—peace, freedom and free trade—are also global ones. The health of institutions like the UN and, especially, the GATT also help America; and that health depends on a greater and less self-interested measure of American support. For the most part, America could indeed content itself with running with the herd, acting through steady diplomacy trade, aid and quiet influence. But it should retain the prerogative of leaders: to act swiftly decisively and with force when circumstances require it, or when moral lines must be drawn.

What of America's own self-confidence? The strength America had, and will have again, is not a crudely military one. It lies in the democratic example, in liberal convictions, and in a certain tenderness of conscience. Recover faith in those, and true leadership will look after itself. This studying role will not come to America overnight; nor with Europe and Japan soon stop hiding behind America's broad back. But they must learn to. A mixture of firm diplomacy, altruism and action based on principle cannot be America's alone. Nor should it be; for in this new, case-by-case world, America will take the lead only when impelled to. If the other democracies wish to keep America on board, they too must learn to show initiative, and pull their weight. The nerve-wracking new world disorder is not a place for shirkers.●

A BICENTENNIAL TRIBUTE TO THE OLD KANAWHA BAPTIST CHURCH

● Mr. ROCKEFELLER. Mr. President, I would like to take this time to recognize a truly historical event that occurred this past June 13, 1993, in my State of West Virginia. On this date, the Old Kanawha Baptist Church of Pratt, WV, celebrated its 200th birthday in the Kanawha Valley. This church, one of seven Baptist churches in West Virginia organized before 1800, has played a monumental role in providing service to the southern region of the State.

Recognized as the oldest functioning church in the Kanawha Valley, Old Kanawha Baptist was founded in 1793, the same year Eli Whitney invented the cotton gin. Founding father Elder James Johnson was the first Baptist minister to penetrate the Kanawha Valley area on a religious mission. His sphere of influence was well received over a region filled with individuals hungry for knowledge, and driven by strong convictions. It is well known that many of the early members of his denominational persuasion were unable to read or write.

As far as documentation is concerned, the oldest existing written record of the Old Kanawha Baptist Church has this entry: "May, 1797; after prayer and preaching, proceeded to business." It is believed that the Pratt congregation was formed when George Washington was President and Philadelphia was the Capital of our great Nation.

As the church grew, its field of service extended from Gauley Bridge in Fayette County, some 60 miles northwest, to the State capital of Charleston on both sides of the Kanawha River. In its first century of existence, the congregation did not have any permanent meetinghouse in which to hold worship services and discussions. These were generally held in the homes of its members.

From 1834 to 1857, the congregation met in a building which belonged to Mr. John Hansford, Sr. About 1859, Mr. Felix G. Hansford, Sr., provided the community with another building which was used until the Civil War. Soon after the outbreak of the war, in 1861, the church held occasional services, as it was on the road used by the contending armies. However, during the fighting, misfortune befell the church as many of its earliest records were ravaged and destroyed by soldiers.

The Old Kanawha Baptist members began a building fund in May 1889, and in that same year, a plot of land for the church was kindly donated by Mrs. Julian E. Dickinson. Unfortunately, in July of the following year, just before its completion, the entire $800 building was destroyed by arson. Undaunted, the members began anew, and after devoted community involvement and support, the congregation was able to dedicate their first church on the fifth Sunday in October 1892.

Throughout the years, the congregation has grown immensely. It has expanded from its original humble structure, particularly within the past half century, to a wonderfully large, multiuseful building to accommodate its rapidly growing membership. For instance, in 1957, an educational building was constructed to meet the needs of the church's service and vocational events.

By the mid-1960's, the membership had outgrown the church's sanctuary. Under the direction of the current pastor, Rev. Kenneth Brougham, a spacious, brick edifice was erected and dedicated on August 11, 1968. The church has survived to personify strength, perseverance, and dignity in an ever-dynamic society.

Old Kanawha is an independent Baptist Church with a strong missionary focus. At this moment, under the auspices of Rev. Richard A. Johnson, the church has 167 registered members, and helps support some 14 various missionaries, not only in the West Virginia area but throughout the world.

Mr. President, I would like to close by saying congratulations to the Old Kanawha Baptist Church for two eventful, yet highly appreciated, centuries of unselfish devotion and religious and community service to the State of West Virginia. Indeed, you have much to be proud of, and with the good Lord's blessing, I hope you will be able to provide many more centuries of service. You have made us so very proud.●

ORDERS FOR TOMORROW

Mr. FORD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, June 24; that following the prayer, the Journal of proceedings be deemed approved to date, and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of S. 1134, the reconciliation bill, as under the previous order.

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

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent the Senate stand in recess, as previously ordered.

There being no objection, the Senate, at 10:08 p.m., recessed until Thursday, June 24, 1993, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 23, 1993:

DEPARTMENT OF JUSTICE

PATRICK H. NEMOYER, OF NEW YORK, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK FOR THE TERM OF 4 YEARS VICE DENNIS C. VACCO, TERM EXPIRED.

MARY JO WHITE, OF NEW YORK, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE TERM OF 4 YEARS VICE OTTO G. OBERMAIER, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23, 1993:

DEPARTMENT OF EDUCATION

JUDITH HEUMANN, OF CALIFORNIA, TO BE ASSISTANT SECRETARY FOR SPECIAL EDUCATION AND REHABILITATIVE SERVICES, DEPARTMENT OF EDUCATION.

AUGUSTA SOUZA KAPPNER, OF NEW YORK, TO BE ASSISTANT SECRETARY FOR VOCATIONAL AND ADULT EDUCATION, DEPARTMENT OF EDUCATION.

DEPARTMENT OF LABOR

KAREN BETH NUSSBAUM, OF OHIO, TO BE DIRECTOR OF THE WOMEN'S BUREAU, DEPARTMENT OF LABOR.

OLENA BERG, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

JOHN D. DONAHUE, OF INDIANA, TO BE AN ASSISTANT SECRETARY OF LABOR.

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.

EXTENSIONS OF REMARKS

CONGRESSMAN TONY P. HALL INTRODUCES WORLD SUMMIT FOR CHILDREN IMPLEMENTATION ACT

HON. TONY P. HALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. HALL of Ohio. Mr. Speaker, today, along with the gentleman from New York [Mr. WALSH] and numerous cosponsors, I am introducing the World Summit for Children Implementation Act of 1993. The purpose of this bill is to help fulfill the promise of the world summit for children through funding key international and domestic children's accounts.

In September 1990, 71 heads of state and delegates from a total of 159 countries committed themselves to improving the quality of life of the world's children. When they signed the Declaration and Plan of Action at the summit, they pledged, by the year 2000 to reduce child and infant death rates by one-third, to reduce maternal deaths by half, to reduce severe to moderate child malnutrition by half, to provide children with universal access to basic education, and to protect children in especially difficult circumstances. The world leaders also said in the Declaration, "We are prepared to make available the resources to meet these commitments.* * *"

Despite the rhetoric and promises, the United States is not implementing a multiyear plan "to make available the resources to meet these commitments." While some programs have received increases in the years since the 1990 summit, there is no sense of direction, no comprehensive plan to target the funding increases needed to meet the summit goals and to leverage increased contributions from other nations.

The World Summit for Children Implementation Act proposes the sustained funding commitments necessary to make the world summit for children a reality. At home, the bill seeks added funding in fiscal 1994 and fiscal 1995 for both the Special Supplemental Food Program for Women, Infants, and Children [WIC] and Head Start. The bill urges a Federal commitment to achieve full participation in WIC by fiscal 1996 and full participation of all eligible 3- and 4-year-old children in Head Start by fiscal 1999.

On the international front, the World Summit for Children Implementation Act seeks increases in fiscal 1994 and fiscal 1995, through reallocations within the foreign aid budget, for a variety of essential children's and human needs programs. Among these programs are: child survival, basic education, UNICEF, vitamin and other micronutrients, refugees, and AIDS prevention. In the midst of a foreign aid budget of over $14 billion, surely we can find the funding to allow modest increases in programs that can both save and improve the lives of the world's most vulnerable children.

If the administration is given great discretion in terms of foreign aid spending priorities, the sponsors of this bill and I are urging the administration to spend the kinds of levels on children's basic needs programs suggested in the World Summit for Children Implementation Act. We cannot expect to make progress in addressing the serious challenges to the health and well-being of the world's children by treading water with respect to our financial commitments to programs that have a demonstrated record of achievement.

In addition to proposing specific funding commitments, the bill asks the President to call upon other countries to do their fair share to help meet the goals of the summit. The legislation also requests an annual report from our Government on the progress being made to implement the summit, and an accounting of our spending to achieve the goals.

We have it in our power to significantly reduce the suffering of children all around the world. One of the dividends of the post-cold war era is the opportunity to join with other nations to tackle the global plight of the most vulnerable among us. The World Summit for Children Implementation Act provides a blueprint for concrete action. I urge my colleagues to join in cosponsoring this bill and in participating in the debate about the proper allocation of foreign aid dollars to help children, the poor, and the hungry.

For the benefit of my colleagues, the text of the World Summit for Children Implementation Act follows:

H.R. —

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 "World Summit for Children Implementation Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) The United Nations Children's Fund (UNICEF) estimates that 35,000 children die each day from malnutrition and preventable disease.

(2) The World Summit for Children held in 1990, the largest gathering of heads of state and heads of government up until that time, united the world in a commitment to protect the lives of children, diminish their suffering, and enhance their futures.

(3) This commitment is reflected in specific goals that require international cooperation and the commitment of all nations, goals which were incorporated in Agenda 21 at the 1992 Earth Summit and which were also endorsed in the World Declaration on Nutrition adopted at the 1992 International Conference on Nutrition. The World Summit for Children goals include cutting child deaths by at least ⅓, halving maternal mortality and child malnutrition, providing all children access to a basic education, and providing all families access to clean water, safe sanitation, and family planning services.

(4) The United Nations Children's Fund estimates that these goals could be implemented by the year 2000 with a global commitment of just $25,000,000,000 annually, to be achieved through reallocation of resources to increase the proportion of resources going to meet basic human needs, with ⅔ of those resources coming from the developing nations themselves and ⅓ from the industrialized nations.

(5) The United Nations Children's Fund estimates that currently only 10 percent of developing country budgets and less than 10 percent of all international assistance for development is devoted to meeting basic human needs.

(6) If that proportion were doubled to just 20 percent, through reallocation of current resources and without requiring additional resources, this would provide the additional $25,000,000,000 the United Nations Children's Fund estimates is required annually to achieve by the year 2000 the goals of the World Summit for Children.

(7) The United States Government participated in the World Summit for Children and signed the Declaration and Plan of Action adopted at that Summit.

(8) Participants in the Summit committed themselves and their governments—

(A) to prepare, before the end of 1991, national programs of action to help implement the goals and objectives of the Summit, and

(B) to take steps to ensure that child survival, protection, and development programs will have a priority in the allocation of resources.

(9) The United States Government should implement a plan of action to fulfill its commitment to children, both at home and abroad.

(b) PURPOSES.—The purposes of this Act are—

(1) to help fulfill the commitment of the United States Government to children; and

(2) to provide the necessary authorities to implement the United States plan of action.

SEC. 3. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC).

(a) FINDINGS.—The Congress finds the following:

(1) In 1990, the Surgeon General and the United States Public Health Service announced Healthy People 2000 goals for America's children. These goals include reducing the United States infant mortality rate and the incidence of low birthweight by ⅓ by the year 2000, as well as the initiation of breastfeeding by 75 percent of mothers and the continuation of breastfeeding at 6 months postpartum by 50 percent of mothers.

(2) The special supplemental food program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (in this section referred to as the "WIC Program") is intended to benefit low-income women at risk of delivering low birthweight babies, low-income infants and children at risk of malnutrition, and low-income nursing mothers.

(3) It has been demonstrated that participation in the WIC Program reduces, in a

cost-effective manner, the number of premature births and the percentage of infants born at low birthweight, a major cause of infant mortality and developmental disabilities, and decreases the prevalence of iron deficiency anemia in children, and improves children's cognitive development.

(4) Increasing the rate of breastfeeding among mothers participating in the WIC Program would result in greater improvements in the health of infants and mothers, further reductions in infant mortality, and decreases in health care costs and infant formula expenditures.

(5) Particular attention needs to be given to promoting breastfeeding within the WIC Program through activities which include support of peer counselors working through the WIC Program, utilization of lactation consultants in WIC Program clinics and in hospitals, and training of health professionals in lactation management and development of education materials.

(6) The WIC Program currently serves 58 percent of the eligible population and actions need to be taken to move toward service to the entire eligible population.

(b) FULL PARTICIPATION IN THE WIC PROGRAM.—It is the sense of the Congress that—

(1) the United States Government should make a commitment to achieving full participation in the WIC Program by fiscal year 1996; and

(2) in order to reach the goal of full participation, not less than $3,287,000,000 for fiscal year 1994 and not less than $3,564,000,000 for the fiscal year 1995 should be appropriated to carry out the WIC Program.

SEC. 4. PROGRAMS UNDER THE HEAD START ACT.

(a) FINDINGS.—The Congress finds the following:

(1) In 1990, the President and the Governors of the 50 States met at the Education Summit and set United States education goals for the year 2000, including the goal that all children start school ready to learn.

(2) Since their inception in 1964, programs under the Head Start Act have established an impressive record in providing preschool-age children from low-income families with comprehensive services to address educational, social, nutritional, and health needs.

(3) Head Start programs serve only about ⅓ of eligible children between 3 and 5 years of age.

(b) FULL FUNDING FOR THE HEAD START ACT.—It is the sense of the Congress that—

(1) the Federal Government should make a commitment to achieving full participation of all eligible 3- and 4-year-old children in Head Start programs by the fiscal year 1999, and

(2) in order to reach the goal of such full participation, not less than $4,150,000,000 for the fiscal year 1994, and not less than $4,970,000,000 for the fiscal year 1995, should be appropriated to carry out the Head Start Act.

SEC. 5. INTERNATIONAL INFANT AND CHILD MORTALITY.

(a) FINDINGS.—The Congress finds the following:

(1) During the last decade the international campaign to save the lives of children has resulted in dramatic increases in the adoption of low-cost measures to save children's lives, such as immunizations and oral rehydration therapy.

(2) In September 1991, the United Nations Children's Fund and the World Health Organization were able to report that the goal of 80 percent childhood immunization had been achieved, saving over 12,000,000 young lives during the last decade and continuing to save over 3,000,000 children's lives each year.

(3) The Plan of Action adopted by the World Summit for Children calls for the reduction of under-5 mortality rates by at least ⅓ by the year 2000.

(4) Such progress is possible by consolidating gains already made, and by pursuing new goals and effective programs in such areas as measles, neonatal tetanus, poliomyelitis, and acute respiratory infections.

(5) Efforts should focus on the delivery of community-based primary health care and health education services which directly benefit the poorest of the poor, with an emphasis toward small scale projects rather than large scale infrastructure projects. Such assistance should be provided through private and voluntary organizations and international organizations whenever possible.

(6) Both the United Nations Children's Fund and the United States Agency for International Development have provided strong leadership as well as financial and technical support for these goals.

(b) CONTRIBUTIONS TO UNICEF.—To carry out section 301 of the Foreign Assistance Act of 1961 (22 U.S.C. 2221; relating to voluntary contributions to international organizations and programs), there are authorized to be appropriated $115,000,000 for fiscal year 1994 and $130,000,000 for fiscal year 1995 for contributions to the United Nations Children's Fund for activities to promote child health and other assistance programs on behalf of children.

(c) CHILD SURVIVAL ACTIVITIES.—Section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund) is amended—

(1) in subparagraph (B), by striking out "$25,000,000 for fiscal year 1986 and $75,000,000 for fiscal year 1987" and inserting in lieu thereof "$150,000,000 for fiscal year 1994 and $210,000,000 for fiscal year 1995"; and

(2) by inserting after subparagraph (C) the following:

"(D) Of the aggregate of the amounts made available to carry out subparagraph (B) of this paragraph, sections 103(a) and section 106 of this chapter, chapter 10 of this part, and chapter 4 of part II and for the Multilateral Assistance Initiative for the Philippines, not less than $405,000,000 for fiscal year 1994 and not less than $490,000,000 for fiscal year 1995 shall be available only for activities described in subparagraph (A), with a particular emphasis on delivery of community-based primary health care and health education services which benefit the poorest of the poor. Such assistance shall be provided through private and voluntary organizations and international organizations whenever possible.".

SEC. 6. GLOBAL MALNUTRITION.

(a) FINDINGS.—The Congress finds the following:

(1) Malnutrition (including protein-calorie malnutrition and micronutrient deficiencies), which is currently the underlying cause of death in the vast majority of childhood diseases, is preventable at low cost.

(2) Vitamin A deficiency remains a scourge of children in developing countries. If access to vitamin A is not increased, an estimated 2,000,000 children face blindness in the 1990s and tens of millions more face increased risk of infection and death. Vitamin A intake has been associated with significant reductions in infant mortality rates.

(3) One billion people are at risk of iodine deficiency disease, with the very young being most vulnerable. Iodine deficiency is a major cause of mental retardation worldwide.

(4) Two billion people suffer from some degree of iron deficiency anemia, particularly women of childbearing age and young children.

(5) The Plan of Action adopted at the World Summit for Children calls for halving severe and moderate malnutrition among children under 5 years of age by the year 2000, for the virtual elimination of vitamin A deficiency and iodine deficiency disorders by the year 2000, and for the reduction of iron deficiency anemia among women of childbearing age by ⅓ of the 1990 levels.

(6) The Congress has already undertaken substantial action to address this problem in the Food, Agriculture, Conservation, and Trade Act of 1990, which established food security for the poorest and the prevention of malnutrition as priorities in food assistance programs administered by the Agency for International Development under the Agriculture Trade Development and Assistance Act of 1954.

(7) Child survival activities are also key to reducing child malnutrition and must be pursued in conjunction with efforts to ensure food security.

(8) Section 411 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736e), as amended by the Food, Agriculture, Conservation, and Trade Act of 1990, authorizes the forgiveness of Public Law 480 debt owed by least developed countries that are pursuing national economic policy reforms that would promote long-term economic development, but the exercise of that authority requires further action by the Congress in an appropriations Act.

(b) PUBLIC LAW 480 DEBT AUTHORITY.—It is the sense of the Congress that authority, in such amounts as may be required, should be granted to the President in an appropriations Act to exercise the debt authority with respect to least developed countries that is provided in section 411 of the Agricultural Trade Development and Assistance Act of 1954.

(c) VITAMIN A DEFICIENCY PROGRAM.—Section 103 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a; relating to development assistance for agriculture, rural development, and nutrition) is amended by adding at the end the following new subsection:

"(h) VITAMIN A DEFICIENCY PROGRAM.—(1) The Congress finds that—

"(A) vitamin A deficiency is a major cause of childhood mortality;

"(B) vitamin A intervention programs are inexpensive, practical to administer, and cost-effective in terms of human productivity; and

"(C) the Agency for International Development is already implementing a Vitamin A Deficiency Program.

"(2) Of the amounts made available to carry out this section, not less than $28,000,000 for fiscal year 1994 and not less than $42,000,000 for fiscal year 1995 shall be available only for Vitamin A supplementation and fortification through the Vitamin A Deficiency Program.".

(d) OTHER MICRONUTRIENT DEFICIENCIES.—In addition to amounts otherwise available for such programs, there are authorized to be appropriated $22,000,000 for fiscal year 1994 and $33,000,000 for fiscal year 1995 for iodine and iron fortification programs, and for iron supplementation programs for pregnant women, under part I of the Foreign Assistance Act of 1961.

SEC. 7. MATERNAL AND CHILD MORTALITY RESULTING FROM AIDS.

(a) FINDINGS.—The Congress finds the following:

(1) As of 1992, nearly 5,000,000 women of childbearing age and over 1,000,000 children were infected with the human immunodeficiency virus (HIV), the virus that causes the acquired immune deficiency syndrome (AIDS). The vast majority of these women and children live in developing countries.

(2) The maternal and child mortality rate in many developing countries will increase dramatically, as will the number of orphans infected with the human immunodeficiency virus, until prevention and control efforts are successful.

(3) The most effective efforts to respond to the human immunodeficiency virus and acquired immune deficiency syndrome are based at the community level and involve nongovernmental organizations as well as government agencies.

(4) The Agency for International Development should expand its assistance to developing countries for community-based prevention, care, and control programs and activities relating to the human immunodeficiency virus and acquired immune deficiency syndrome, and should participate in coordinated efforts with other donors.

(5) Coordination of efforts of bilateral, multilateral, and nongovernmental agencies and organizations is essential.

(b) INTERNATIONAL AIDS PREVENTION AND CONTROL FUND.—Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c); relating to development assistance for health related activities) is amended by adding at the end the following new paragraph:

"(4)(A) In carrying out this subsection, the President shall promote, encourage, and undertake community-based prevention, care, and control programs and activities relating to the human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) in developing countries, including research as to the effectiveness of such programs and activities.

"(B) There are authorized to be appropriated $100,000,000 for fiscal year 1994 and $120,000,000 for fiscal year 1995 for use in carrying out this paragraph, which shall be in addition to amounts made available under subsection (g) or otherwise available for such purpose. Amounts appropriated under this subparagraph are authorized to remain available until expended.

"(C) Appropriations pursuant to subparagraph (B) may be referred to as the 'International AIDS Prevention and Control Fund'.".

SEC. 8. INTERNATIONAL BASIC EDUCATION.

(a) FINDINGS.—The Congress finds the following:

(1) Primary education, early childhood development activities, and programs to achieve literacy, are essential for increasing the productive capacity of people and their ability to earn income.

(2) At least 130,000,000 children of primary school age, ⅔ of them girls, are not enrolled in school. Thirty-four countries have literacy rates of 40 percent or less.

(3) The share of government resources devoted to education in more than half of the 40 poorest countries in the world has decreased since 1980.

(4) The Plan of Action adopted by the World Summit for Children calls for basic education for all children and for completion of primary education by at least 80 percent of all children.

(5) United States assistance for basic education in developing countries has accounted for less than 2 percent of all United States foreign assistance in recent years.

(b) INTERNATIONAL BASIC EDUCATION.—Section 105 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c; relating to development assistance for education and human resource development) is amended by adding at the end the following new subsection:

"(c) BASIC EDUCATION.—Of the aggregate of the amounts made available to carry out this section, chapter 10 of this part, and chapter 4 of part II and for the Multilateral Assistance Initiative for the Phillipines, not less than $225,000,000 for fiscal year 1994 and not less than $380,000,000 for fiscal year 1995 shall be available only for programs in support of basic education, including early childhood education, primary education, teacher training, and other necessary activities in support of early childhood and primary education, and literacy training for adults.".

SEC. 9. INTERNATIONAL FAMILY PLANNING AND CHILD SPACING.

(a) FINDINGS.—The Congress finds the following:

(1) Universal access to voluntary family planning could save the lives of several million children each year and could significantly improve the health of children throughout the developing world by reducing prematurity and low birthweight and allowing longer breastfeeding.

(2) The risk of maternal death or illness in the developing world is highest for women who bear children when they are under the age of 18 or over the age of 35, for pregnancies spaced less than 2 years apart, and for women who already have 4 or more children. Universal access to voluntary family planning could prevent up to ⅓ of the 500,000 maternal deaths annually.

(3) The inability of couples to plan births decreases the quality of women's lives and undermines their opportunities for education, for earning income, for improving the care of children, and for community activities and personal development.

(4) Rapid world population growth, combined with unsustainable patterns of natural resource consumption, has become an urgent economic, social, and environmental problem.

(5) Demographic and health surveys indicate that if all women in the developing world who do not wish to become pregnant were empowered to plan the size of their families, then the rate of population growth would fall by approximately 30 percent.

(6) The Plan of Action adopted at the World Summit for Children calls for voluntary family planning services and education to be made available to all couples to empower them to prevent unwanted pregnancies and births which are "too many and too close" and to women who are "too young or too old".

(b) AUTHORIZATIONS OF APPROPRIATIONS.—In addition to any other amounts made available for such purposes, there are authorized to be appropriated to the President for United States population assistance programs and activities under part I of the Foreign Assistance Act of 1961 $725,000,000 for fiscal year 1994 and $800,000,000 for fiscal year 1995.

SEC. 10. REFUGEES.

(a) FINDINGS.—The Congress finds the following:

(1) The number of refugees worldwide has grown from 10,000,000 in 1985 to 17,400,000 in 1993. In addition, there are estimated to be more than 24,000,000 internally displaced persons. More than half of these refugees and internally displaced persons are children.

(2) The dramatic growth in the number of refugees and displaced persons has resulted in serious reductions in legal assistance and protection, health, nutrition, and basic education services available to them.

(3) Refugee children are particularly vulnerable in first asylum camps from Africa to Southeast Asia where they languish without the comfort of a parent or adult guardian.

(b) FUNDING FOR REFUGEE ASSISTANCE PROGRAMS.—It is the sense of the Congress that—

(1) not less than $760,000,000 for each of fiscal years 1994 and 1995 should be appropriated for the "Migration and Refugee Assistance" account, of which not less than $420,000,000 for each fiscal year should be available only for programs of refugee assistance overseas (in addition to the amounts available for programs for refugees from the former Soviet Union, Eastern Europe, and elsewhere who resettle in Israel); and

(2) not less than $100,000,000 for each of fiscal years 1994 and 1995 should be appropriated for the "United States Emergency Refugee and Migration Assistance Fund" account.

SEC. 11. THE WORLD BANK.

(a) INSTRUCTIONS TO U.S. EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Director of the World Bank to promote vigorously that the World Bank take action—

(1) to ensure that poverty reduction and support of basic human needs become a higher priority within the Bank, specifically through increasing the proportion of International Development Association investments that fall within the program of targeted interventions against poverty to 40 percent of all International Development Association investments by fiscal year 1994 and to at least 50 percent of all International Development Association investments by fiscal year 1995;

(2) within the field of water and sanitation, to ensure that the majority of water and sanitation projects fall within the program of targeted interventions against poverty and to increase significantly the proportion of World Bank lending for projects utilizing basic low-cost technologies to provide water and sanitation to underserved poor populations in deprived rural and periurban areas; and

(3) to increase the proportion of total World Bank lending which supports primary health care and basic education, with a minimum of 5 percent of total lending devoted to each area.

(b) DEFINITION.—As used in this section the term "World Bank" means the International Bank for Reconstruction and Development and the International Development Association.

SEC. 12. EFFORTS BY OTHER COUNTRIES.

The President shall call upon the governments of other countries to provide their share of the resources required to achieve the World Summit for Children goals by the year 2000, specifically through giving highest priority to increasing the proportion of public expenditures and foreign assistance devoted to priority human needs areas outlined in the Declaration and Plan of Action of the World Summit for Children.

SEC. 13. ANNUAL REPORT.

(a) REQUIREMENT FOR REPORT.—In order that the Congress and the American people may be fully informed of efforts undertaken by the United States Government to fulfill agreements signed by the United States at the World Summit for Children, the President shall report annually to the Congress

on United States contributions to the achievement of the goals of the World Summit for Children. Each such report should include—

(1) a discussion of efforts by the United States to achieve those goals both within the United States and in other countries; and

(2) a comparative analysis of current and past funding levels and planned funding levels for the next 2 fiscal years.

(b) SUBMISSION DATE.—The reports required by this section shall be submitted to the Congress no later than February 1 of each year.

DEFENSE DIVERSIFICATION AND COMMUNITY ADJUSTMENT ACT OF 1993

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GOODLING. Mr. Speaker, the changes in the former Soviet Union, Eastern Europe, and throughout the world have forced Members of Congress and the new President and administration to reevaluate where the lines on defense spending will be drawn. Both the administration and the Congress must address the problems that this country will face as we move to reduce the amount of money we spend on defense. Today, I am introducing the Defense Diversification and Community Adjustment Act of 1993 to help facilitate the diversification of defense-related businesses and the adjustment of defense-related workers.

Economic conversion will have to occur, and I believe that Congress and the administration must act accordingly to aid the businesses and workers that helped this country win the cold war. The Congress, in particular, must take positive and constructive action to aid in this process.

There are Members of Congress who believe that all of the defense moneys we save should be spent on domestic needs. They call this the peace dividend. Frankly, I believe there is no peace dividend for a person who is handed a pink slip because of a canceled contract or a closed plant. With this in mind, we need to utilize some of the projected savings to offset the hardships that businesses and workers involved in the production of defense material will experience. We have to provide the resources for defense-related business to convert their energies to the production of commercial goods or to stay in business until their special skill is needed again. This money would be better spent on these workers and businesses now, not later. If we continue to wait and address the need when these workers are unemployed, the economic and social costs will be extensive.

Mr. Speaker, the Department of Defense already operates an office that has the skill needed to deal with the conversion issues affecting our defense producers. The Office of Economic Adjustment is currently working in communities across America providing limited financial and technical assistance to businesses, workers, and communities affected by defense downsizing. I believe we can enhance this Office by providing an Assistant Secretary for Economic Adjustment to work in coordination with the Secretary of Defense. My bill creates this position.

This new Assistant Secretary of Economic Adjustment will also have four Directors to assist in critical areas which need to be addressed as our defense industrial base diversifies. These Directors will be responsible for community assistance grants, diversification and adjustment, dislocated workers, and coordination and informational activities. They will work with communities, businesses, and potentially dislocated workers to encourage and facilitate long-range planning to ease the problems that have, and will, occur as a result of defense downsizing.

The Director of Community Assistance Grants will be responsible for aid to communities that are substantially or seriously affected by defense cuts. This individual will also aid in the formation of a community adjustment committee that will include representatives from the different sectors of the communities. The community adjustment committee will then be eligible for direct assistance in grants from the Department of Defense to aid in planning adjustment.

The Director of Diversification and Adjustment will be responsible for the facilitation of aid to businesses as well as aid to businesses to retain critical technologies. This director will work to effectively assist defense-related businesses in the conversion of commercial production and will also be able to provide technical experience to aid in this area. Finally, this director will be instructed to work with Defense Advanced Research Products Agency [DARPA] to help retain critical technologies of certain weapon systems.

The Director of Dislocated Workers will be responsible for improved worker notification and also in working with the Department of Labor to develop a means to assist in the adjustment of the defense-related workers. This would also entail identifying areas where businesses and workers would be substantially and seriously affected. This director will also work with the Secretary of Labor to develop a grant system to provide States with adequate resources to assist eligible defense workers.

The Director of Coordination and Information will be responsible for the coordination and the assembly of a listing of all Federal programs offered to communities, business, and workers. The director will also be equipped to provide antitrust information to defense contractor and subcontractors when they consider entering into partnerships and joint ventures. The director will also be ready to provide information to the Federal Trade Commission regarding the merging of defense companies facilities in the manufacturing of a product.

I believe we need to address some of the current barriers to small business conversion to commercial production. My legislation would amend the Department of Defense application of the Federal Acquisition Regulators [FAR] as they apply to defense contractors that use defense machinery to do nongovernment work. I believe we have to change the regulations to provide the Secretary of Defense with more flexibility to allow businesses to have the flexibility to pay back the Government at a phased in rate to be determined by the Secretary of Defense. I believe this language would help the smaller contractors and subcontractors jump into the competitive market with their ideas to move into the commercial market from defense production.

Title II of my bill would provide an additional $50 million for employment and training assistance to defense-related dislocated workers. This legislation would build on the current program that was put in place in the National Defense Authorization Act for Fiscal Year 1993. This legislation would also amend section 325A of the Job Training Partnership Act. This bill would provide for the timely transfer of authority from the Department of Defense to the Department of Labor for the provision to services to workers losing jobs through a closure or realignment of a military facility or the cancellation of a defense contract. This provision would put all job training programs back in the Department of Labor.

My bill expands eligibility for employment and training assistance under this program for those losing directly through the cancellation of a contract, or the closing of a defense facility, extending eligibility to people in a seriously affected community, whose job loss can be attributed to defense cutbacks in that community. Finally, my bill also makes changes to the current Dislocated Worker Program to make the program more applicable to defense-related dislocated workers.

I believe we have an obligation to help the large and small businesses that have provided this nation the best and most technologically advanced products for our Nation's defense. My legislation would provide aid to most large and small businesses that have a stake in converting their defense production to commercial industry. This legislation would provide the new Assistant Secretary of Economic Adjustment with $300 million for conversion activities. This bill would also provide $50 million for conversion programs under the National Institute of Technology [NIST], $25 million for manufacturing extension centers and $25 million for procurement technical assistance centers. Finally, my bill would authorize $50 million for the Department of Labor to be used for JTPA programs authorized under this act. The total cost of this conversion legislation would be $450 million for fiscal year 1994.

The Defense Diversification and Community Adjustment Act will move to make necessary changes to provide small businesses with a chance to provide new job opportunities to displaced defense workers. This bill would instruct the new Assistant Secretary to coordinate activities with the Administrator of the Small Business Administration to provide assistance to qualified small businesses. This bill would also make defense dependent small businesses eligible for all conversion assistance that the larger defense contractors already enjoy.

Mr. Speaker, my bill attempts to improve upon many programs which we already have in place. It attempts to provide a solution to many of the problems that economic conversion will cause for policymakers and elected officials. We need to act now to provide an effective response to any future cuts in defense. We have to act responsibly and constructively for our communities, our businesses, and our workers to provide appropriate diversification

and adjustment assistance. I urge my colleagues to examine the issues involved and to lend their support to this urgently needed legislation.

RETIRE THE SELECTIVE SERVICE SYSTEM

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, today my colleague, Mr. ROHRABACHER, and I are introducing legislation to repeal the Military Selective Service Act.

The purpose of the Selective Service System is to be ready to supply the Armed Services with eligible personnel should the draft be reinstated. But we haven't seen a need to reinstate the draft since 1973 and I am confident that if a crisis arises, Americans will volunteer to serve as they have in other times of national peril.

The Selective Service has served us well in the past, but after 20 years of nonuse it is time to retire this agency. The Federal budget is being squeezed for every last penny. Military bases in our communities are being closed, military personnel are seeing their careers cut short, and senior employees of defense contractors are finding themselves unemployed and unmarketable in their fields of expertise. We must make every effort to eliminate idle Federal agencies such as the Selective Service.

This agency employs 267 civilians and over 600 military personnel who are trained to maintain a nationwide data processing system to store registration records, and to issue them should the President and Congress reinstate the draft. The fiscal year 1993 budget for the Selective Service was $28.6 million. Over 65 percent of its budget is absorbed by personnel compensation.

Certainly, the advanced technology and high-speed computers of today can quickly provide us with lists of potential draftees should a need arise to reinstate the draft. In fact, the Selective Service System currently uses a compliance program that identifies possible nonregistrants using data from State and Federal agencies, such as high school and voter registration lists, the Social Security Administration, the Office of Personnel Management, the U.S. Postal Service, and the Immigration and Naturalization Service. The primary source for identifying potential registrants, however, is driver's license data which make up 86 percent of the potential registrant records processed by the Selective Service under the compliance program. From 1982 through 1992, 4.3 million men were contacted through this automated compliance program.

The Selective Service System was established for good reason in 1940. The power to enforce registration was revoked in 1975 and reestablished in 1980. If we encounter serious problems in the future, it can be reestablished, or reinstituted once more. The times have again changed and it is time to retire the Selective Service System again—hopefully for a long, long time.

THE UNIVERSITY OF VIRGINIA WINS THE 1993 COLLEGE BOWL CHAMPIONSHIP

HON. L.F. PAYNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. PAYNE of Virginia. Mr. Speaker, it is my honor and privilege to recognize the University of Virginia as the 1993 winners of the College Bowl National Championship.

The College Bowl is a question and answer game of knowledge and recall that has been termed "The Varsity Sport of the Mind." It provides students a chance to excel on the playing field of knowledge and demonstrate their skills under the fire of varsity competition.

In four decades of competition, the College Bowl has received citations from six U.S. Presidents, earned every major educational and media award, including an Emmy, and is the only game ever to be honored with a Peabody Award.

The University of Virginia team members—John H. Harris, F. Burton "Burt" Kann, Charles Odell, Brian Rostron and James M. "Jamie" Weiss—were named champions after an exciting competition. They were supported by long-time coach Tom Michael, and the University Union co-chairs, Kathleen Kelly and Phil O'Donoghue.

The UVA team members accurately responded to questions on a wide range of topics including history, literature, science, multiculturalism, religion, geography, arts, current events, social science, sports and popular culture.

Team captain John Harris and Brian Rostron both qualified for the All-Star game, and Brian Rostron was the tournament's leading scorer.

Mr. Speaker, this is the 250th anniversary of the birth of Thomas Jefferson, who founded the University of Virginia. I am certain that Jefferson would have been proud of the success of these able students. And he would have applauded the College Bowl competition for furthering the pursuit of multidisciplinary knowledge.

Our recognition today of these academic heirs of Thomas Jefferson is a timely affirmation that knowledge should be consumed, life savored, and dreams achieved with the same poise and courage exemplified by these fine University of Virginia students.

COMMENDING THE INSTITUTE IN BASIC LIFE PRINCIPLES

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. JOHNSON of Texas. Mr. Speaker, in accordance with the spirit of the Taiwan Relations Act passed by Congress in 1979, a delegation of 163 young people and parents traveled from America to the Taiwan Republic of China Capital of Taipei for a series of high-level conferences and school visits.

Among the official meetings conducted by the Taiwan Government for these American citizen-ambassadors was a meeting with President Lee Teng-hui in his Presidential offices. In addition to conveying his appreciation for the example of these youth among the Chinese school children and families, the President expressed his own desire for personal counsel in applying character and Biblical principles to his leadership. A channel was opened by him for direct, daily contact for this input to be given.

Other government meetings and briefings of significance included a historic conference with the Republic of China Ministry of Education, meetings with the Republic of China Ministry of Foreign Affairs, and the Taipei Cit Bureau of Education. The Taipei Education Bureau also hosted an official full-day training seminar for 1,000 of their principles and educators to attend and learn from the American youth and teachers how to implement principles and concepts of successfully dealing with teenage conflicts and juvenile delinquency problems. In addition to these official meetings, teams of young people gave training and had personal interaction with literally tens of thousands of Taiwanese children through daily school and university visits and a citywide youth rally.

An all-day training seminar was also provided for over 1,000 pastors, and the group was further invited to present a week-long seminar on character and basic life principles for an unprecedented audience of over 3,000 from the general public of Taiwan.

It is amazing to consider that within the 7-day period of May 23–29, 1993 at least 25,000 Taiwanese, including the president of the nation, national and city government officials, and also school teachers, pastors, families, and children.

The delegation also spent a week in Singapore to meet with the Senior Minister of the State for Education and to respond to similar training requests as Taiwan for Singapore leaders and families. Hundreds of parents, youth, business executives, and national leaders also traveled from seven other Asian countries to meet with the group as they were in Singapore.

The 163 individuals who presented a most exemplary representation of American ideals should be commended for their efforts.

THE DEATH PENALTY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. JACOBS. Mr. Speaker, I thought the membership might like to see this extraordinary article from the Indianapolis Star:

[From the Indianapolis Star, May 30, 1993]

THREE WHO HAVE BEEN TOUCHED BY MURDER UNITE IN STAND AGAINST DEATH PENALTY

(By Rob Schneider)

Marietta Jaeger was a mom, Bill Pelke was a steel worker, and Sam Sheppard was a 7-year-old boy without a care in the world.

Living in different parts of the country, chances are their paths never would have crossed.

But murder has brought them together. In different times and places, each lost family members to crimes of stunning viciousness.

This week, all three will journey to Indiana to take part in a statewide demonstration—a two-week "Journey of Hope," sponsored, in part, by the families of murder victims.

And they, along with members of other organizations, participating in the event, have a most astonishing goal:

An end to the death penalty.

Ask Marietta Jaeger, and she will tell you about anger.

It overflowed within her one June day in 1973.

Her 7-year-old daughter, Susie, had been missing for days, kidnapped from her tent in a Montana campground.

The FBI, local authorities and volunteers had combed the area for clues. But they found nothing.

Finally, the searchers tuned their attention to a river that ran next to the campground, dragging it for signs of the girl's body.

"The boat would move and it would stop. Every time it would stop, my heart would stop because I was so afraid they would find Susie," Jaeger said.

As she watched, it began to dawn on Jaeger that she might never see her daughter again.

And the anger began to well up inside her.

"Finally, I just couldn't keep it squelched anymore," Jaeger said. Her image of herself as a "good Catholic girl" began to crack.

By the time she went to bed that night, she could barely contain her rage.

"I said to my husband . . . 'I could kill him,'" said Jaeger, who now lives in Detroit. "I meant it with every fiber of my being. I'm sure I could have done it with my bare hands and a smile on my face.

"I felt it was a matter of justice, that he needed to pay for what we had already gone through and for whatever Susie had to endure."

So today, when Jaeger hears people talk of wanting revenge, she understands perfectly.

But don't expect her to agree.

A torturous internal struggle to reconcile her urge for revenge with her religious beliefs left Jaeger certain of one thing: Society must resolve its problems through something other than violence.

Which is why Jaeger will be part of the Journey of Hope.

"I know people think this lady is off the wall," she said. "Or they think—and this really hurts me so—they think I must not really have loved my little girl."

But that couldn't be further from the truth. Because Jaeger's opposition, ultimately, was born of love.

TUSSLING WITH GOD

"I argued and argued with God and really had a wrestling match. I gave God permission to change my heart."

First, though, would come a test—agonizing and heartbreaking.

Within days of the disappearance, police received a call from the kidnapper offering to exchange Susie for a ransom. Other calls would follow, but the suspect could never decide how to make the exchange.

The family's hopes rose and fell as reports of possible suspects and tips surfaced, then fizzled.

During that time, Jaeger took an unusual step.

"I began to pray for him every day, which initially was the last thing I felt like doing," she said.

"I worked hard to discipline myself, to remind myself this man was a son of God, even if he hadn't behaved like one."

Then, after a wire service story about Susie's disappearance appeared a day before the one-year anniversary, the kidnapper called again.

"It became clear he was calling to taunt me," Jaeger said. "But in spite of the fact he was being very smug and very nasty, to my own amazement, I realized that I was feeling genuine concern and compassion for him."

A LONG TALK WITH KIDNAPPER

That concern stunned the kidnapper. He broke down and wept and the two began a conversation that would last an hour.

Jaeger flooded him with questions about her daughter: "How are you keeping her? Is she getting any education? How are you fixing her hair? What kind of clothes is she wearing?

The call provided investigators with some much-needed clues. Coupled with other information—and details gleaned from another call to Jaeger—police arrested a 25-year-old man named David Meirhofer nearly three months later.

A search at an abandoned Montana ranch turned up a chilling hint of Susie's fate, however; part of a backbone experts believed came from a young female child.

Later, Meirhofer admitted he had killed Susie about a week after he'd taken her.

Even so, Jaeger said she had no interest in revenge. She wanted Meirhofer treated, not executed.

"To have him killed in Susie's name would be to violate the goodness, the sweetness and beauty of who Susie was," her mother reasoned.

Meifhofer accepted an offer from federal authorities to plead guilty in exchange for life imprisonment, Four hours later, though, he committed suicide.

"It was not what I wanted for him," Jaeger said. "It was another terrible blow."

Since her daughter's death, Jaeger has met many parents who have lost children to acts of violence.

And she has seen the effects of keeping a vindictive mind-set.

"While I've been there and know it is a normal, valid human response, I also know we have to get beyond that," Jaeger said.

"I'm not saying you forgive and forget, because you never forget."

And she certainly doesn't believe people who commit violent crimes should be put back on the street.

But Jaeger rejects the notion that putting killers to death is a measure of justice for their victims' families.

"There are," she said, "no amount of retaliatory deaths that will compensate for the loss of our loved ones."

A CHANGE OF HEART

Bill Pelke is a steel worker in Portage who hadn't given the death penalty a second thought.

Until 1985.

That was the year his 78-year-old grandmother—Ruth Pelke of Gary—was beaten and stabbed to death by a group of girls who knocked on her door requesting Bible lessons.

A 15-year-old girl named Paula Cooper was arrested and charged as the ringleader.

At the time, Bill Pelke wanted nothing less than her death.

"My thoughts were, they were handing out the death penalty for serious crimes and if she didn't get it, it would devalue the life of my grandmother," Pelke said.

He thought his prayers and been answered when the teenager was convicted and sentenced to die.

Four months later, he had a change of heart.

LOOKING AT LIFE AND DEATH

Personal troubles had set Pelke thinking about his life, his grandmother's life and her death.

He pictured tears running down his grandmother's face—tears he believed could stem only from love and compassion she felt for her young assailant, now sitting alone in a jail cell.

Convinced that his grandmother would want a family member to speak out against Cooper's execution, Pelke became active in the anti-death penalty movement. He participated in protest marches in Florida in 1990 and in Texas in 1991.

During the Texas march, Pelke suggested a march be held in Indiana and that Murder Victims' Families for Reconciliation—on whose board he serves—should be its sponsor.

The Indiana event is expected to be one of the largest anti-death penalty events in recent years, drawing participants from across the country.

"Murder is a horrible crime," Pelke insisted. "But there has to be some other way than the death penalty."

PAINFUL CHILDHOOD MEMORIES

When Sam Sheppard talks about executions, childhood pain from long ago still seeps through.

In 1954, his father, Dr. Sam Sheppard, was a 30-year-old surgeon who owned a Dutch Colonial home in suburban Cleveland, a sporty Jaguar and a Lincoln Continental convertible.

His mother, Marilyn Sheppard, was 31 and four months' pregnant.

Life, in short, was good.

But in July of that year, Sheppard's world was turned upside down.

"My mother was murdered when I was 7 years old. Within five to six months (of the murder) the State of Ohio asked the jury to execute my father for a crime he didn't commit," Sheppard said.

DAD FACED POSSIBLE EXECUTION

"So my view is I lived through the trauma of a murdered parent and then was terrorized by the state with the threat of the execution of my father." said Sheppard, also a board member of Murder Victims' Families for Reconciliation.

A jury ultimately found the elder Sheppard guilty of second-degree murder, instead of first-degree, which meant the death penalty could not be imposed.

Eventually, Sheppard won a new trial and was exonerated in 1966. He died four years after being released from prison.

His son still shudders at the thought of what could have happened.

"I know that if they had convicted him of first-degree murder and executed him within six to 18 months, which they were doing in those days, I would not be alive.

"I could not have withstood another trauma of that magnitude in my life."

Like Pelke and Jaeger, Sheppard believes violence—whether in the form of guns on the street or electric chairs in state penitentiaries—is not the solution to violent crime.

"I sincerely believe it hurts people more, particularly the children." said Sheppard, who lives in Cambridge, Mass.

And so he will participate in the Journey of Hope and trust that Hoosiers will consider its message.

"I went to high school in Indiana, to Culver Military Academy, know first-hand that people in Indiana are decent, solid people." he said.

"I think if they are exposed to the truth, they will be able to decide for themselves."

TRIBUTE TO PHILIP G. HALL

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SCHAEFER. Mr. Speaker, the employee-owned, 5,000-person international consulting engineering firm of CH2M Hill, whose operational headquarters is located in my district, completed the final step in its multiyear, three-part senior management transition with Philip G. Hall becoming chairman of the board on February 5, 1993. Phil's election completes the firm's new management team, which includes Ralph R. Peterson as president and chief executive officer of CH2M Hill Companies, Ltd., and Lyle G. Hassebroek as CH2M Hill, Inc., president. James W. Poirot, CH2M Hill's Chairman since 1983, retired from that post with the well-deserved title of chairman emeritus. He remains active in the firm performing specialized roles of his and the company's choosing.

Mr. Hall's 26-year tenure with the firm began in 1966 as a project engineer in CH2M Hill's Seattle office. During an extensive career he has held positions as the firm's San Francisco regional office manager, southwest district manager, central district manager and vice chairman of the board. His varied technical and project experience, combined with challenging management roles and four terms on the firm's board of directors, have given him a solid foundation for the challenges that lie ahead.

A native of Michigan, Phil and his wife Dani, their son Scott and daughter Tracy, live in the Denver area. Prior to becoming chairman, he completed the advance management program at Harvard Business School. His engineering education includes a M.S. in environmental engineering and a B.S. in civil engineering—both from the University of Michigan. He belongs to numerous professional organizations, including the Western Regional Council, where he is vice chairman. Hall indicates that one of the greatest influences in his life was his service in the Peace Corps from 1963 through 1965, where he worked in rural Ecuador to meet water supply needs.

My heartiest congratulations to Phil and his family and I wish them the best of luck.

CONGRESSIONAL COVERAGE FOR DISCRIMINATION AND FAMILY LEAVE ACT INTRODUCED

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GOODLING. Mr. Speaker, today I am introducing the Congressional Coverage for Discrimination and Family Leave Act. With this bill, and it is only a first step, I hope we will be that much closer to actually covering ourselves with the same laws we impose on others.

Yes, it is true that, as of late, the House and Senate have been more sensitive to the need to be even handed, and Congress has recently extended coverage of certain laws to itself.[1] But the devil is in the fine print, and we see that, at least in the House, enforcement of these laws has been left to our own internal Office of Fair Employment Practices [OFEP], with its own set of procedures and remedies. At this point it would be stating the obvious to argue that the office is ineffective. The May 27, 1993, GAO report finding that only seven employees have filed formal complaints since November 1988 and that only one of four final decisions made a finding of discrimination—awarding only $18,000 including attorney fees, I understand—is enough to indicate that something is wrong here. Compare those facts to the massive litigation and damages which characterize litigation in the private sector. Of course, I suppose that one could argue that those statistics indicate that discrimination is virtually nonexistent on the Hill, and that explains the absence of complaints—but I won't be the one to do so.

But even if the OFEP appeared to be a reasonable forum for the resolution of employee complaints, it would not be enough. We are dealing with a more fundamental question: that is, should we in Congress conduct ourselves under a different set of requirements—including enforcement and damages—than what we impose on the private sector? I say that, absent manifest constitutional limitations, the answer is no. What this means is that, for example, if the law that applies to the private sector provides for punitive and compensatory damages in employee civil actions, with jury trials, then the law that applies to Congress should provide the same avenues of redress. There is no magic in this idea, only equal treatment. This is the approach I took last Congress in H.R. 4815 which amended the Age Discrimination in Employment Act [ADEA] to, among other things, apply the act to the House, and this is the approach I took this January in the Republican substitute on House rules.

The bill I am introducing today follows this theme. In a nutshell, this bill will extend the ADEA to the House. It would also add to this extension and to those provisions of the Americans with Disabilities Act [ADA], title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act, which extended coverage under these laws to the House, a private cause of action by House employees in Federal district court against Members, including the same procedures, including jury trials, and the same damages, attorney fees, and court costs as would be available against private sector employers.

A detailed explanation of the bill follows. I should note, however, that it provides for personal liability on the part of Members in the sense that Members must reimburse the fund which pays damages on their behalf to an aggrieved employee and that it includes agents as part of the definition of covered employers. Hence, administrative assistants, staff directors, and similar staff with managerial-type responsibilities could be personally liable under this bill. Agents have been included because the definition of employers covered under title VII, the ADEA, and the ADA includes agents. The private sector has suffered much litigation over the meaning of this provision, and it would be wrong to avoid the issue here. I recognize these are controversial areas, but they need to be addressed as part of the real nuts and bolts of congressional coverage. I hope their inclusion in this bill will get that debate moving.

The instrumentalities of Congress have been treated similarly. It bears special mention that apparently none of the instrumentalities were covered under the recently passed Family and Medical Leave Act. This bill corrects that omission, including, of course, a private cause of action in court.

Is a private cause of action constitutional? I'm no lawyer, but CRS prepared an analysis of this issue at my request and concluded that the weight of the case law indicates that it is. I do, however, realize that executive branch enforcement against the Congress does raise serious constitutional concerns, as another CRS analysis has confirmed, and that, in any event, executive branch enforcement is not politically achievable. Hence, this bill does not provide for such enforcement.

Mr. Speaker, this legislation will mark but one milestone in the long process of bringing Congress under the workplace laws of this country, and I recognize that other laws remain to be addressed, but passage of this legislation will establish an important precedent, and with it, Congress will be one step closer to transforming rhetoric into substance. I look forward to working toward passage of this legislation.

CONGRESSIONAL COVERAGE FOR DISCRIMINATION AND FAMILY LEAVE ACT

1. Summary.—The bill would extend the Age Discrimination in Employment Act (ADEA) to the House. (ADEA currently applies to Senate but not the House.) Also adds to this extension and to those provisions of the Americans with Disabilities Act, Title VII of the 1964 Civil Rights Act, and the Family and Medical Leave Act, which extended coverage under these laws to the House, a private cause of action by House employees in Federal district court against Members, including the same procedures (including jury trials) and the same damages, attorney fees, and court costs as would be available against private sector employers. (Note: Jury trials are not available under the ADA and Title VII in so-called "disparate impact," i.e., unintentional discrimination cases.)

2. Private cause of action.—This private cause of action could be initiated within 90 days of exhausting procedures under the House Office of Fair Employment Practices (OFEP) or 180 days after the filing of a complaint with the OFEP. This requirement will help reduce the number of cases going to court, assuming the OFEP process is prompt, meaningful, and fair, providing for adequate damages. Similarly, the threat of court action will place institutional pressure on OFEP to become a truly effective remedial process.

3. Executive branch enforcement.—Because of serious Constitutional concerns (and political realities), the executive branch agencies would not have an enforcement role. (Memoranda by the Congressional Research Service

[1] For example, the House has extended coverage to itself under Title VII of the 1964 Civil Rights Act, the Americans with Disabilities Act, the Fair Labor Standards Act, and the Family and Medical Leave Act. The Occupational Safety and Health Act and the Age Discrimination in Employment Act are examples of employment laws not extended to the House at all.

requested by Mr. Goodling have concluded that private law suits against Members arising from employment are probably Constitutional but that executive branch enforcement does raise serious concerns.)

4. Personal liability; caps.—The bill provides for personal liability on the part of Members in the sense that a Member would be required to reimburse the House fund which compensates an aggrieved employee. This approach is patterned after a similar provision adopted in the Senate in the Civil Rights Act of 1991 (a provision later repealed in the closing days of the 102nd Congress.)[1] Damages under Title VII and ADA cases would, however, be capped at $50,000 for compensatory and punitive damages plus lost backpay/benefits—the cap applicable to small businesses (15–100 employees) imposed under the Civil Rights Act. As personal liability is being provided for, this cap seems appropriate. There would be no cap of damages under the ADEA or the FMLA, as there are none in these statutes as applicable to the private sector. Damages under the ADEA are limited to lost backpay and benefits, plus double such damages in "willful" cases, and under the FMLA basically double lost backpay and benefits unless the employer shows that he or she acted in good faith (all of which can be considerable.)

This provision is, obviously, controversial and is intended to engender debate over whether personal liability is appropriate at all and, if so, whether the House should be financially responsible to the employee at all, even if the Member is required to reimburse the fund. These are difficult questions which need close examination.

5. Agents.—"Agents" of Members are included for coverage under Title VII, the ADA, and the ADEA because the definition of covered private sector employers under these laws expressly includes agents. Hence, administrative assistants, staff directors, etc., would be covered under this bill and would likely to subject to law suits and damages. This is another controversial area, but one which should be raised for debate. The private sector has endured much litigation over the meaning of the agency provision under Title VII, and it would not be proper to avoid the issue here. Further, the Supreme Court in the seminal 1986 Vinson case concerning sexual harassment relied on the agency provision in Title VII in concluding that employers should not be automatically liable for the acts of their agents in such cases, depending on other circumstances. The concept is, therefore, important to discrimination law.

6. Instrumentalities.—Although coverage of the so-called instrumentalities of Congress (e.g., the Architect of the Capitol, CBO, GAO, OTA, etc.) receives little attention, there is no good policy reason (and certainly no Constitutional reason) why employees of these entities should have less rights than House employees. Hence, they are covered (with allowance for private law suits) in a similar manner as outlined above for House employees. The concept of agency has been included, but not personal liability.

7. Guidelines.—Finally, the bill requires that any guidelines issued to implement the Act be published in the CONGRESSIONAL RECORD for at least 60 days to allow comment by interested parties. Thus, any effort to deviate from its requirements will be subject to public scrutiny.

[1]The Senate continues to provide for limited court review of determinations arising from civil rights cases processed through its own internal body but does not provide for a full hearing in court. Further, Senate employees may not recover punitive damages.

DRUG PRICE REVIEW BOARD ROLLS BACK EXCESSIVE PRICES

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, earlier this month, the Canadian Patented Medicine Prices Review Board [PMPRB] announced that Genentech Inc., a biotechnology company based in south San Francisco and Genentech Canada Inc., have agreed to comply with the PMPRB's finding that the price of their product, activase, also known as tPA or tissue plasmogen activator, was sold at an excessive price. To comply with the PMPRB's order, Genentech agreed to lower its price to the U.S. price and refund $1.755 million in excess profits. Under the Canadian legislation, this money can be paid back to the purchasers.

This example shows how a Drug Prices Review Board can work. I personally think that the U.S. price remains much too high. Many United States made drugs are priced substantially lower in Canada and I am surprised that the Canadians did not insist on an even lower price. Many Western European nations certainly pay much less for identical brand name drug products. One of our Nation's leading cardiac specialists has just written in to express his support of a much lower price for activase. Regardless of the price adjustment in Canada, this example clearly shows how a board can save the public and the consumer huge sums of money and not jeopardize R&D.

Activase costs about $2,400 per dose in the United States and is similarly priced in Canada. You may recall that Genentech Inc., recently published the results of $55 million study which compared the drug with its nearest competitor, a drug called streptokinase, which costs $240 per dose. Both of these substances act to dissolve blood clots that are associated with a heart attack. Ideally the drug is injected into a patient as soon as possible after a heart attack. The study found that use of activase resulted in a 14-percent reduction in mortality. Note that a major difference between these two drugs is the price—activase costs 10 times more than streptokinase.

In its May 1, 1993 article on the activase study, the New York Times noted that, "following the usual practice of pharmaceutical companies, Genentech has not released the costs on which the price of tPA is based and has given no indication that the price could be reduced." The article quotes Dr. Eric Topol, the head of cardiology at the Cleveland Clinic Foundation and director of the study, who said the new findings, rather than mandating a shift in clinical practice were information "to be put into context with the other trials and the available data in the field." On the issue of pricing of activase and the need for a statutory price review mechanism, Dr. Topol has written to me and said:

Our trial of over 40,000 patients with heart attack documented very clearly the advantage in life-saving capacity of tPA over established, standard clot-dissolving drugs. Unfortunately, the price is very high and remains now the singular issue for why all patients with heart attack suitable for clot-dissolving therapy (presenting early with no contraindications) would be receiving this advance in biotechnology. Accordingly, it would be ideal for there to be a substantive decrease in the cost of tPA and it is noteworthy that in other countries such as most of Western Europe, the price is half of that in the United States. Collectively, our trial's findings along with the pivotal societal issues indicate the need for a Prices Review Board.

What we have here is another example of an extremely highly priced drug that lacks any clear justification for such an excessively high price. Even though some of these drugs may have demonstrable benefits in terms of a therapeutic comparison with other therapeutic agents, when costs are considered, many of them are not cost-effective because of their excessive prices.

In addition to ordering a price reduction and imposition of a fine on Genentech's activase, the Canadian PMPRB has protected consumers, pharmacists, insurers, and taxpayers by ordering price reductions on a number of other drugs:

Brand name, manufacturer, and action:

Imovane, Rhone-Poulenc Rorer, $1.63 million fine.

Capoten, Bristol-Myers Squibb, price reduction.

Desyrel, Bristol-Myers Squibb, price reduction.

Tenormin, ICI Pharmaceutical, price reduction.

The PMPRB's annual reports indicate that price reductions have been made on over 70 other drugs. I imagine that Canadian consumers and insurers have been banging on the drug companies' doors to claim their refunds for the excessive profits which the board has ordered must be paid.

An important point to note concerns the impact of the price review mechanism on research and development [R&D] expenditures. The Canadian PMPRB reports that the pharmaceutical industry has been consistently increasing its expenditures on R&D even with the actions of the price review mechanism. Obviously, the findings of the Office of Technology Assessment are correct—multinational drug companies are making more than enough money to continue their R&D activities and still run their lavish advertising and marketing campaigns.

The Prescription Drug Prices Review Board, as proposed in bill H.R. 916, would create a review mechanism in the United States similar to that in operation in Canada. It would likely consider products' relative cost-effectiveness, using methodologies currently employed in Australia and under development in Canada and the European Community. This board would review the prices of drugs used both in hospitals and in the out-patient prescription market to ensure that consumers and taxpayers have some recourse against the type of price gouging that is currently undermining our efforts to contain health care costs and ensure that necessary medicines are available at fair prices.

I hope that Congress will heed the recommendations of Dr. Topol and a variety of

other health and consumer advocacy groups and give serious consideration to my proposal for a prescription drug prices review board.

PENSION REFORM ACT OF 1993 INTRODUCED

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mrs. KENNELLY. Mr. Speaker, I rise today to introduce the Pension Reform Act of 1993.

There can be no doubt that the status of women in America has changed dramatically in this century with these changes having profound implications for the long-term economic security of women. Whereas, heretofore extended families cared for the aged, both male and female, women today are increasingly likely to be alone as they age due to the disappearance of the extended family, mortality rates, and the increased incidence of divorce and single parenthood. And when one considers the average woman earns 68 cents for every dollar earned by the average man, it is easy to understand why the poverty rate is so much higher among older women than older men, 15 percent versus 9 percent. Even more striking is that the median income of women aged 65 and older is $6,425, 56 percent lower than the median income of older men—$11,544.

The Retirement Equity Act of 1984 made an important start. It improves the chance of widows actually receiving a pension by offering survivors protection to employees as soon as they become vested and requiring a wife's notarized signature before her husband can sign away her right to receive a survivor's benefit. The law also makes it easier for a divorced wife to get a share of a court awarded pension directly from a former spouse's pension plan; lowers the age at which plans begin counting service for vesting credit, and extends the amount of time women can take off for child-rearing without losing credit for prior service.

But the Retirement Equity Act did not go far enough. Women divorced before its passage have no pension rights. That means that a 56-year-old woman divorced in 1980 is now 65 and has no pension rights. That means we could have a whole new class of poor elderly women. The Pension Reform Act of 1993 would allow pensions not divided at the time of divorce, to be divided now, pursuant to a court order thereby effectively making the Retirement Equity Act retroactive. The Pension Reform Act of 1993 would also require the division of pension assets prospectively unless a domestic relations order provides otherwise.

The Tax Reform Act of 1986 continued the trend of enhanced retirement security for women. It reduced the vesting period, the period of service which must be completed before an employee has a nonforfeitable right to a pension, to 5 years for single employer pensions. This means that employees must be 100-percent vested after 5 years of service or, using an alternative vesting schedule, 20-percent vested after 3 years and 20 percent for each year thereafter. In general, therefore, employees who have been covered by an eligible pension plan for 5 years and work at least 1 hour after January 1, 1989, are automatically vested. This change is particularly important for women as it is estimated that approximately 1.9 million additional workers are now entitled to pensions. Multiemployer pension plans, however, are not covered by these new vesting rules. The Pension Reform Act of 1993 would extend the 5-year vesting period to these types of plans as well. This provision was contained in H.R. 4210 and H.R. 11 last year—both were vetoed by the President. It is also contained in Chairman ROSTENKOWSKI's H.R. 13. It is my hope that we can at least enact this provision this year.

Faster vesting also leads the way to greater portability, the ability to carry one's credit for service in an employer sponsored pension plan from job to job. This is of particular importance to women as they are much more likely to change jobs and interrupt their participation in the work force at one or more times in their lives. The Pension Reform Act of 1993 would also require the General Accounting Office to study pension portability and make recommendations on how portability could be enhanced, the joint and survivor annuity form of benefit be preserved, and on the costs to employers of establishing such a mechanism.

The Tax Reform Act of 1986 also limited integration, a little known, but potentially devastating, mechanism whereby employers may reduce pension benefits by the amount of Social Security to which an employee is entitled. Although originally intended to offset the employer contribution to Social Security, integration has often had the effect of eliminating an employee's entire private pension. In 1986, after much struggle, it was determined that Social Security benefits do not adequately replace the pre-retirement earnings of low- and middle-income workers. Today, therefore, the law limits integration and assures that all eligible employees receive some minimum level of benefits. However, this protection only applies to benefits earned in plan years beginning after December 31, 1988. The Pension Reform Act of 1993 would extend this protection to all benefits earned since January 1, 1987, and eliminate integration entirely by January 1, 2000.

I would urge my colleagues to support this vital piece of legislation.

JIM FISCHER SALUTED

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SUNDQUIST. Mr. Speaker, I ask my colleagues to join me in recognizing and saluting Jim Fischer of Nashville, TN, who was recently inducted into the National Association of Home Builders' Hall of Fame.

Jim Fischer is a homebuilder and residential developer who served as National Association of Home Builder's president in 1987. Fischer's active role in the building industry at all levels has made him a respected voice for the housing industry.

Fischer owns his own homebuilding company and has been involved in residential and land developing for more than 30 years. Fischer began building in 1960. In 1963, he and Bob Short formed Fischer and Short Construction Co. His companies have built more than 500 single-family homes and 8 apartment complexes and has developed 5 subdivisions in Nashville and the surrounding areas. Fischer Construction Co. is still active in residential and land development in middle Tennessee.

Fischer is an active member of National Association of Home Builders, and he has served in a variety of leadership positions ranging from committee chairman to area vice president to president. Fischer was Tennessee's State president in 1978 and was named "State Builder of the Year" in 1976. In recent years, Fischer has returned to local service and just completed a third term as president of the Nashville Middle Tennessee Home Builders Association. In 1990, the local homebuilders voted him "Person of the Decade" for his work on housing issues.

In his local community, Fischer has served as vice chairman of the Tennessee Housing Development Agency. He has served on the Metropolitan Nashville Planning Commission and is currently serving as chairman of the commission.

In addition to housing, Fischer is a diversified businessman. He is a partner in Standard Candy Co., makers of the world famous goo goo candy. He also owns 11 business schools throughout the country.

TRIBUTE TO LONGMEADOW'S DYNAMIC DUO

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. NEAL of Massachusetts. Mr. Speaker, it gives me great pleasure to recognize before my distinguished colleagues two talented tennis champions from Longmeadow, MA.

These two girls, Kate Leonard and Carolyn Knight, won the high school girls' tennis State championship in doubles on June 13. Many nonbelievers had written Kate and Carolyn off when they lost the second set despite leading 5 to 3 and the match was called off by darkness.

Those who really know these girls wisely had faith in Carolyn and Kate's ability to rise from the brink of defeat, look defeat in the eye, and conquer it. They did just that in the third set, capturing it in an exciting and heartstopping tiebreaker.

Kate and Carolyn believe in giving their spectators their money's worth, and again proved that they have nerves of steel when they trailed in the third set 5 to 3 and even faced two match points. Snatching victory from their opponents, Carolyn and Kate rose to the occasion and demonstrated inspired play.

Having nothing to lose, they crushed the ball with dazzling serve-and-volley play and capitalized on their opponents' mistakes. Carolyn and Kate proved not only do they have athletic talent and superior tennis skills, but also that they have the determination and drive to win, no matter how high the odds seem.

I would like to salute the accomplishment of Kate and Carolyn and ask that my honored colleagues do the same.

TRIBUTE TO ROMAN PUCINSKI

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. ROSTENKOWSKI. Mr. Speaker, I rise today to pay tribute to a distinguished public servant, Roman Pucinski of Chicago, IL, who is retiring at the end of June.

Born to Polish immigrants, Mr. Pucinski was instilled with a strong sense of pride and commitment to excellence. His strength of character manifested itself throughout his 14 years in Congress. While serving in the Congress from the 11th Congressional District, he was an effective and diligent worker, and a well respected member of the Illinois delegation.

Passing over 20 bills, many of Mr. Pucinski's major accomplishments came in the area of education. As chairman of the Subcommittee on General Education, he was responsible for the legislation establishing the Head Start Program. In addition, Mr. Pucinski, initiated a number of other programs aimed at granting Federal education aid for the disadvantaged.

As a World War II pilot, Mr. Pucinski also took a deep interest in aeronautical safety issues and was the author of legislation requiring air crash recorders, now known as "Black Boxes," to be put aboard all American airline carriers to aid in fact-finding after any air crash.

It is thus with great pleasure that I commend my friend, Roman Pucinski, as he concludes a most distinguished and successful career.

MEDIGAP INSURANCE COMPANY MISLEADS SENIORS IN MAILING

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, a constituent recently sent me a letter he had received from Monumental General Insurance Group of Baltimore, MD, blaming the Federal Government for major increases in its Medigap premiums.

Baloney.

If Members have constituents receiving a similar letter, I would like to provide the following answer. Any constituent who gets a letter from this company would be well advised to shop around for a better policy. At least in California, there are better deals than offered by Monumental.

Following are the letters:

MONUMENTAL GENERAL INSURANCE GROUP,
Baltimore, MD, May 10, 1993.

Re Medicare supplement rate change.

DEAR ——— ———: Effective January 1, 1993, the Federal Government has increased the deductibles and co-payments under the Medicare program. You have previously received information from Monumental Life Insurance Company outlining these increases and how your Medicare Supplement policy helps cover these charges.

Under the direction of the Federal Government, the state insurance departments enacted sweeping changes in 1992 to their Medicare Supplement insurance regulations. One of the impacts of these new regulations is that Monumental Life Insurance Company must now charge the same group rates to all residents of the same state. In the past, your rates were based on the national claims experience for your particular group.

The combined effect of the new regulations and your 1993 benefit increases result in the following premium rates.

Current Premium: $110.00.

New Premium: $183.20.

The rate change will apply to premiums due on or after July 1, 1993.

Please feel free to call our knowledgeable and courteous customer service representatives if you have any questions concerning your benefit or rate changes for 1993. Call us toll-free at 1-800-752-9797.

Thank you for allowing Monumental Life Insurance Company to serve your Medicare Supplement needs.

Sincerely,

DAVID COLLIER,
Assistant Vice President,
Direct Response Operations.

COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HEALTH,
Washington, DC, June 23, 1993.

DEAR ——— ———: Thank you very much for your letter regarding your Medicare supplemental insurance policy. I appreciate your contacting me about this matter.

It seems to me that the letter you received from the Monumental General Insurance Group is deceptive. The Monumental letter blames their large rate increases for 1993 on two actions taken by the Federal government. Neither of these changes should have resulted in such a large rate increase.

The Monumental letter suggests that the rate increase is a result of changes in Medicare law with regards to supplemental insurance policies enacted as part of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90). There is no reason why the provisions of OBRA 90 would require a company to raise their rates in order to be in compliance with the law.

According to the General Accounting Office, Monumental Life was consistently below target loss ratios in 1988, 1989, and 1990. Data was not available for more recent years, but if low loss ratios were a concern for Monumental Life, the more likely response would be for them to lower their premiums, rather than increase them.

The suggestion in the Monumental letter that attributes their rate increase to higher Medicare deductibles and copayments is also misleading. While Monumental raised their rates by 66 percent between 1992 and 1993, a survey of Blue Cross and Blue Shield of California shows a maximum increase of 14 percent during the same period of time.

Furthermore, I have researched the premiums charged by California AARP Prudential for Medicare supplemental insurance policies for 1993. Ten plans are offered, with premiums ranging from $46 to $147:

Plan A—$46.00.
Plan B—$71.50.
Plan C—$80.25.
Plan D—$77.50.
Plan E—$79.75.
Plan F—$96.75.
Plan G—$92.00.
Plan H—$101.00.
Plan I—$114.75.
Plan J—$147.00.

As you can see, even the most generous plan sold by AARP, Plan J, which includes a prescription drug benefit, is cheaper than the premium charged to you by Monumental Life.

I hope that you find this information useful. Please do not hesitate to contact me again if I can be of further assistance.

Sincerely,

PETE STARK,
Chairman.

ASIA'S BALKAN WAR

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. KENNEDY. Mr. Speaker, I include the following excerpt on Sri Lanka from the Wednesday, May 5, edition of the Boston Globe in the CONGRESSIONAL RECORD.

[From the Boston Globe, May 5, 1993]

ASIA'S BALKAN WAR

In the new world order's current configuration, the island nation of Sri Lanka may come to be known as Yugoslavia East.

The spectacular and terrifying assassination of President Ranasinghe Premadasa—by a young suicide bomber who drove his bicycle into the chief of state—illustrates the pathology of ethnic and religious warfare that has tormented Sri Lanka for the past decade.

The assassin's mode of operation suggests that he was converted into a human bomb by the Tamil Tigers, the secessionist organization that has been fighting the central government relentlessly in a war distinguished by atrocities on both sides.

After years of social and political oppression at the hands of Sri Lanka's Buddhist Sinhalase majority (75 percent of the population), the Tamils (18 percent Hindu and 7 percent Muslim) took up arms in the northern and eastern provinces, where they constitute a majority. The political goal of the fanatical Tigers has been to establish a separate Tamil state in those provinces.

Other Tamil voices have propounded a solution that would achieve self-government within a unitary state, a formula that might satisfy the needs of the Tamil minority without provoking the Sinhalese majority to continue fighting for the preservation of Sri Lanka's territorial integrity.

The Elam Tamil Association of America, an organization of Tamils in the United States, proposes a federal constitution for Sir Lanka. The central government could implement such a constitution unilaterally. The Tigers might not reject a form of self-government just short of independent statehood, and Sinhalese hotheads would find it difficult to persuade their war-weary people to prolong a conflict that could be resolved constitutionally.

If such a solution is not tried, the United States should take the initiative and bring the conflict in Sri Lanka before the United Nations. Asian victims of ethnic or religious conflict deserve the same protection as European victims.

ON THE ONGOING TURMOIL IN AZERBAIJAN

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. HOYER. Mr. Speaker, I have been following with regret and growing concern the rebellion in Azerbaijan. The uprising began on June 4, and some 70 persons are reported to have been killed so far. Insurgents led by military commander Surat Huseynov have essentially forced the downfall of the Popular Front government and have taken control of over half the country. Though most rebel forces are still outside the capital city of Baku, Huseynov has now publicly stated his intention to take all power in Azerbaijan. Meanwhile, though President Abulfaz Elchibey, the only democratically elected representative of the people of Azerbaijan, has not resigned, he has fled Baku to his home region of Nakhichevan. Azerbaijan's National Assembly, according to the latest dispatches, is urging him to return, but for the probable purpose of impeaching him.

The turmoil in Azerbaijan is extremely regrettable for many reasons. President Elchibey's election as president last June, which Helsinki Commission staff observed, was free and fair, and offered hope of Azerbaijan's future democratization. It is extremely disheartening now to watch him flee before armed rebels, who have disdained and trampled on the democratic process in their grasp for power.

Second, apart from Kyrgyzstan, Azerbaijan is the only Muslim republic of the former USSR which is not ruled today by former Communist Party leaders. The Popular Front government and President Elchibey represented a noncommunist past and, it was hoped, a noncommunist future. Instead, Haidar Aliev, former Communist Party and KGB boss of Azerbaijan, has returned to power through his election as chairman of parliament. He has pledged adherence to democratic norms, but his past careers frankly do not inspire confidence in his commitment to democracy.

Third, the uprising has placed in grave doubt any prospects for an early cease-fire in the Nagorno-Karabakh conflict. Armenia, Azerbaijan, and the Armenians of Nagorno-Karabakh had just recently accepted a tripartite plan designed to end the fighting and begin negotiations. Now, unfortunately, it appears the resolution of the conflict will be delayed.

Fourth, there appears to be a growing power struggle between Surat Huseynov and Haidar Aliev. Though they at first seemed to be allies, Aliev has condemned Huseinov's stated intention of taking power in Azerbaijan. To complicate matters farther, ousted former President Ayaz Mutalibov, who has been in Moscow since his May 1992 power grab collapsed, has reportedly returned to Baku. It is possible that armed groups and individuals loyal to all these competing power seekers will begin attacking each other. In the worst case scenario, this could lead to civil war—which could give Russia a pretext to intervene while pleading the urgency of peacekeeping.

Mr. Speaker, the Popular Front government of President Elchibey has been beset by problems, both in the military and economic spheres. Calls to bring over political forces into policymaking, and the creation of a coalition government, deserve serious consideration in Azerbaijan's straitened circumstances. But the rebellion by Surat Huseynov brings discredit on himself and his allies. His actions have undermined, after a promising start, Azerbaijan's hopes of establishing a democratic tradition after seven decades of Soviet communist misrule, have bolstered tendencies to resort to arms as a way of resolving political crises, and have betrayed the cause of peace in a deeply troubled country.

AMERICAN GI FORUM OF CALIFORNIA HOLDS STATE CONVENTION

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, I would like to recognize the American GI Forum and its upcoming State convention to be held in Newark, CA, from June 25 to June 27. The American GI Forum has been a leader in identifying and correcting discrimination endured by Mexican-American veterans over the past 45 years. The forum now acts as a promoter of greater educational and employment opportunities and a protector of civil rights for all Hispanics.

The American GI Forum, equipped with more than 500 chapters in the United States and Puerto Rico and a volunteer force of dedicated leaders, works for greater participation in civic affairs, increased educational opportunities, higher employment, and equitable income and health services for all Hispanics.

The American GI Forum has been in the forefront of recent civil rights struggles. This includes the desegregation of schools, making voter registration more accessible, ensuring fair judicial proceedings, and reducing mass media stereotypes and distortions.

We have come a long way in reducing discrimination in the classroom, the workplace, and the courts. However, there is much still to be done to ensure that all Americans are treated equally. I hope my colleagues will join me in saluting the American GI Forum for protecting the rights of our Hispanic communities.

REV. A. RICHARD SMITH HONORED

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. COOPER. Mr. Speaker, I rise today to honor Rev. A. Richard Smith, a dedicated minister and tireless leader in his community. Pastor Smith, who founded Trinity Lutheran Church in Tullahoma, TN, is retiring after 41 years of faithful service. He is a long-time friend and mentor of mine, and he christened both of my children.

Pastor Smith is a graduate of Vanderbilt University in Nashville, and he attended Hamma Divinity School in Springfield, OH. In addition to leading Trinity Lutheran Church since its founding in 1953, he was a dean of the Cumberland District of the Southeastern Synod of the Lutheran Church in America and served on the executive committee of the synod's board of directors. He is also former secretary of the Lutheran Theological Southern Seminary in Columbia, SC.

Perhaps Pastor Smith's most outstanding accomplishment is his dedication not only to his own parishioners but to those people in his community who have suffered misfortune and deprivation. He established the first school for the mentally and physically handicapped in his area, and he helped organize halfway houses and units of Alcoholics Anonymous.

Trinity Lutheran Church and the entire Tullahoma community will greatly miss the leadership of this devoted minister and outreaching counselor. I join them in expressing my heartfelt gratitude and admiration for Pastor Smith's innumerable contributions to his community, and I wish him a relaxing and enjoyable retirement.

RENOWNED HEART SURGEON SEEKS STATION'S APPROVAL

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. ANDREWS of Texas. Mr. Speaker, anyone who doubts the importance of the U.S. space station should read the following testimony of Dr. Michael DeBakey, distinguished surgeon and honored medical innovator who implanted the first artificial heart in a patient.

A winner of the United States' highest civilian honor, the Medal of Freedom, and the National Medal of Science, Dr. DeBakey testified before the House Space Subcommittee yesterday on the impact our space program has had on his research and ability to repair damaged hearts.

Most specifically, Dr. DeBakey discusses his current collaboration with NASA on a implantable heart pump for the nearly 100,000 Americans whose hearts need either pulmonary or systemic support.

Although he has been working on this device for nearly three decades, DeBakey credits his work with an engineer at the Johnson Space Center as the real turning point.

"Why do we need space exploration? You do not have to convince me. More progress was made in the 3 years I worked with the engineering team at NASA on LVAD than in the previous 35 years of effort . . . I believe we are very close to making a breakthrough that will revolutionize heart surgery."

The testimony of this exceptional surgeon and researcher is proof of the space station's importance, and I hope will encourage others to vote with me in support of the space station.

STATEMENT OF MICHAEL E. DEBAKEY, M.D., CHANCELLOR AND CHAIRMAN, DEPARTMENT OF SURGERY, BAYLOR COLLEGE OF MEDICINE

Mr. Chairman and Members of the Subcommittee, knowledge, science, and human advancement have always been a reflection of their time. Recorded history began some

5,000 years ago. From those earliest writings we know that humans wondered about their world and sought to learn more about it. The first treatise on surgery was written in Egypt about 2,700 B.C. by Imhotep, the Pharaoh's grand prime minister whose status was so great that after his death he was declared a god.

Surgery in western culture originated with the peoples of Greece and Asia Minor. Hipprocates, known as the father of medicine, was one of the first physicians to view medicine as a systematic science. Medicine and surgery achieved great peaks during the third and fourth centuries B.C., especially in Alexandria. But in the early history of Rome the story was different. Before the Romans conquered the Greeks in 146 B.C., medicine and surgery were considered such lowly pursuits that no Roman citizen would undertake them. Pliny the Elder wrote that because Romans had gotten along without doctors for more than 600 years, they should be able to survive without "the cult of Aesculapius," the Greek-Roman god of medicine, a reference to the medical community.

In the fourth century A.D., the Dark Ages, which lasted nearly an entire millennium, the pursuit of knowledge, new ideas, technology, and science was heresy. Miracles replaced medicine as the form of healing. Civilization regressed to an era of ignorance and fear.

These historical examples underscore the tenuous position science, medicine, and research—the quest for knowledge—sometimes hold in society. In the early Roman days and the later Middle Ages, the decline of medicine and science was due to ill intentions of societies' leaders, but to other priorities considered at the time as more important: conquest and power for the Romans and faith and religious predominance for citizens of the Middle Ages.

Today, the world and, at its forefront, the United States, are far more enlightened about the critical roles science, research, education, and medicine play in the welfare of our people and of our future.

But today our leaders—you among them—also face the issue of priorities. The Cold War that required much of our attention and resources for half a century is over. Defense as a priority is being replaced by increasingly urgent issues concerning our economic security, social well-being, and future welfare.

I am well aware that with each passing day our country's deficit makes our priorities more difficult to set and our choices harder to make. My profession of health care has been placed squarely under the microscope of fiscal scrutiny.

But I am here today not only as a physician and surgeon, but as an explorer, a researcher, a participant in today's quest for knowledge. Medicine, after all, is about exploration, the exploration of the human body. I am the explorer of a world composed of microscopic cells and a researcher of systems far more complex than mankind can create. The human body is a world of wonder and discoveries, and we have many, many more discoveries to make in medicine and in surgery.

In times of competing priorities, I hear calls to eliminate what some have called "frivolous big science" programs, such as a space station. Under deficit-imposed pressure, I hear "choices" described that pit possible cutbacks in vitally important programs, such as medicare and medical assistance to our elderly and disabled against so-called "big science" programs like a space station in a heated, either-or financial competition.

Better health care for our citizens is not at odds with a space station. As a physician, teacher, and explorer, I must emphasize that our space program and space station are not frivolous, because they may provide keys to solving some of the most vexing problems that affect our people. Health care is improved not only by such immediate proposals as providing more accessible care to our citizens, but also promoting the research that will lead to far-reaching advances in the field.

For example, you, our leaders, should not see programs such as Medicare and a space station as a choice. Rather, the goal should be to use the unique microgravity laboratory of a space station to research ways to treat or prevent the deteriorating physical conditions that affect the elderly and disabled.

Many health problems that affect the aged—bone density loss, breakdowns in immune response, changes in the cardiovascular system—also affect very young, very healthy astronauts once they are in weightlessness. A space station provides a facility unavailable on Earth to observe these processes and develop countermeasures that could be applicable to the aged and the feeble, as well as astronauts. Such advances could, in turn, potentially lower future health care costs.

More than anything else, I believe a space station will teach us about ourselves, about how humans adapt, live, and work in an entirely new and challenging environment. The space station is not a luxury any more than a medical research center at Baylor College of Medicine is a luxury.

If fiscal priorities do not allow research into the medical mysteries of the human body at the best available research centers, whether they are 200 miles outside of Washington, D.C. or 200 miles above Earth, we are in a worse and likely more prolonged national health care crisis than any of us have imagined.

One way we will ultimately overcome the economic problem associated with medical care is to obtain the knowledge needed to prevent diseases and find new means to treat patients, especially as our population ages. We cannot always predict the outcome of scientific activity, especially efforts as broad and untried as space. One reason some scientists and political leaders question the efficacy of space research is that we have had limited opportunity for multiple experimentations and trial runs in space. Significant return on science research requires an ability to acquire information in both quantity and quality.

Present technology on the Shuttle allows for stays in space of only about two weeks. We do not limit medical researchers to only a few hours in the laboratory and expect cures for cancer. We need much longer missions in space—in months to years—to obtain research results that may lead to the development of new knowledge and breakthroughs.

There are concrete examples of technologies awaiting long-term research in space, and they demonstrate the benefits a space station holds for medicine.

Tissue modeling—producing exact replicas of human tissues—is a relatively new field that promises important insights for cancer research, organ transplant research, and human virus culturing. But on Earth, we have only a two-dimensional understanding of how human cells work and replicate in the body. A tissue modeling device, called a rotating wall vessel, recently developed by NASA at the Johnson Space Center in Houston, imitates certain microgravity properties.

Quite simply, by emulating those microgravity processes, this device has grown the largest three-dimensional cultures of normal and cancerous human tissues ever developed outside the body. This new technology provides an impressive research tool that may greatly advance cancer research and may even allow for the development of transplantable human tissues. Demonstrations on the Space Shuttle have shown great promise for this culture system.

But, quite literally, its full potential won't get off the ground until there is a space station where it can be researched for long periods.

In another area, crystalline structures have important research applications for medicine, pharmacology, and biotechnology. Space-grown crystals are usually large, more developed, and more uniform than those grown on Earth. Earth-bound crystals tend to be distorted by convection and gravity and are therefore poorly suited for study.

The superior space-grown crystals allow for a more complete and exact analysis of their molecular and cellular structures. The analysis then can be used to design and test specific treatments for diseases. Protein crystals for research on the HIV virus, insulin, cancer, rheumatoid arthritis, and emphysema are only a few examples of experiments already flown on the Shuttle. All of them can significantly benefit from long duration access to microgravity on a space station.

Unexpected and unpredictable side benefits for the private sector have stemmed from the technological developments achieved by the U.S. space program since its inception, and many of these involved clinical medicine. Before they were developed, I couldn't have testified to you that if you fund the space program, this will be the result. And I can't tell you now that if you build a space station, you will specifically get this side benefit from some new technology or that side benefit. The only thing I can tell you is what we in medicine have received from space technology thus far. But I don't know how anyone could look at these benefits and imagine similar advances wouldn't occur in turn as a byproduct of a space station.

NASA did not develop these new medical aids, but it did develop and transfer these potential technologies to the private sector. In many cases, NASA researchers actively collaborated with scientists in private and public research laboratories to obtain beneficial results.

The space program's requirements for miniaturized and highly reliable instrumentation and sensors were the precursors of cardiac pacemakers. The development of bi-directional telemetry for satellites resulted in programmable pacemakers in which heart rate could be adjusted by the physician as necessary without additional surgery.

The need to monitor astronauts' vital signs while hundreds of thousands of miles away from Earth has led to medical telemetry for monitoring ward patients' vital signs. The same telemetry has permitted paramedics to save countless lives while en route to hospitals. Space telemetry also has spurred the development of "telemedicine" that allows clinical consultation and support in disaster-stricken areas worldwide. "Telemedicine" has opened health care opportunities to remote sites such as Native American reservations. Telemedicine is now being

adapted for long-distance medical specialty consultation and for medical education, and the result has the potential to lower health care costs.

Space imaging technology is used for computer-assisted tomography, or CAT scans, position-emission tomography, or PET scans, and Magnetic Resonance Imaging—technologies that diagnose tissue abnormalities without intrusive measures. Space imagery processing technology is used in the now common treatment known as "balloon angioplasty." This procedure makes use of a tiny balloon on the tip of a catheter that creates internal compression of narrowed heart arteries, opening them to improve circulation of the blood to the heart muscle. Heart attacks may be averted completely by this process.

These are just a few of the thousands of medical applications that have been derived from space technology and now touch lives daily. They were never expected when the space program began, and their original applications were not intended for the purposes that have now saved countless lives.

All of these advances are the serendipitous outcome of scientific and technological research. We investigate to uncover questions we do not yet know how to ask and do discover answers we never expected. These advances are now common, but they still deserve the label of recent. And the unexpected benefits of space exploration continue today. In my work they have been invaluable.

I have devoted my entire professional career to furthering knowledge in cardiovascular medicine and surgery. Before the first human ever flew in space, I was researching the development of a Left Ventricular Assist Device (LVAD) as a life support system for heart failure. This device assists the muscle-damaged heart in pumping blood and provides similar assistance for patients awaiting a hear transplant. The Institute of Medicine estimates that early in the next century, as many as 60,000 patients each year will require the support of an LVAD. If we include circulatory crippled patients, the number increases to 150,000 patients annually. Currently, the only means of circulatory support is through the use of large, complex and expensive pulsatile LVAD's that provide about one year of circulatory support. Such devices cost as much as $50,000 each and, therefore, are not practical for use of large populations.

I had been working on a non-pulsatile pump that could be compact enough and cost-efficient enough for widespread clinical use. Unfortunately, currently available heart pumps of this type have a limited life span of just a few days. Another motivation for the development of a simple LVAD system is the scarcity of available donor hearts. In the past, about 2,000 heart transplants were performed annually in the United States. In the future, fewer transplants will likely be performed each year, regardless of the search for donors and an expanded criteria for acceptance. A simple, lower cost, portable heart pump is vital for patients risking heart failure and its complications. If an appropriate system can be developed, transplants will be more successful or not always necessary; the synthesis of anti-rejection drugs can be more effective; and post-transplant complications may be minimized. Early LVAD designs, unfortunately, were experiencing fluid flow problems that damaged blood cells during pumping. I am a surgeon, a researcher, and an explorer, but not an engineer. I needed engineering help with the heart pump, but did not know where to go.

In 1984, a Johnson Space Center engineer named David Saucier was in heart failure. We performed a heart transplant on him. During his convalescence, Saucier and I discussed the similarities between the heart and a spacecraft life support system. Both feature closed-loop systems, pumping fluids at various rates and pressures. Both receive and act upon electric impulses. Both have extensive networks to carry messages and send commands to all parts of the vessel. Saucier returned to work at NASA and put together a four-person team to work with our investigators at the Baylor College of Medicine to develop a prototype unit for an LVAD that eventually would be implanted inside the chest, between the heart and aorta.

Using their knowledge of electronic control systems, computational fluid dynamics, miniaturized spacecraft pump designs, power-efficient small motor designs, computer modeling, and engineering design parameters, the NASA team has helped our Baylor researchers develop an axial flow device. It consists of a spinning impeller, a fixed flow inducer, and a fixed diffuser within a flow tube. The first stage flow inducer for the LVAD was adapted from downsizing a liquid hydrogen inducer used on a Shuttle main engine. The impeller has six blades and is designed to rotate at 10,000 to 12,000 revolutions per minute depending upon the required flow output. The flow tube has an internal diameter of 0.5 inches and a length of 2.25 inches. Rare earth magnets implanted in the impeller blades allow the impeller to act as the rotor of a brushless direct current motor. The motor controller uses a back electromotive force principle for commutation control.

One of the most serious problems with the LVAD design was hemolysis, or trauma to the red blood cells that can occur if conditions are not optimal. Using their state-of-the-art test equipment developed for use in spacecraft design, the NASA team explored sheer force factors acting on the blood as it passes through the tiny impellers and how they correlated to the speed of passage and pressures involved in the process.

The design strengths of the NASA/Baylor LVAD include the small size of the device enabling easy implantation, low power consumption, and absence of blood seals. Thrombus formation, or blood clotting, and blood leakage problems associated with the seals are therefore avoided.

Current pump performance has demonstrated the planned flow rate of 5 liters per minute against a pump head of 1000 mm-Hg while using 9 watts of power. In vitro hemolysis using cow blood tests has been reduced from a high value of .189 to the current value of .031 grams of liberated hemoglobin per 100 liters of blood pumped. Studies of a prototype unit in calves will continue through this summer. The eventual goal of the project is to perfect the device and to obtain Food and Drug Administration approval for clinical trials.

Why do we need space exploration? You do not have to convince me. More progress was made in the three years I worked with the engineering term at NASA on LVAD than in the previous 35 years of effort on the design and development of this heart pump. I believe we are very close to making a major breakthrough that will revolutionize heart surgery.

Space exploration is human exploration. The knowledge we gain in space is not only from sending people beyond Earth, but also from marshalling the human resources on Earth that make space flight possible. Such people, like David Saucier, come from a variety of science and engineering disciplines and dedicate their lives to the challenge of space and to applying their space expertise for the benefit of those on Earth. Their efforts affect fields far beyond the focus of NASA. They truly are conducting human exploration.

The reason we conduct research is not so much to come up with the right answers as to ask the right questions. The more questions we uncover, the better the research. In the history of science and technology development, the great advances were made by the single person who wondered why and sought to discover how. That is why we go into space. That is why we explore. That is the genius of humanity.

We can be sure of one thing. If we stop researching, searching for answers and asking more questions, we won't expand our store of knowledge, and we will not grow as a civilization. Our priorities may emphasize the bottom line today, but that may not be enough to reach the finishing line as a nation in the future.

Our space program is a symbol to the rest of the world that the United States looks to the future and plans to maintain its leadership role in science, technology, and research. It demonstrates that our leaders have the foresight to look beyond today's challenges and make a commitment to the promise of a better world. The space program, and specifically the space station, is an investment in knowledge that does not exist today and will not exist tomorrow without a commitment now.

We can't predict the outcome of scientific research or the knowledge to be gained. But what we can foresee is that no new knowledge, no new solutions to our concerns will be gained without it.

CLINTON VERSUS PEROT

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. OXLEY. Mr. Speaker, the following Op-Ed by Philip Trezise, which appeared in yesterday's edition of the Washington Post points out fallacies in Ross Perot's arguments against the North American Free Trade Agreement. I recommend this for all of my colleagues and anyone else who is truly interested in an accurate picture of the impact of NAFTA.

CLINTON VERSUS PEROT: ON FREE TRADE, CLINTON HAS THE BETTER CASE

(By Philip Trezise)

The North American Free Trade Agreement has become a test of strength between Ross Perot and Bill Clinton—but time is on the side of Perot.

For the moment the president is understandably preoccupied with the fate of his economic plan and other problems. In due course, however, he will have to go to Congress for the votes to ratify the agreement made with Mexico and Canada.

Meanwhile, with the luxury of time, Perot has chosen to make opposition to NAFTA his cause. Whenever he is not attacking Clinton's competence and character, he is busily predicting the devastation of American industry if NAFTA is allowed to come into force.

This is a battle that Clinton can ill afford to lose. Perot may be afflicted with an incurable case of hubris, but the polls tell us that he remains a formidable political phenomenon. If he wins this one, the impact on the political scene can hardly be trivial.

On the merits, Clinton has overwhelmingly the better case. NAFTA is a good agreement. Much of the debate and all of Perot's emphasis have been on the feared employment consequences of free trade with a low-wage country like Mexico. All of the estimates of these consequences, and most especially the preposterous numbers offered by Perot, must be taken with wholesale skepticism. Right now, only Canada has more complete access to the U.S. market than Mexico. NAFTA's carefully phased and safeguarded elimination of the remaining U.S. barriers cannot possibly change matters very much.

The central feature of NAFTA is Mexico's quickening retreat from Third World economic dogmas. Here is a country until recently notable for its high levels of protection at the border, its distrust of foreign investment, its array of costly state enterprises and its perpetually poverty stricken, low-productivity agriculture. President Salinas, with NAFTA as his vehicle, has shown himself ready—in fact, anxious—to broaden and deepen his predecessor's start on a program of market reform. If NAFTA is anything, it is the endorsement by Mexico of the free market economics that the United States has been so industriously peddling in Latin America, Eastern Europe and elsewhere around the globe.

Consider that in NAFTA the Mexican authorities are committed to opening to foreign competition its hitherto fiercely protected farm sector. The NAFTA agriculture chapter was negotiated by Mexican and the United States with great caution in deference to the sensitivities on both sides of the border. Nevertheless, it will be the first genuine breakthrough anywhere in farm trade negotiations since the Second World War.

Again, to free international trade in services has been a U.S. goal for more than a decade. Under NAFTA, Mexico and Canada will agree to a set of core rules for the services trade stronger than those in the earlier U.S-Canada free trade pact and better than whatever may come out of the continuing negotiation, the so-called Uruguay Round.

Banking, financial and insurance services are treated separately in NAFTA, as demanded by the finance ministry bureaucracies. Mexico had the most to concede. It did so. After transition periods, American and Canadian financial institutions will have wide if not complete access to until now a largely closed Mexican market.

Cross-border land transportation services—trucking, bus and rail—are also treated separately. Once more, Mexico will do most of the liberalizing.

Foreign direct investment has been a Mexican phobia, as it has been in Latin America generally. Under NAFTA, Mexico will open to all comers new sectors, including petrochemical portions of the hitherto sacrosanct energy industry. In the investment chapter, Mexico explicitly abandons the Calvo doctrine, under which Latin American governments have long insisted that disputes with foreign investors could be decided only in local courts. In other respects the chapter goes well beyond what is hoped for from the Uruguay round. A U.S-Mexico tax treaty parallels the NAFTA investment provisions. And prior and comprehensive Mexican law for the protection of intellectual property goes along with NAFTA.

All these are Mexican "concessions," in the jargon used by trade negotiators. Actually, except for some quite small prospective benefits from reductions in American tariffs, Mexico could get practically all that is to be gained from NAFTA by its independent action. In that case, the disasters that Perot so fears would still follow.

Perot's antics have raised the NAFTA political stakes considerably. Perhaps that is as well. NAFTA is not a partisan issue. Clinton can look for Republican votes to help ratify an agreement that was negotiated, after all, by George Bush. Ratification, though, will be Clinton's achievement—and not a small one for him and for rationality in foreign affairs.

PLAYING WITH FIRE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GUNDERSON. Mr. Speaker, I would like to bring a very interesting article from the June 21 edition of Newsweek to the attention of the House. As many of my colleagues know, I have long been interested in promoting labor-management cooperation efforts, and I am the sponsor of legislation—H.R. 1529—which would remove current ambiguities in labor law which have called the legality of these so termed "employee participation programs" into question.

While the attached article presents a very positive endorsement of labor-management cooperation programs overall, it points out some of the real difficulties and challenges which are involved in setting the program up.

I also think it presents an indirect but good argument, against mandated, one-size-fits-all programs. The argument for mandated programs is built largely around the notion that labor-management cooperation is good, but without a statutory mandate not enough companies will recognize it as such or do it the right way.

This article suggests two key fallacies in the argument. First, companies need to be allowed to progress at their own pace on this, and to adapt programs to their own particular situations and workplace cultures. Second, American business writ large is coming to recognize the economic necessity of employee participation—note the article's closing paragraph in particular—and doesn't need to follow Washington's lead.

PLAYING WITH FIRE

(By Marc Levinson)

The 115 employees of Overly Manufacturing Co. had never seen anything like it. Amid rumors of layoffs, owners Terry and David Reese invited the workers at their Greensburg, Pa., company, along with their spouses, to a roast-beef buffet at the Garden Civil Center. After dessert came the entertainment: a 20-minute videotape making the case for greater worker participation—and promising that managers would listen to what workers had to say about making the company more efficient. "You'll tell us how it's supposed to be done rather than us telling you," said president Jon Harts, appearing on a 12-foot screen at the front of the hall. There'd be no guarantees; the only way to secure jobs was to keep overly competitive. As the workers filed out, each was offered a copy of the tape to take home and ponder.

On that cold night last February, Overly Manufacturing joined the most far-reaching economic trend of the 1990s, the restructuring of the American workplace. From Maine to California, regimented, standardized mass production is out. Flexibility, quality, low costs and quick response to customer needs are the orders of the day. To achieve those goals, employers big and small are enlisting frontline workers as active participants in rethinking the business, organizing the work and even hiring new employees (page 48). Washington is enthusiastic, too: Labor Secretary Robert Reich insists that worker participation is vital to improving the performance of U.S. business, and the Clinton administration's new commission on employee relations is looking at ways to promote it. The real battle over worker empowerment, however, is taking place not in Washington but in thousands of workplaces. There, tumult reigns as bosses used to giving orders and workers trained to follow them grope toward a new style of management. "It's like Pandora's box," Harts says. "You open up the door and everything comes out."

The poster children of the move to worker empowerment are household names like AT&T, General Electric and Hewlett-Packard. For these leading-edge companies, there is no alternative to radical change: foreign competition is so intense, customers' quality demands so stringent and product development so fast that a traditional hierarchical organization simply can't keep track of it all. But most Americans work in very different circumstances, far from the leading edge. The success of these small factories and machine shops, construction firms and service companies is even more crucial to America's economic future than the sagas of a few high-technology superstars, because smaller companies are where the new jobs are. As Overly Manufacturing's story reveals, transforming a small company can be as tough as transforming an IBM—and for the people involved, it can be every bit as traumatic.

There's nothing high tech about Overly's business. In an aging red-brick plant in the mountains of western Pennsylvania, the 105-year-old company makes doors for laboratories, dormitories, nuclear plants and government vaults, as well as metal roofs for structures like the Astrodome. Each door is custom designed, but the manufacturing process is pretty much unchanged since the 1950s: workers weld metal members to a steel skin, lay insulation around them, weld the other door skin on top and attach knobs, locks and hinges. Customers, mostly construction contractors, don't demand electronics-industry precision. Fast delivery isn't an issue, either. No one buys a $1,000 door on the spur of the moment.

DEEP TROUBLE

When brothers Terry and David Reese bought Overly from its longtime owner in 1991, they quickly made clear that they intended to change things. The Reeses envisioned building the staid, $12 million company into a $50 million company, and they believed that Overly's authoritarian, nose-to-the-grindstone culture couldn't accommodate such growth. They broke with tradition by giving workers monthly sales figures and quarterly financial reports to help them understand the company's woes. Harts, the 41-year-old door-industry veteran who runs the operation, told anyone who would listen that

the business was in deep trouble. With construction slow, other doormakers were entering Overly's niches, and prices had fallen by half. Articles in the business press convinced him worker empowerment might help.

Four months ago he took the plunge, naming a team of a dozen designers, salespeople, welders, press operators and plant foremen and giving them one assignment: take the company's new, low-cost method for making sound-retardant doors and get it into production. After a few days of training in teamwork, the members scoped out the task—and found it far more complex than any of them had imagined. Where to put the line? Team members found ways to eliminate piles of metal taking up floor space. Then a consultant suggested putting the entire operation in one small area and moving workers among the different jobs. The team was enthusiastic, but some supervisors and coworkers were not: having press operators install sound insulation would complicate relations with the Steelworkers' union. Production planning got complicated, too. While the team had figured on building doors no wider than four feet, salespeople were bringing in orders for larger doors. "It's nice to talk about, 'Let's make only 36-inch and 48-inch doors,' but that's not going to happen," interjected designer Bill Hugus, the team leader, at the group's weekly meeting. When the equipment arrived, the first doors off the new line took far too long to assemble, blowing the cost projections.

Things were even more tense elsewhere in the plant. A separate team had taken on one of Overly's chronic problems, backups in the shop that makes heavy bank-vault and blast doors. After three months of discussion, the welders, engineers and salespeople proposed installing an overhead crane, allowing welders to move two-ton doors without long waits for a lift truck. The objections were instant. How much time would be saved? Isn't the roof too low? Wouldn't individual welders hog the crane? In management meetings, executives' reviews were scathing. Instead of praise, the team received an unwanted assignment to gather yet more data. The discouragement in Overly's sole conference room was almost palpable. Said Ken Guidas, a second-generation Overly welder, "It's going to take a lot longer than anyone thought to get it accomplished."

ATOM BOMB

If these first stabs at worker participation were frustrating to Overly's workers, they were alarming to managers. "There's so much going on it's like an atom bomb ready to explode," said production manager Rick Brown, who came to Overly as a draftsman 16 years ago. Suddenly, everybody had ideas and suggestions. Telling the troops to knock it off and get back to work was no longer an option. Managers saw the company spiraling into self-directed anarchy. "I know there's a customer there who needs his product and I have responsibility for getting it to him," fretted plant manager Mike McConville. "I knew I could get it to him. I don't know that anymore." Gene James, the bearded 48-year-old who runs the company's computer systems, saw confusion spreading fast. "There's some vague idea that Overly wants to become a new democratic organization, empowering people," he said "But we've lost the old structure before the new structure is in place, and the chaos scares the shit out of me." Such hesitations only added to workers' doubts about the depth of Overly management's commitment to change. "Every time we came up with what we thought was a good idea, somebody higher up in the company thought it wasn't a good idea," complained Joe Smith, a computer programmer. One team even resorted to guerrilla warfare. After managers nixed its proposal to scrap the cards that engineers used to record the time spent on each job, the team arranged to collect the cards—and store them under a desk. Months elapsed before managers realized that the supposedly vital data weren't being logged into the computer.

After four months, teamwork no longer seems like such a hot idea to many at Overly. "Ideas are presented to upper management, and we don't know how fast they're going to be implemented," says union leader Tim Crossman, a press operator. "That's probably the biggest problem we have right now. Things are put on the back burner." Orders are slow and some white-collar workers have been laid off, souring the atmosphere. Although the union has filed no objections, older workers are resisting the pressure to learn several jobs. Most confusing of all is the slowly dawning recognition that the chaos will have no end, that being an innovative, high-quality, low-cost manufacturer is not a one-shot effort. "We upped the hours, increased sales and thought we were doing the right thing," says production manager Brown. "They said it wasn't good enough. People aren't sure now what's expected of them." Some are ready to dump employee involvement altogether.

Co-owner Terry Reese counsels patience. It takes a while, especially when you've been in an environment where it's 'Sit down, shut up and do what I tell you'," he says. And the chaos has not been without payoffs. Perhaps the biggest has been better communication between the blue-collar folks on Overly's plant floor and the engineers upstairs, who, thanks to team meetings, are paying more heed to the difficulties of manufacturing their designs. The myriad small suggestions have helped to shave costs by reducing inventory, improving storage and repositioning equipment. And earlier this month the first regular production run rolled off the new-product team's sound-retardant door line. "The product looks great!" Harts exults. "It's going to knock the market dead."

Maybe. Like many another company, Overly has learned that a total corporate makeover doesn't guarantee profits—and that a partial makeover is an oxymoron. But by putting its emphasis on using people better instead of loading up on fancy machinery, Overly is riding one of the most promising trends in U.S. business today. Amid his company's turmoil, Terry Reese offers a prediction: "In 10 years, anybody who runs a business on the hierarchical model isn't going to be in business." A lot of futures depend on his being right.

YAVAPAI-PRESCOTT INDIAN TRIBE WATER RIGHTS SETTLEMENT OF 1993

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STUMP. Mr. Speaker, today, I join my Arizona colleague in the Senate, Mr. MCCAIN, in introducing the Yavapai-Prescott Indian Tribe Water Rights Settlement of 1993. The bill is identical to legislation which he introduced last year, and which was passed by the Senate.

The legislation represents a negotiated settlement to resolve the water rights claims among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona, and the United States. The agreement provides for the continuation in perpetuity of the tribe's existing water service agreement with the city of Prescott, assures the city of Prescott the ability to not only continue that service agreement but also the ability to acquire water supplies to supply its own future development, and clarifies the water rights of Granite Creek for the district.

The cost of this settlement is estimated by the CBO to be $5 to $9 million over the next 5 years. During the Senate hearing last year on the bill, the administration testified that the cost of this settlement to the United States is, "probably the lowest-cost way of providing water to the Tribe in settlement of their water claims." As important, the legislation provides for the deauthorization of the $30 million in the Fort McDowell Indian Community Water Rights Settlement Act of 1990 authorized for an alternative to provide water to the Yavapai-Prescott Tribe.

I commend the parties for their work to reach this settlement, as well as Senator MCCAIN for his work in this matter, and urge the favorable and timely consideration of the bill.

A section-by-section summary of the legislation follows:

SECTION-BY-SECTION ANALYSIS OF H.R. —

Section 1 cites the Short Title as the "Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1993."

Section 2 (a) enumerates Congressional Findings that:

(1) the policy of the United States, in fulfillment of its trust responsibility to Indian tribes, is to promote Indian self-determination and economic self-sufficiency and to settle, wherever possible, water rights claims of Indian tribes without lengthy and costly litigation;

(2) meaningful Indian self-determination and economic self-sufficiency depend on the development of viable Indian reservation economies;

(3) quantification of rights to water and development of facilities needed to utilize tribal water supplies effectively is essential to the development of viable Indian reservation economies, particularly in arid western states;

(4) in 1935 the United States established a reservation for the Yavapai-Prescott Indian Tribe in Arizona adjacent to the city of Prescott;

(5) proceedings to determine the full extent of the Yavapai-Prescott Tribe's water rights are pending before Arizona Superior Court as part of the general adjudication of the Gila River system and source;

(6) recognizing that final resolution of the general adjudication will take years and entail great expense to all parties, prolong uncertainty as to the Tribe's full water entitlement and the availability of water to fulfill that entitlement, and impair orderly planning and development by the Tribe and Prescott, the Tribe, Prescott, the Chino Valley Irrigation District, Arizona and the United States have sought to settle claims to water between and among them;

(7) the Tribe, Prescott, the Chino Valley Irrigation District, Arizona and the United States have negotiated a Settlement Agreement to resolve all claims between and

among them and provide the Tribe with long term, reliable water supplies;

(8) under the Settlement Agreement, water made available to the Tribe under an existing water service contract between the Tribe and Prescott will be secured, the water service agreement will be continued in perpetuity, and the Tribe's continued on-reservation use of water for municipal and industrial, recreational and agricultural purposes will be provided for;

(9) to advance Federal Indian policy goals and fulfill the U.S. trust responsibility to the Tribe, it is appropriate for the United States to participate in implementing the Settlement Agreement and contribute funds to firm up Prescott's and the Tribe's long-term water supplies;

(10) providing funds for the acquisition and development of replacement water for the Tribe and for Prescott in exchange for Tribe's contract for Central Arizona Project (CAP) water and Prescott's CAP subcontract is a cost-effective means to ensure reliable, long-term water supplies for the Tribe and to promote efficient, environmentally sound use of available water supplies in the Verde River basin.

(b) declares the purposes of the legislation to be:

(1) to approve, ratify and confirm the Settlement Agreement among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States;

(2) to authorize and direct the Secretary of the Interior to execute and perform the Settlement Agreement;

(3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Yavapai-Prescott Tribe as provided in the Settlement Agreement and this Act;

(4) to authorize appropriation of such sums as may be agreed upon by the Secretary, the city and the Tribe as necessary for the Secretary to acquire the contract of the Yavapai-Prescott Tribe for 500 acre-feet of CAP water and the subcontract of the city of Prescott for 7,167 acre-feet of CAP water for use in settlement of water rights of other Indian tribes having claims to the water in the Salt and Verde River system.

(5) to require that expenditures of such appropriations by the Tribe and by Prescott for the acquisition and/or development of replacement water supplies in the Verde River basin shall not be inconsistent with the goals of the Prescott Active Management Area, preservation of riparian habitat, flows and biota of the Verde River and its tributaries;

(6) to authorize the Secretary to substitute all or part of CAP Indian and non-Indian municipal and industrial priority water acquired pursuant to this Act for CAP water of agricultural or municipal and industrial priority acquired by the Secretary pursuant to Public Law 101-628, the Fort McDowell Indian Community Water Rights Settlement Act, and allocated to that Community; and,

(7) to repeal Section 406(k) of Public Law 101-628 which authorized $30,000,000 in appropriations for the Acquisition of land and water resources in the Verde River basin and for the development thereof as alternative or replacement water for the Fort McDowell Indian Community.

Section 3 defines the terms "CAP" (Central Arizona Project); "CAWCD" (Central Arizona Water Conservation District); "Community"; "CVID" (Chino Valley Irrigation District); "Prescott AMA" (Active Management Area); "Prescott"; "Reservation"; "Secretary"; "Settlement Agreement"; "Tribe"; and "Water Service Agreement".

Section 4(a) approves, ratifies and confirms a Settlement Agreement among the Yavapai-Prescott Tribe, the city of Prescott, the Chino Valley Irrigation District, the State of Arizona and the United States.

(b) requires that the Settlement Agreement ensure that water service to be provided to the Tribe under the Water Service Agreement is secure in perpetuity. Notwithstanding the provisions of 25 U.S.C. 81, the Secretary is authorized and directed to approve the Water Service Agreement with a perpetual term.

Section 5(a) authorizes the Secretary to acquire the CAP contract of the Tribe and the CAP subcontract of the city of Prescott in exchange for funds authorized to be appropriated in section 6.

(b) gives the Secretary the discretion to allocate CAP water acquired under 5(a) to the Fort McDowell Indian Community in lieu of any water he may have previously acquired from the Harquahala Valley Irrigation District and allocated to the Community, and to reallocate the HVID water to one or more other Arizona Indian tribes, bands, or communities with claims to the waters of the Salt and Verde River system.

(c) provides that water acquired by the Secretary shall retain its original CAP priority and allows the Secretary to reassign HVID water either with an agricultural or converted agricultural water priority. It further provides that the allocattee of such water, or the Secretary, shall pay CAWCD the associated operation, maintenance and replacement charges, and that any other charges associated with the water shall be non-reimbursable.

(d) requires the Secretary, in determining allocation and repayment costs of the CAP, to exclude costs associated with the acquired water from the CAWCD's repayment obligation, thus reflecting the change in the acquired water's category from CAP municipal and industrial water to CAP Indian water.

Section 6(a) requires the Secretary to establish a Verde River Basin Water Fund to provide replacement water for the CAP water relinquished by the Tribe and by Prescott. All moneys in the Fund shall be available without fiscal year limitations.

(b) provides that the Fund shall consist of moneys appropriated to it pursuant to the authorization in section 9(a) and any moneys returned to it pursuant to section 6(d).

(c) requires the Secretary to pay from the Fund to the Tribe and to Prescott, subsequent to the publication of findings pursuant to section 12(a), an amount equal to the number of acre-feet of CAP water relinquished times a value to be negotiated by the Secretary with the Tribe and Prescott, respectively, as provided in section 9(a), together with interest as provided in section 9(b).

(d) requires, as a condition to receiving any funds for CAP water relinquished, that the Tribe and Prescott agree, by contract with the Secretary, to (1) establish trust accounts for the funds; (2) to use the funds consistent with the purposes set forth in section 7; (3) to provide for audits of the trust around and, (4) to provide for repayment to the United States, with interest, any funds found not to have been used consistent with the purposes set forth in section 7.

Section 7(a) limits the use of funds paid to the city of Prescott to defraying expenses associated with the investigation, acquisition or development of alternative sources for such water. "Alternative sources" is defined to include, but not be limited to, retirement of agricultural land and acquisition of associated water rights, development of ground water resources outside the Prescott Active Management Area, and artificial recharge.

(b) limits the use of funds paid to the Tribe to defraying its water service costs under the Water Service Agreement or developing and maintaining facilities on-reservation for water and effluent use.

(c) bars the Tribe and Prescott from distributing any money from the Fund in the form of per capita payments or dividends.

(d) exempts the United States for liability for any claim or cause of action arising from the use of funds by the Tribe or by Prescott, effective with payment of such funds pursuant to section 6(c).

Section 8 requires the Secretary, the Tribe and Prescott to comply with all applicable Federal environmental and State environmental and water laws in developing alternative water sources pursuant to section 7(a). Development of such alternative sources shall not be inconsistent with the goals of the Prescott Active Management Area, preservation of riparian habitat flows and biota of the Verde River and its tributaries.

Section 9(a)(1) authorizes appropriation of such sums as may be required to meet to amount agreed upon by the Secretary, the city of Prescott and the Tribe as necessary for the acquisition of the CAP contract of the Tribe and the CAP subcontract of the city of Prescott, plus interest in accordance with subsection 9(b).

(a)(2) authorizes appropriation of such sums as may be necessary, but not to exceed $200,000, to the Secretary for the Tribe's costs associated with judicial confirmation of the settlement.

(a)(3) authorizes such sums as may be necessary to provide for the study required under section 11(d).

(a)(4) authorizes such sums as may be necessary to establish, maintain and operate the gauging station required under section 11(e).

(b) provides for interest to accrue on the amounts authorized in (a)(1) beginning October 1, 1993, or the date of the agreement referred to in (a)(1) is entered into, whichever last occurs, to accrue until appropriated, at rates determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Federal obligations of comparable maturity.

(c) provides for the State of Arizona to contribute $200,000 to the trust account established by the Tribe pursuant to the Settlement Agreement and section 6(d) for uses consistent with section 7.

(d) repeals subsection 406(k) of the Act of November 28, 1990, the Fort McDowell Indian Water Rights Settlement Act. The subsection authorized $30,000,000 for the acquisition of land and water resources in the Verde River basin and development thereof as alternative or replacement water for the Fort McDowell Indian Community.

Section 10(a) provides that the benefit realized by the Tribe and its members under the Settlement Agreement and this Act constitute full satisfaction of all members' past, present and future claims to water rights (including ground water, surface water and effluent) under Federal and State laws, and that nothing in the Act recognizes or establishes any right of any tribal member to water on the reservation.

(b) authorizes and requires the Tribe and the Secretary, as a condition precedent to implementation of the Act, to waive and release all claims of water rights or injuries to

water rights (including ground water, surface water and effluent) from and after the effective date of the Act, which the Tribe and its members may have against the United States, the State of Arizona or any of its agencies or political subdivisions or against any other person, corporation, or municipal corporation, under federal or state law, except as provided in section 9(d).

(c) bars the United States, in its own right or on behalf of the Tribe, from asserting any claims arising under federal or state law based upon water rights or injuries to water rights of the Tribe and its members, against the State of Arizona or any of its agencies or political subdivisions, or against any other person, corporation or municipal corporation, except as provided in section 9(d).

(d) reserves the right of the Tribe, and the United States on behalf of the Tribe, to assert past and future water rights claims as to all reservation lands if the requirements of section 12(a) are not timely met and the Act does not become effective.

(e) provides that the U.S. District Court for the District of Arizona shall have original jurisdiction of all actions arising under this Act, the Settlement Agreement and the Water Service Agreement, including review pursuant to title 9, U.S. Code, of any arbitration award under the Water Service Agreement.

(f) asserts the right of the Tribe, or the United States on behalf of the Tribe, to assert and maintain any claims for the breach or enforcement of the Settlement Agreement or the Water Service Agreement.

(g) states that this Act shall have no effect on the water rights or claims related to any trust allotment located outside the exterior boundaries of the reservation of any member of the Tribe.

(h) states that payments made to Prescott under the Act shall be in full satisfaction of any claims which Prescott may have that are related to the allocation, reallocation, relinquishment or delivery of CAP water.

Section 11(a) waives the sovereign immunity of the United States and the Tribe with respect to any lawsuit brought in Federal District Court relating only and directly to the interpretation or enforcement of the Settlement Agreement or this Act. In the event Prescott submits a dispute under the Water Service Agreement to arbitration or seeks review by the United States District Court for the District of Arizona of an arbitration award under the Water Service Agreement, any claim by the Tribe to sovereign immunity from such arbitration or review is waived.

(b) bars the United States from making any claims or assessments against any of the Tribe's reservation lands for reimbursement of costs arising out of the implementation of the Settlement Agreement or this Act.

(c) authorizes the Secretary, in consultation with the Tribe, to establish a ground water management plan for the reservation which, except as necessary to be consistent with the Water Service Agreement, Settlement Agreement and this Act, will be compatible with the ground water management plan in effect for the Prescott Active Management Area. In establishing a ground water management plan, the Secretary may consult with the Arizona Department of Water Resources or the Prescott Active Management Area Director.

(d) authorizes and directs the Secretary to study the sources and costs of water supplies which may be available to fulfill the trust responsibility of the United States to the Tonto Apache Tribe of Arizona with respect to water. Sources to be studied shall include water service from the town of Payson, Arizona. The study is to be commenced within 180 days after enactment of this Act and shall be completed within one year after it is commenced. Copies of the study shall be provided to the Committee on Interior and Insular Affairs in the House of Representatives and the Select Committee on Indian Affairs of the Senate.

(e) directs the Secretary, acting through the U.S. Geological Survey, to establish, maintain and operate a gauging station at the State Highway 89 bridge across Granite Creek adjacent to the reservation to assist the Tribe and the Chino Valley Irrigation District in allocating the surface flows of Granite Creek as provided in the Settlement Agreement.

Section 12(a) makes the effectiveness of the Tribe's and the United States' waiver of claims authorized in section 10(b) contingent upon the Secretary publishing in the Federal Register a statement of findings that:

(1) the Secretary has executed contracts for the acquisition of the Tribe's CAP contract and the city of Prescott's CAP subcontract as provided in section 6(d);

(2) the Arizona Superior Court has approved, no later than December 31, 1994, a stipulation providing for dismissal of the Tribe's water rights claims, such approval condition upon appropriation and deposit into trust accounts of funds authorized to be paid the Tribe and the City of Prescott in section 9(a)(1);

(3) the Settlement Agreement has been modified to the extent it may be in conflict with this Act and has been executed by the Secretary;

(4) the State of Arizona has appropriated and deposited into the Tribe's trust account $200,000 as required by the Settlement Agreement.

(b) provides that if the actions described in paragraphs 12(a)(1), (2), (3), and (4) have not occurred by December 31, 1995, any contract between Prescott and the United States entered into pursuant to section 6(d) shall not thereafter be effective, any funds appropriated pursuant to section 9(a)(1) shall revert to the Treasury, and any funds appropriated by the State of Arizona pursuant to the Settlement Agreement shall be returned by the Tribe to the State of Arizona.

Section 13(a) disclaims any interpretation of the Settlement Agreement and this Act as quantifying or otherwise adversely affecting the land and water rights, claims or entitlements to water of any Arizona Indian tribe, band or community, other than the Tribe.

(b) disclaims any interpretation of this Act as affecting the water rights or the water rights claims of any Federal agency other than the Bureau of Indian Affairs on behalf of the Tribe.

THE UNITED STATES MUST AVOID THE BOSNIAN QUAGMIRE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. CRANE. Mr. Speaker, the devastating civil war continues to plague Bosnia, and we are confronted with daily reminders of the terrible price this conflict is exacting on civilians. Previously, the Clinton administration advocated lifting the arms embargo and initiating allied air strikes, but the European Community rebuffed these proposals. Now the President, in his eagerness to contribute to the U.N. effort to stop the killing, has offered United States troops to Macedonia ostensibly to prevent the conflict from spreading. In light of this recent decision, I urge my colleagues to read the following editorial which discusses the probably futility of any form of United States armed intervention in the Balkans.

The editorial follows:

[From the Chicago Tribune, Apr. 29, 1993]

THE BOSNIAN WAR: EASIER TO GET IN THAN TO GET OUT

(By Stephen Chapman)

Bill Clinton knows it is extremely foolish to jump head first into a bog of quicksand. So if he ventures in, it will be one step at a time, in the touching confidence that he can always jump out if he should start to sink.

The calls for American military intervention in Bosnia grow louder and more numerous every day. Margaret Thatcher says the West has the duty "not to appease the aggressor but to fight him." Holocaust survivor and Nobel laureate Elie Wiesel declared at last week's dedication of the Holocaust Memorial Museum, "We must do something to stop the bloodshed in that country!" Jimmy Carter's national security adviser, Zbigniew Brzezinski, says anyone who opposes Western action is guilty of "moral cowardice."

The administration, which is supposed to unveil its new policy next week, has sounded alternately warm and cool to the idea. Clinton announced Monday that the United States and its allies need "a stronger policy" in the Balkans. But the next day, Secretary of State Warren Christopher insisted that any proposal to intervene would have to pass "some very severe tests."

At this stage, Clinton clearly isn't willing to send American ground troops to Bosnia, but he also resists the option of staying out entirely. His most likely choice is something in between—launching air strikes against Serbian gun positions in Bosnia, supplying arms to the Bosnian Muslims or both.

This is a compromise on the order of jumping halfway across a chasm. It goes far enough to get in trouble but not far enough to get someplace worth going. It offers little chance of ending the bloodshed in the Balkans, while creating the real possibility we will be pulled further into the fight.

The assumption of those advocating air power is that it can do serious damage to the Serbs, who will be cowed into submission at the first show of American might: It's safe, quick and easy.

Oh, no, it's not. Knocking out the artillery that have been shelling cities is a formidable job. The Serbian guns are small, highly mobile, easily camouflaged and hard to see in the mountainous forests of Bosnia, where hiding places abound. Remember the difficulty the U.S. had locating and destroying Saddam Hussein's Scuds—fat targets sitting in desert terrain.

What do we use to hit the Serbs? B-52s could engage in saturation bombing, but only at the price of killing lots of innocent civilians. Attack helicopters could try to search out Serbian positions, but they need soldiers on the ground to be most effective and, in any case, would be highly vulnerable to hostile fire.

As Adm. David Jeremiah, vice chairman of the Joint Chiefs of Staff, warns, "It's not simple or easy to use air strikes in guerrilla warfare against lightarmed partisans moving

around the countryside." No one has managed to unearth an example from history of a guerrilla force being effectively coerced by air power alone.

The Serbs have taken their share of casualties in this war. They are not going to collapse in tears at the sight of their own blood—particularly when the U.S. has already ruled out what they fear most, a ground invasion.

Arming the Muslims has its own drawbacks. First, it would undoubtedly spur the Serbs into a frenzy of violence to get everything they can before the weapons arrive. Among the targets would be UN peacekeeping troops guarding relief convoys. Second, getting the arms to the intended recipients could be hard: They may have to be trucked across territory controlled by Croats, who have their own reasons to prefer poorly armed Muslims.

Lifting the arms embargo also would prolong the agony by helping the Muslims to keep fighting—which is clearly a higher priority with Bosnian leaders than saving Muslim lives by negotiating a settlement. The "humanitarian" policy of sending ordnance to Bosnia may increase the death toll without changing the outcome.

Those who favor intervention say this approach will work. The question they never answer is: What if it doesn't? Can the U.S. enter the war on one side, watch its initial efforts fail, shrug and say, "Never mind"? Not likely. Raising the ante in a war is a lot easier than lowering it.

And by that time, we may have to deal with maddening complications, such as American POWs in Serbian hands or Serbian-sponsored terrorism against American targets. Then the only option left will be putting U.S. ground troops into the middle of a fratricidal civil war to fight an enemy who can melt into the population—Vietnam and Lebanon revisited.

Clinton may believe he can step just so far into the Bosnian war and then get out whenever he wants. But the best way to avoid drowning in quicksand is to stay away from it.

ARRIVAL OF HOCKEY IN SOUTHERN WEST VIRGINIA

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. RAHALL. Mr. Speaker, in the fall of 1993, the State of West Virginia will welcome it's second minor league hockey team, the Huntington Blizzard. The sport first arrived in West Virginia last year with the maiden season of the Wheeling Thunderbirds and met with phenomenal success. Hockey, often dubbed as the sport of the 1990's, has truly become very popular in the Mountain State. During the drive to bring minor league hockey to Huntington, more than 1,400 pledges were taken for season tickets.

Thanks to the efforts of Mr. Jim Burlew and others, who worked tirelessly for months to promote the addition of a new franchise in the region, the Huntington Blizzard is expected to meet with tremendous success in the coming year. The team will field 34 home games during the upcoming season, and many West Virginians expect a friendly in-State rivalry to develop between the Blizzard and the Wheeling Thunder birds.

Undoubtedly, the arrival of hockey in Huntington will mean jobs and economic opportunity to the community. In an area with a wonderful sports tradition, the new team is indeed a welcome addition that will improve the quality of life in southern West Virginia. I salute the dedicated men and women, who helped to bring this new franchise to the State, for their hard work on behalf of this successful campaign. They deserve our recognition and respect for their commitment to economic development and to their community.

SERVING NOTICE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. FORD of Michigan. Mr. Speaker, pursuant to the rules of the Democratic Caucus, I wish to serve notice on my colleagues that I may seek less than an open rule for the consideration by the House of Representatives of the bill H.R. 2010, the National Service Trust Act of 1993.

LEGISLATION TO SIMPLIFY ELIGIBILITY REQUIREMENTS FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN AND MEDICAID

HON. JIM SLATTERY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. SLATTERY. Mr. Speaker, I rise today to offer very simple legislation to simplify eligibility requirements for recipients of aid to families with dependent children [AFDC] and Medicaid.

I was contacted 2 years ago by Ms. Donna Whiteman, secretary of the Kansas Department of Social and Rehabilitation Services, who advised me that Federal law requires every adult member of a family to attest personally to their U.S. citizenship in order to qualify for AFDC and Medicaid. The law also requires the adult to formally declare that any newborn child is a U.S. citizen, even if the infant is born in the United States. These two requirements delay unnecessarily benefits to eligible individuals. According to Secretary Whiteman, the law creates a tremendous potential for purely technical errors. The problem is particularly acute in rural areas like my district in eastern Kansas, where families may have to travel a considerable distance to reach the nearest Social Security office.

Congress recognized this problem in the 1990 farm bill, when we amended the Food Stamp Program, with support from the administration, to allow a single household member to attest to the citizenship status of all members of the household. In addition, in the case of a newborn child, the farm bill provision permitted an adult to sign a declaration on behalf of the child no later than the date of the next redetermination of the eligibility of the family or household.

Last year, I contacted the Department of Health and Human Services' Administration for Children and Families, where officials informed me they would support a similar revision to the AFDC and Medicaid programs. I introduced such legislation in the House, and Senator BOB DOLE introduced a similar measure in the Senate, where he successfully inserted his language in the Revenue Act of 1992. President Bush vetoed the tax bill, however, which is why we are at it again in the 103d Congress.

I was pleased that the Omnibus Budget Reconciliation Act [OBRA] of 1993, which the House passed on May 27, included this revision to the AFDC Program. Since all AFDC recipients are automatically eligible for Medicaid, the OBRA provision nearly solves the problem. I am introducing my bill, however, in the hope that during conference on the reconciliation bill, we can amend the language to explicitly include Medicaid.

Mr. Speaker, this is a very minor change. It does not increase welfare rolls. The bill simply allows this country's less fortunate, those already eligible for AFDC and Medicaid, especially newborn children, to obtain benefits more quickly. I urge its adoption.

IN MEMORIAM: MAYOR DAVE KARP

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. STARK. Mr. Speaker, a spirited and dedicated leader has been lost by San Leandro and San Francisco's East Bay. Mayor Dave Karp recently passed away at his home.

Dave Karp will be remembered in many fond and loving ways by his wife Marcia, and their children, Dennis and Judy. But today, I would like to remember Mayor Dave Karp.

Mayor Karp's enthusiasm for public service was always apparent. Mayor Karp was elected to the San Leandro City Council in 1982. He became mayor of San Leandro in 1986, and was reelected in 1990. Mayor Karp was very active in the U.S. Conference of Mayors, focusing on transportation issues.

"Mayor Karp was a true friend and leader of the U.S. Conference of Mayors," said J. Thomas Cochran, executive director, U.S. Conference of Mayors. "He was elected to the leadership of the organization by his fellow mayors and worked hard to build the organization and give it a strong voice on urban transportation issues. We will miss his presence and appreciate his contributions."

Jerry Abramson, mayor of Louisville, KY, and incoming USCM president remembers the mayor this way. "Dave Karp was a reliable and conscientious contributor to the work of the Conference of Mayors, and a good example of the creative and energetic leadership of America's cities. We will miss him, and send our sincere condolences to Mrs. Karp and the people of San Leandro."

Mayor Karp lobbied Washington in support of local projects. "Mayor Dave Karp was a strong advocate for his city and tireless in his pursuit of Federal support for San Leandro's

needs," said Dick Sullivan, former staff director for the House Public Works Committee. "He stood out as a clear voice for California and for local governments, and was a well-known visitor to Congress. He fought the good fight for his people and always remembered his friends, just as we will always remember him."

Mr. Speaker, Mayor Karp was a dedicated public servant. He worked tirelessly on behalf of what he believed in and for the City of San Leandro. We are going to miss him in the East Bay.

THE COOPERATIVE INTERJURISDICTIONAL RIVERS ACT OF 1993

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 23, 1993

Mr. GUNDERSON. Mr. Speaker, today I am introducing the Cooperative Interjurisdictional Rivers Act of 1993. The bill is intended to take an important step forward in preserving and protecting the future well-being of the interjurisdictional rivers of the United States, and the fishery resources of those rivers.

THE NEED FOR LEGISLATION

Interjurisdictional rivers flow between, or are common to, two or more State boundaries or a State. These rivers form large ecosystems that are important to the Nation in terms of both their economic and intrinsic values.

Individual State natural resource agencies have difficulty managing these rivers because, when State boundaries are crossed, State-sponsored scientific investigations are hampered, as is development of management strategies of a scale and scope sufficient to address problems. Consequently, these rivers are often left without management continuity and their ecosystems are threatened by potential mismanagement, or by complete lack of management. A federally supported, cooperative interjurisdictional resource management strategy involving the States is needed to correct this situation.

Interjurisdictonal rivers and associated wetlands provide habitat critical to fish and wildlife, including but not limited to fish, birds, mammals, endangered species, and animal communities of unique biological diversity. These species are unique in that their movements transcend political boundaries. Even more unique are riverine fish which, unlike birds and mammals, are confined within the water medium.

These same waters provide conduits for most of the Nation's industrial and domestic wastes, and for transport of the Nation's raw materials and manufactured goods. Consequently, large rivers and large river fisheries are impacted, both directly and indirectly, by a wide variety of waterway developments—many of which are Federal—including navigation, flood control, water level fluctuation, power generation, irrigation, and water depletion. These developments are accelerating and increasingly degrading large rivers and large river fishery habitats.

As a result, many of the Nation's once rich assemblages of riverine fish fauna and habitats have been lost, and many formerly abundant native fish species are now threatened or depleted. The fact that many of the impacting developments are federally sponsored requires a new federal role in coordinating Federal and State cooperative fishery research and management on interjurisdictional river systems.

Federal programs are in place to address the needs of migratory waterfowl, anadromous fish, and endangered species; including the North American Waterfowl Management Plan, the Migratory Bird Treaty Act, the Anadromous Fish Conservation Act, and the Endangered Species Act, among others. Similar programs, jointly run by the Federal Government and State agencies, are needed to protect and manage interjurisdictional fisheries resources.

PURSUING TWO GOALS

This bill pursues two goals: First, to develop a strategy that maximizes protection and conservation of interjurisdictional river resources. Second, to test effectiveness of the existing Mississippi Interstate Cooperative Resource Agreement for management of interjurisdictional fisheries.

The first goal is pursued under the legislation through creation of a council, chaired by the Secretary of Interior and consisting of heads of appropriate Federal and State agencies, to develop an interjurisdictional river management strategy. The strategy will identify needed Federal actions, minimize duplication of effort, and maximize effectiveness of existing Federal, State, and local commitments to river resource management. The strategy will also aim to prevent further depletion of valuable riverine resources and species, thus helping to prevent future conflict between environmental and developmental interests. Finally, the strategy will establish comprehensive plans for the five highest priority interjurisdictional rivers, to be identified.

This goal is based on the success of an existing interjurisdictional river management plan now in effect on the upper Mississippi River. The Environmental Management Program [EMP] was authorized by Congress in 1986 (Public Law 99–662) to foster cooperative interagency management of the river over a five State area. The success of the EMP has demonstrated that bureaucratic entities and political interests can work together to protect both developmental and environmental interests on large rivers.

The second goal is pursued under the legislation by establishing a pilot test of the Mississippi Interstate Cooperative Resource Agreement [MICRA] entered into by 29 States of the Mississippi River Basin, and the U.S. Fish and Wildlife Service (August 1991). MICRA coordinates management of interjurisdictional fisheries. Under the Comprehensive Strategic Plan developed by the MICRA signators, fisheries managers have agreed to share facilities and funding for implementation of management efforts.

The Mississippi River Basin is the Nation's largest interjurisdictional river basin. It includes portions of Alabama, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and Wyoming. In addition to the Mississippi River mainstem, the Mississippi River Basin includes the Missouri, Ohio, Tennessee, Arkansas, and Red rivers, and their tributaries.

The management concepts proposed by the MICRA show great promise. State fisheries managers in the Mississippi River Basin have already identified more than 90 major rivers and 80 riverine species which both fall under interjurisdictional management, and require immediate attention.

The MICRA does not duplicate any existing organizational network. Nor will it under this legislation. Rather, coordinated resources will be used to enhance existing programs, institutions, and facilities. In addition to Federal agencies, the MICRA managers have invited participation of interested federally chartered entities, Indian tribes, and utility companies which manage natural resources in the Basin.

ADDRESSING STATE'S CONCERNS

Great care has been taken in this legislation to address concerns expressed by the States over the degree to which State prerogatives will be maintained under both the Strategy and the MICRA evaluation.

Under the legislation, the Secretary of the Interior shall chair a national council consisting of 13 members, seven of whom will be directors of State fish and wildlife agencies. The Secretary will be directed to strive for consensus in developing a strategy, and will publish all minority views in the final report to Congress.

Similarly, while the MICRA evaluation will be funded through the U.S. Fish and Wildlife Service under this legislation, the States specifically sought Federal support of this effort by inviting the Service to enter into the MICRA agreement, and by requesting coordination assistance from the agency. It is intended that the funding and coordination relationship between the Service and MICRA will continue under this legislation.

THE ROLE OF THE U.S. FISH & WILDLIFE SERVICE

Funding for implementation of this legislation will be provided to the Secretary of the Interior, acting through the Director of the U.S. Fish and Wildlife Service. The traditional role of the Service has been to manage and protect migratory waterfowl, anadromous fish, and endangered species. In addition, the Service is responsible for facilitating restoration of depleted, nationally significant interjurisdictional fish and wildlife resources; providing mitigation of fish and wildlife resources impaired by Federal water related development; and maintaining a Federal leadership role in scientifically based management of fishery resources. The Service is therefore the appropriate agency to carry out the mandates of this bill.

It is our hope that funding for implementation of this legislation will be in addition to current funding levels for programs already administered by the U.S. Fish and Wildlife. Without such a Federal commitment to the improvement of the Nation's interjurisdictional rivers and fisheries, the American public will face diminished opportunities for recreational, commercial, and subsistence use of these important river systems and their resources.

SUPPORT FOR THE BILL

This legislation is the result of over 2 years of consultations between myself, the U.S. Fish

and Wildlife Service, and national and local chapters of the major river resource management organizations.

Copies of endorsement letters from many of these groups follow:

UPPER MISSISSIPPI RIVER CONSERVATION COMMITTEE,
Rock Island, IL, May 19, 1993.

Congressman STEVE GUNDERSON,
House of Representatives, Washington, DC.

DEAR MR. GUNDERSON: Thank you for your response to our comments regarding the Cooperative Interjurisdictional Rivers bill you drafted for the last session of Congress. The Upper Mississippi River Conservation Committee (UMRCC) Executive Board reviewed the latest version of your bill that is to be introduced in the 103rd Congress. We were pleased to see that additional language was inserted into the bill that addressed one of our major concerns regarding state approval of strategic plans. At our 49th Annual Meeting, the UMRCC Executive Board voted to fully endorse the bill.

I believe that your bill incorporates several concepts for large river management that are similar to goals and objectives that the UMRCC have been striving to attain for many years. The UMRCC looks forward to working cooperatively with the Mississippi Interstate Cooperative Resource Agreement (MICRA) staff in pursuing these worthwhile goals.

Sincerely,

BILL BERTRAND,
Chairman.

IZAAK WALTON LEAGUE OF AMERICA,
Arlington, VA, January 31, 1992.

Hon. STEVE GUNDERSON,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN GUNDERSON: On behalf of the 54,000 members of the Izaak Walton League from across the country, I am writing to express the League's enthusiastic support for your "Cooperative Interjurisdictional Rivers Fisheries Resources Act," the draft bill that you have developed to address the pressing need for accelerated research and management of fisheries in the large inland river systems of the country.

As you have recognized, management of fisheries on our large inland rivers has been uncertain, inadequate, and ill-coordinated. Rivers like the Mississippi, the Missouri, or the Ohio flow through the jurisdiction of many states. An individual fish or the population in a given river frequently falls under the management of several states. This pattern of fragmented jurisdiction has impeded coordinated management and frustrated the management efforts of individual states.

Improved management and restoration of depleted fish stocks will require expanded research on the fisheries or large river systems, better information on current fish populations and trends, new cooperative strategies for coordinated fisheries management, and a strengthened partnership of federal and state entities engaged in fisheries management and research. Your proposed legislation meets those needs head-on, at minimal cost. It is a timely, carefully crafted, and badly needed proposal.

The native fisheries associated with America's large river ecosystems are of great economic value to the nation and form an irreplaceable piece of our shared natural heritage. We are pleased to join with you in support of your Cooperative Interjurisdictional Rivers Fisheries Resources Act of 1992. We will look forward to working with you to seek broad support and prompt passage of this important initiative.

Sincerely yours,

JACK LORENZ,
Executive Director.

AMERICAN FISHERIES SOCIETY,
Bethesda, MD, January 31, 1992.

Congressman STEVE GUNDERSON,
Rayburn House Office Building; Washington, DC.

DEAR CONGRESSMAN GUNDERSON: My purpose in writing is to express the American Fisheries Society's support for your "Cooperative Interjurisdictional Rivers Fisheries Resources Act." We feel strongly that the large inland rivers of our country have suffered from waterway developments, including navigation, flood control, water level fluctuation, power generation, and irrigation withdrawals. The once rich assemblages of fish fauna and diverse habitats have been lost and the formerly abundant native fish now exist only as endangered or depleted populations. The result is that the American public is faced with reduced opportunities for recreational, commercial, subsistence, and aesthetic uses of these large river systems.

The legislation proposes a strong federal/state partnership to coordinate and facilitate cooperative research and restoration programs to regain the former productivity of the river ecosystems. In addition it supports the Mississippi Interstate Cooperative Resource Agreement under which state, federal, and local fishery managers will share resources, facilities, and information in carrying out long-range strategic plans for management of the basin's interjurisdictional fisheries.

We applaud your leadership in introducing this bill and pledge our support in getting an interjurisdictional river conservation bill enacted into law.

Sincerely,

PAUL BROUHA,
Executive Director.

AMERICAN FISHING TACKLE MANUFACTURERS ASSOCIATION,
Washington, DC, January 31, 1992.

Hon. STEVEN GUNDERSON,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE GUNDERSON: On behalf of the member companies of the American Fishing Tackle Manufacturers, I am writing to express our support for the Cooperative Interjurisdictional Rivers Fisheries Resource Act.

Congratualtions and thanks to you and your staff for your attention to this issue. I am sure that the Fishnet community will continue to work with you throughout the legislative process to see the bill fine tuned and ultimately passed.

Sincerely,

DALLAS MINER,
Vice President for Government Affairs.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 24, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 25

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings to examine the Blue Cross/Blue Shield's Empire Insurance Plan of New York.
SD-342

10:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of Sheldon Hackney, of Pennsylvania, to be Chairperson of the National Endowment for the Humanities.
SD-430

JUNE 28

2:00 p.m.
Finance
International Trade Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1994 for the U.S. Customs Service, the Office of the U.S. Trade Representative, and the International Trade Commission.
SD-215

4:00 p.m.
Foreign Relations
To hold hearings on the nomination of Daniel K. Tarullo, of Massachusetts, to be an Assistant Secretary of State for Economic and Business Affairs.
SD-419

JUNE 29

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings to examine the Administration's program for meeting the stabilization goals for greenhouse gases and the ongoing work on the National Action Plan.
SD-366

Environment and Public Works
Toxic Substances, Research and Development Subcommittee
To hold hearings on S. 729, to revise the Toxic Substances Control Act to reduce the levels of lead in the environment.
SD-406

10:00 a.m.
Armed Services
Regional Defense and Contingency Forces Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1994 for the Department of Defense and to review the future years defense program, focusing on Navy programs.
SR-232A

Foreign Relations
Business meeting, to consider S. Con. Res. 28, regarding the Taif agreement and urging Syrian withdrawal from Lebanon, and pending nominations.
SD–410

Judiciary
To hold hearings to examine current programs for women in prisons.
SD–226

Joint Organization of Congress
To resume hearings to examine congressional reform proposals.
H–5, Capitol

10:30 a.m.
Foreign Relations
Terrorism, Narcotics and International Operations Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1994 for foreign assistance programs.
SD–419

11:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to examine a National Academy of Science report on pesticides and their effect on children.
SR–332

2:00 p.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the Federal Trade Commission.
SR–253

Joint Organization of Congress
To continue hearings to examine congressional reform proposals, focusing on legislative and judicial relations.
H–5, Capitol

2:30 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1994 for foreign assistance, focusing on refugee programs.
Room to be announced

JUNE 30

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for programs of the Magnuson Fishery Conservation and Management Act.
SR–253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD–366

Environment and Public Works
Clean Air and Nuclear Regulation Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal years 1994 and 1995 for the Nuclear Regulatory Commission.
SD–406

Governmental Affairs
Permanent Subcommittee on Investigations
To resume oversight hearings to examine the Blue Cross/Blue Shield's Empire Insurance Plan of New York.
SD–342

JULY 1

9:30 a.m.
Energy and Natural Resources
To hold hearings on the nomination of Tara Jeanne O'Toole, of Maryland, to be Assistant Secretary of Energy for Environment, Safety and Health.
SD–366

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings to examine issues relating to toy safety, and on S. 680, to require warning labels on the packaging of children's toys and games with small parts, balloons, small balls, or marbles, and to require bicycle helmets to meet Consumer Product Safety Commission standards.
SR–253

Veterans' Affairs
Business meeting, to mark up S. 843, to improve reemployment rights and benefits of veterans and other benefits of employment of certain members of the uniformed services, and pending legislation on VA health care programs.
SR–418

Joint Organization of Congress
To resume hearings to examine congressional reform proposals.
S–5, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings on the nomination of Victor P. Raymond, of the District of Columbia, to be Assistant Secretary of Veterans Affairs (Policy and Planning).
SR–418

CANCELLATIONS

JULY 1

2:00 p.m.
Indian Affairs
To hold hearings on S. 1021, to assure religious freedom to Native Americans.
SR–485

POSTPONEMENTS

JUNE 24

10:00 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on proposals to reform private enforcement of the Federal securities laws.
SD–538

Indian Affairs
To hold hearings on the President's proposed budget request for fiscal year 1994 for Indian programs within the Department of Education and the Administration for Native Americans.
SR–485