

SENATE—Tuesday, June 19, 1990

(Legislative day of Monday, June 11, 1990)

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

PRAYER

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

Let us pray:
* * * *but with God all things are possible.*—Matthew 19:26.

Almighty God, to whom belongs all power and all wisdom, manifest Thyself in this place that all may know that Thou art present and relevant. Certainly anything that is doable this powerful body can do. But despite all its power, some issues are beyond human resolution and require divine remedy. As the Senate labors under internal as well as external pressures, confronting not only the issues from without but the struggle of conscience, courage, and confidence from within, as stubborn problems refuse solution and an impending election pervades the atmosphere, help Your servants to learn to depend upon the God of the impossible as they try to do everything that is possible.

In the name of Jesus for whom nothing is impossible. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 19, 1990.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

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

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

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

SCHEDULE

Mr. MITCHELL. Mr. President, following the time for the two leaders, there will be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 10 this morning, the Senate will resume consideration of S. 566, the affordable housing bill, with amendment No. 2024 the pending business.

The yeas and nays have been ordered on this amendment, so my colleagues should be aware that there is the possibility of a rollcall vote this morning relative to that amendment.

Other votes are likely today with respect to the housing bill. Between the hours of 12:30 p.m. and 2:15 p.m., the Senate will stand in recess to accommodate the party conference lunches.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve the remainder of my leader time and reserve all the leader time of the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. The legislation, the time of the two leaders 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 to extend to the hour of 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislation clerk proceeded to call the roll.

Mr. GORE. 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. The Senator is recognized to speak in morning business.

REVERSAL OF ADMINISTRATION ENVIRONMENTAL POLICY

Mr. GORE. Mr. President, I rise to discuss two issues related to the global environment. On Friday afternoon, after we had finished our business for the week here and when many Senators were on their way to their home States, at the end of that day the administration quietly announced, in the form of a press release from John Sununu, that it was suddenly reversing its policy on the protection of the stratospheric ozone layer and was now prepared to join in a previously agreed measure to supply some funding for a pool of money to assist some of the poorest nations in the world to develop and use substitutes for the chemicals that are now implicated in the destruction of the Earth's protective ozone shield.

I rise today to commend the administration's decision to reverse its previously stated policy with regard to that international fund.

I am pleased that the administration finally listened to the advice it was receiving from its own Environmental Protection Agency, its State Department, many of our allies, including Prime Minister Thatcher, many scientists and business leaders and concerned citizens; also, many Members of this body. There were quite a few Members of the Senate on both sides of the aisle who joined in a bipartisan effort in an attempt to persuade the President to overrule the position too stridently stated by his chief of staff, Mr. Sununu.

I hope that this will bring to a close the battle of wills on this particular part of the issue concerning the protection of the stratospheric ozone layer, but we must wait to see how this position is presented in the international negotiations beginning this week.

I hope those negotiations will result in a successful effort to strengthen and expand the Montreal Protocol designed to protect the stratospheric ozone layer. That protocol must be extended and protected, Mr. President, because if that remains the only measure that is on the books, so to speak, and a part of the international agreement to protect the stratospheric ozone layer, then the concentrations of the harmful chemicals will triple throughout this coming century. The current concentrations are already doing such serious damage that it is

abundantly obvious that we must strengthen that measure.

Mr. President, I ask unanimous consent to proceed for an additional 3 minutes.

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

GLOBAL WARMING

Mr. GORE. Mr. President, the second issue I would like to discuss has to do with another threat to the global environment. That is the problem of global warming. There has been an international effort underway to assess the seriousness of global warming and to come up with proposals for solving that problem. Three international scientific and expert panels were established under the auspices of the U.N. environment program and the World Meteorological Organization. The panel charged with assessing the seriousness of the problem was chaired by Great Britain. They completed their work and announced that they were certain the problem was real, extremely serious and that the time to act is now.

The panel charged with responsibility for coming up with answers or solutions to the problem was chaired by the United States. I had an opportunity to chair a hearing last week that looked at how this process was going. What I found was quite troubling, Mr. President. The participants in the hearing advised us that what took place during the meeting was that every time any nation would propose some kind of strong action to confront the problem, representatives from Saudi Arabia would stand and blast the proposal, and the representatives from the United States would sit silently by, never challenging a single word expounded by the representatives of the world's largest oil exporting nation with such a large stake in opposing any measures to reduce the emissions of carbon dioxide now believed to be causing the problem of global warming.

As a result of the administration's failure to lead on this issue, the panel, chaired by the United States, produced a report that contains no specific timetables, no goals, no policy options capable of addressing the problem in any meaningful way whatsoever. This is not leadership, Mr. President. It is not what our country needs; it is not what this world needs. What passes for leadership on the environment in the Bush administration is the kind of last-minute, begrudging reversal of course that we saw late Friday afternoon on the ozone question. More typically, what we see is the kind of performance that has characterized the administration's handling of this response strategy

group designed to confront the global warming problem.

I think it is unfortunate that we have had this kind of performance by the administration. I hope the President will decide to change course here as well and provide leadership.

In closing, Mr. President, I ask unanimous consent that various news accounts of the ozone policy reversal be printed in the RECORD.

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

[From the Washington Post, June 16, 1990]

UNITED STATES DROPS OPPOSITION TO CFC PHASEOUT FUND

(By Michael Weisskopf)

The Bush administration said yesterday it has dropped its opposition to the creation of a \$100 million international fund to help developing nations end their use of chemicals that erode the ozone layer shielding the Earth from withering ultraviolet rays.

The policy reversal follows a storm of criticism and personal appeals to the White House, including those by British Prime Minister Margaret Thatcher and American corporate chiefs. It also extricates the United States from almost certain diplomatic isolation at a London conference next week on an accelerated timetable to curb use of the dangerous chemicals—chlorofluorocarbons (CFCs)—and eventually eliminate them.

It also marks a concession by White House Chief of Staff John H. Sununu. Sununu led the fight against the United Nations-proposed fund, which was supported by Environmental Protection Agency Administrator William K. Reilly. The policy shift announcement was made in a White House statement released under Sununu's name.

The U.S. position had raised fears by corporate giants who produce or use CFCs that Washington's resistance could have subjected American companies to trade barriers by nations participating in the fund. Chairmen of companies such as E.I. du Pont de Nemours & Co., and Motorola Inc. had appealed to the White House for a change in policy, according to administration sources.

First proposed at an international meeting last month in Geneva, the fund is considered essential to enlist the support of such modernizing giants as China and India for a 1987 treaty calling for reductions of the versatile CFCs. The gases are used for refrigeration, cleaning of computer parts and production of polystyrene items.

The United States, whose contribution was to have been assessed at \$25 million, was the only nation to oppose the fund. Publicly, U.S. officials had said existing programs of the World Bank were adequate to assist developing nations phase out use of CFCs.

But privately, Sununu and Office of Management and Budget Director Richard G. Darman had argued the expenditures could set a dangerous precedent for far more costly future requests to help the Third World reduce its reliance on traditional energy sources, such as coal, which cause global warming.

In yesterday's statement, Sununu said the United States will submit its own fund proposal at next week's conference, with conditions underlining the "precedential nature" of the fund and the "unique circumstances" that make it necessary.

Sununu said the proposal will meet President Bush's "essential criteria." They are "adequate scientific evidence" of the causes and effects of ozone depletion, "strong evidence" that the fund would "successfully address" the problem and the "reasonable and predictable" nature of the expenditures needed.

Details of the proposal were not made available. But an administration official said the U.S. plan is expected to call for \$100 million, with Washington assessed 20 to 25 percent of the costs in line with its overall contribution to international organizations. If China and India join the pact, the fund would grow to \$200 million.

The fund, to be administered by the World Bank, would be used to help Third World industries that use CFCs convert to alternative chemicals, cover the extra costs of alternatives and identify new ways to replace CFCs.

While 54 nations have signed the 1987 treaty and are expected at the London conference to vote for elimination of CFCs, scientists say efforts to preserve the stratospheric ozone layer 10 miles above the Earth will be frustrated if developing nations not now party to the pact fail to curb their growing use of the popular and cheap chemicals.

Washington reaction to the policy shift was favorable among those advocating CFC phaseout. Sen. John H. Chafee (R-R.I.) said that without a fund to enlist the cooperation of the Third World, "all that will be accomplished by the developed nations will be canceled."

Liz Cook, of Friends of the Earth, cautioned that if the administration proposal has too many strings attached, developing nations might not be satisfied.

[From the New York Times, June 16, 1990]

UNITED STATES TO BACK FUND TO PROTECT OZONE

(By Philip Shabecoff)

WASHINGTON, June 15.—Reversing a policy decision, the White House said today that it would support a new international fund to help poorer countries phase out chemicals that are destroying the earth's ozone layer.

The new policy removes the last big hurdle to an international agreement for a ban on the chemicals, including chlorofluorocarbons. The accord is expected at a meeting in London next week.

Bush Administration officials said the United States expected to contribute \$20 million to \$25 million to the fund, which would total \$150 million to \$250 million. Today's announcement did not change the expected amount of the American contribution.

SCIENTIFIC FINDINGS

Although the amount of money involved is relatively small, White House officials led by the chief of staff, John H. Sununu, originally opposed setting up a new fund rather than providing the same amount of aid through existing institutions like the World Bank. The White House feared that a new fund would set a precedent for expensive new foreign aid programs on the environment.

Chlorofluorocarbons and certain other chlorine-containing chemicals produced by industry have been found by scientists to be severely depleting ozone molecules in the upper atmosphere. That ozone shields the earth's surface from excessive ultraviolet radiation from the sun, which can cause skin

cancer and cataracts and suppress the immune system in humans; the radiation also damages crops and wildlife.

The White House has been under heavy domestic and international pressure to reverse its decision. Many other countries have warned that the American opposition to a fund to help the poorer countries could undermine the effort to bar future production of chlorofluorocarbons.

Last week, for example, Prime Minister Margaret Thatcher of Britain wrote to President Bush urging him to reconsider. Administration officials say. On Tuesday, Mustafa K. Tolba, executive director of the United Nations Environmental Program, called on the United States to provide help to the developing countries. Environmental organizations and even the industries that make and use chlorofluorocarbons, called the original White House decision a mistake and asked for its reversal.

The House of Representatives has already authorized \$30 million to help the developing countries protect the ozone layer. A similar proposal has been introduced in the Senate.

Stephen Hart, a White House spokesman, said today that the change came as a result of "internal Administration discussions." Mr. Sununu issued a statement today saying that at the London meeting the United States would propose a new fund, operated and administered by the World Bank, to help the poorer countries phase out chlorofluorocarbon production.

A U.S. CONDITION

But Mr. Sununu's statement said the United States would support the fund only if it was not considered a precedent for dealing with other international aid programs.

The United States proposal would also build in strict controls to assure that the financial aid is used for its intended purposes.

A treaty signed in Montreal in 1987 under the auspices of the United Nations Environment Program requires a 50 percent reduction in the production and use of chlorofluorocarbons by the year 2000. But subsequent scientific data on the seriousness of the problem have shown that such a reduction would not be adequate. The United States and most other countries now support a total phaseout by 2000 and sharp reductions in other ozone-depleting chemicals, including methyl chloroform.

Many developing countries have insisted that they would not be able to phase in substitutes without additional assistance. India and China, two countries with development plans that call for substantially expanded use of the chemicals, have said they will not join a treaty to eliminate the use of the chemicals without substantial new economic and technical help.

The change of White House policy was praised today by members of Congress, environmentalists and industry representatives.

"Hurray for the President," said Senator John H. Chafee, Republican of Rhode Island, one of those who wrote to Mr. Bush urging him to reconsider. "This is a very wise political decision but more than that it is a very wise decision for the future of the world."

[From the Time magazine, June 25, 1990]

ECOLOGY: U-TURN ON OZONE

White House chief of staff John Sununu infuriated environmentalists last month when he blocked creation of a special international fund to help developing countries reduce their use of industrial gases that de-

plete the ozone layer. Charging that a U.S. failure to support the fund would undermine George Bush's vow to be the Environmental President, Democratic Senator Albert Gore of Tennessee called the policy "pigheaded and obstinate." He predicted that once the angry reaction set in, Sununu would reverse himself.

Last week Sununu did just that. He announced that the U.S. would contribute \$25 million to a \$100 million World Bank fund that will help underwrite the cost of chlorofluorocarbon-abatement efforts in less developed nations. Sununu claimed that the Administration now found itself able to endorse the fund because financial safeguards that the initial plan lacked have been put in place.

But a White House official pooh-poohed Sununu's explanation for the abrupt turn-about in policy as "a mere fig leaf." Said he: "It became clear to us that almost everybody was unhappy."

THE WHITE HOUSE,
June 15, 1990.

STATEMENT BY THE CHIEF OF STAFF

The Administration will propose a fund, operated and administered by the World Bank, to assist less developed countries (LDCs) in phasing out the production of CFCs by the year 2000. The President's proposal is intended to allow the parties to the Montreal Protocol to conclude an acceptable agreement on a package of amendments. The proposal includes specific requirements addressing: the uses of the fund; the precedential nature of the fund; the administration of the fund; assessments; control of the fund; and voting rights within the fund.

The President's proposal is structured to reflect the unique circumstances that create the need for a fund specifically designed to assist LDCs in phasing out CFCs in a non-precedential framework. This approach meets the President's essential criteria for any such funding mechanism.

First, there is adequate scientific evidence of the causes and effects—in this case, of ozone depletion.

Second, there is strong evidence that the steps to be taken—under the amended Protocol—will successfully address the problem.

Third, the resources needed to address the problem are reasonable and predictable.

The President expects the parties to the Montreal Protocol to successfully conclude negotiations on a package of amendments to the Protocol next week in London. The Administration's proposal will be offered at that time.

The President's proposal is designed to meet the financial needs of LDCs as they transition from the production of ozone-depleting substances to environmentally safe alternatives. At the same time, it addresses previously stated significant U.S. concerns about the use and management of the fund and the concern that there be no precedent-setting nature to such aid.

The United States has been a world leader in efforts to control emissions that adversely affect the ozone layer. The United States outlawed the use of CFC aerosol propellants in 1978; strongly supported the initial negotiations that led to the Vienna Convention for the Protection of the Ozone Layer in 1985; and was among the first to sign the Montreal Protocol in 1987.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended for 10 minutes, as under the same arrangements heretofore agreed to.

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

Mr. BYRD. I thank the Chair.

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

The PRESIDING OFFICER (Mr. KERRY). The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the Chair.

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

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for morning business is now to expire.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the Chair.

The PRESIDING OFFICER. If the Senator would suspend just for a minute so I can close morning business and have the clerk report the pending business.

Mr. MOYNIHAN. Absolutely.

Mr. WILSON. Mr. President, I ask unanimous consent that morning business be extended by 5 minutes.

The PRESIDING OFFICER. Is there objection to the Senator's request?

Mr. MOYNIHAN. Mr. President, without meaning to object, I will not object, may I say that we have matters before the Senate today and this would be the last occasion which I would feel free not to object.

The PRESIDING OFFICER. The Senator from California is recognized.

Morning business is extended for 5 minutes.

Mr. BYRD. Mr. President, will the Senator from California yield without losing his right to the floor?

Mr. WILSON. Certainly.

Mr. BYRD. Will he allow the Senator from New York to make a few comments—less than 5 minutes certainly. The Senator had the floor.

Mr. MOYNIHAN. I will be longer.

Mr. BYRD. All right. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from California is recognized.

THE VIOLENCE AGAINST WOMEN ACT OF 1990

Mr. WILSON. Mr. President, during morning business today eight women in America will confront an attacker. Five women will become victims of rape, almost 1 in 5 of whom will live in my home State of California; 228 women will be beaten, the majority by their husbands, boyfriends, or ex-spouses; as many as three battered women will die before day's end.

Mr. President, these are not just grim statistics. In every case, there is terrible anguish. There is literally physical pain and suffering, but perhaps it is exceeded even by the psychological trauma that is inflicted.

What restitution will society make for these heinous crimes? Do the victims receive assurance that there will be protection in the future?

For most rapists, a conviction will mean no more than a short term in prison. Take, for example, the case of Lawrence Singleton who raped 15-year-old Mary Vincent, chopped off her arms and dumped her into a canyon to die. Miraculously, she survived that brutal attack, which is to say she survived physically, and for that Lawrence Singleton was sentenced to 14 years and served only 8. He is now at liberty. His victim is suffering a lifetime of inexpressible pain and injury, physical and psychological.

Mr. President, we simply cannot call ourselves a civilized society if we do not protect the most vulnerable from the most heinous kind of attack. There are men who batter their wives or girlfriends, and in most cases they go unpunished because their crimes go unreported, however violent, unless they actually murder their victims.

Sadly, this Nation has a history of turning the other cheek, of being embarrassed about domestic violence, and until recently we have not done nearly enough about it. Only a handful of States have enacted tough laws to combat this terrible threat. Our response remains inadequate in the face of a frightening escalation of reported domestic violence.

In that setting, I particularly commend the Senator from Delaware, the chairman of the Judiciary Committee, who has faced this problem and today will be introducing legislation to provide the first real Federal effort to combat violent crime against women.

I commend Senator BIDEN and I join him in that effort.

First, the Violence Against Women Act of 1990 recognizes that not all rapists can be rehabilitated and creates new penalties for repeat sex offenders.

Close to 8 percent of all convicted rapists will rape again. For these criminals, their actions, much like those of the crack addict, represent a continuum of behavior from which they cannot escape.

Senator BIDEN's legislation will also ensure that rapists will spend more than what seems a fortnight at Sing-Sing by increasing Federal penalties for rape. It provides minimum sentences of a duration that at least offers some hope that women will be safe from these recidivists and though monetary relief cannot remove the scars which in many cases remain a lifetime.

In addition to requiring these longer prison terms this legislation requires that rapists atone for their actions by paying restitution to their victims.

Accordingly, the bill will require and expand victim restitution in sex crime cases.

For those areas of the country which are the most dangerous for women, such as Los Angeles, I am sad to say, where over 2,000 rapes are committed each year, the bill will authorize \$300 million to increase prosecution rates and set up special crime units to target violent crimes against women.

Finally, the Violent Crime Against Women Act will encourage greater law enforcement intervention and cooperation in domestic violence cases, create new civil rights protections for victims of sex crimes, and set up a national commission on violent crime against women.

Mr. President, we not only can but we must protect a woman's right to live safely in security in her home and to be able to walk safely through her neighborhood, safe from the Lawrence Singletons of the world.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILSON. Mr. President, I ask unanimous consent for an additional 30 seconds.

Mr. MOYNIHAN. Mr. President, without meaning to object, I do note that I did say I would object. I will one last time not object. We have business before the Senate.

Mr. WILSON. Mr. President, I thank the Senator from New York. I have to say I think this is important business before the Senate, and shortly will be before the Senate.

Mr. President, the Violence Against Women Act is an important step in the direction of making women safe.

I can hope Congress will move quickly to enact this bill both to provide Federal jurisdiction and protection—and to provide a model and a prod to State criminal justice systems where the lion's share of this grave problem must be dealt with—so that we might spare the senseless pain and suffering of millions of rape and aggravated assault victims and prevent the death of 1,500 battered women each year.

I thank the Chair and yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period of morning business is now closed.

NATIONAL AFFORDABLE HOUSING ACT

The PRESIDING OFFICER. The clerk will report the pending business. The bill clerk read as follows:

A bill (S. 566) to authorize a new Housing Opportunities Partnerships program to support State and local strategies for achieving more affordable housing to increase home ownership, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Heinz amendment No. 2023, expressing the sense of the Senate that Congress should recognize the unique needs of persons 85 and older and attempt to design Federal housing programs recognizing such needs.

(2) Heinz amendments No. 2024 (to amendment No. 2023), in the nature of a substitute.

Mr. MOYNIHAN. Mr. President, I rise as I had earlier indicated to speak to the amendment which was offered yesterday by the senior Senator from Pennsylvania, my friend, Senator HEINZ, a fellow member of the Committee on Finance.

That amendment can be best described simply by reading it. It says: It shall not be in order in the Senate to consider any bill dealing with the public debt, or amendment or conference report thereon if Congress has not acted to remove the OASDI revenues and expenditures from the calculation of the deficit of the United States Government pursuant to the Gramm-Rudman-Hollings Deficit Reduction Act.

The only point that might want to be spelled out further is that by "OASDI" the Senator refers to the Old-Age, Survivors, and Disability Insurance Program, commonly known as Social Security.

So we are talking about Social Security and the Social Security surplus of which we have heard a considerable amount so far this year. But we have not yet acted this year.

May I say, Mr. President, that Senator HEINZ' proposal presents us with an opportunity to confront reality, and I for one, having proposed this myself in previous Congresses and in this Congress, am going to vote for this measure, and I hope we all will do it because it will tell our summitees as they gather again today what they really have to work with.

In this morning's Washington Post we have an article by David Broder reflecting a luncheon meeting yesterday here in Washington where Mr. Darman spoke to reporters. The headline says very simply "Forced Cuts

Could Exceed \$80 Billion, Darman Says." Then the subhead: "Revenue Proposals Expected Today as Negotiators Resume Talks on Deficit Reduction."

What Mr. Darman was referring to was the amount that will be sequestered if on October 1 we have not passed a budget that meets the Gramm-Rudman-Hollings targets for the coming fiscal year.

Mr. Darman's estimate is \$20 billion more than it was previously. That is about right. Every 2 months for the last 10 years Budget Directors have added \$20 billion to the deficit. He speaks about the horrendous event and consequences.

He read, according to Mr. Broder, who is unimpeachable in these matters, the figures from a 22-page draft of a document he plans to make public on July 15 as a warning to the Congress of the potential cost of an impasse. By then he said the lawmakers will be facing another deadline, the need to increase the \$3.1 trillion ceiling on Treasury borrowing before they start their annual August recess. That does indeed face us.

Later on it points out that the debt is roaring up because of the savings and loan disaster, which is costing us money that is being borrowed by the Federal Government, you may be sure.

Mr. President, what would Senator HEINZ' proposal do? If he were here, I would ask that I be added as a cosponsor. Perhaps he will hear me. I am sure he can accommodate me on that.

Well, it is very simple. It prompts us to pass legislation to remove Social Security surpluses from the calculation of the deficit, so as to expose the true deficit.

And that is a fair point, sir, because these surpluses are not general revenues; they are trust funds; 132 million Americans have their Social Security numbers and individual accounts. I was about to tell you mine, Mr. President. I received it almost 50 years ago, and those first three numbers always escape me—20-3776. So I have two-thirds of the number. The first three escape me. That is my account.

Over 5 years, the amount of surpluses in the fund will come to \$500 billion. So that means that the gentlemen gathered in the Mansfield Room this afternoon to discuss this matter have an extra \$500 billion they need to fund, about twice what they are talking about now. I think that is about right. That is serious, Mr. President.

But it is also serious that they put us in this fix—\$3.12 trillion in debt. Mr. President, 1980's began with a debt under \$1 trillion. We tripled the national debt in 8 years under an administration that never stopped talking about a balanced budget.

The amount of money we borrowed in the 8 years of the previous administration came, in constant dollars, to 85

percent of the money borrowed in the Second World War. All we have to show for it is Grenada. We cannot even claim Central America anymore.

I see also this morning in the Washington Post a story titled "Baker To Press Other Nations for Aid to Central America." He wants the Japanese to take over our celebrated responsibility for those republics; also the World Bank and International Monetary Fund. Certainly, we cannot do it.

Here are the numbers. You get a sense of what is involved, Mr. President. In fiscal year 1991, there will be a \$74 billion surplus in the Social Security trust funds. In fiscal year 1992, \$85 billion. In fiscal year 1993, \$98 billion. I say that is the point when the trust funds will commence to rise by \$2 billion a week.

In 1994, \$112 billion. In 1995, \$128 billion. We are at that point moving to where they will be rising at \$3 billion a week. But, Mr. President, these are not general revenues. They ought not to be available to the Treasury to spend on everything from paper clips to battleships, and whatever else in between.

I should say, Mr. President, that with respect to this subject that is referred to with some frequency as taking the Social Security trust funds off budget, I want to say that I do not fully understand the pressure to do this, because the Social Security trust funds are off budget, Mr. President. They are not on budget now.

If we want to adopt a resolution that we ought to do what we have already done, well, that would not surprise me, but I do not know how useful an exercise it would be. The National Commission on Social Security Reform in 1983 recommended that the trust funds be taken off budget in fiscal 1993.

In the 1985 version of Gramm-Rudman-Hollings, this was brought back to fiscal 1986. So they are off budget now. But they are included in the Gramm-Rudman-Hollings estimates of the deficit.

Why is that, Mr. President? Very simple. It makes the deficit seem smaller than in fact it is. So it is a good thing to say that the deficit is, at minimum, \$74 billion larger next year than it will be calculated as being, and to say to the President, to Congress, fine, do not do anything, and on October 1 you will have to cut \$154 billion, not \$80 billion, out of the operating budget of the United States.

I do not know how many aircraft carriers will have to return to port. Mr. Darman has all manner of things that he feels would be bad. I agree they would be bad. We would have to eliminate student grants for 1.2 million people and reduce all other surviving student aid grants by \$675 apiece. I do not think you would have

any if you doubled the \$80 billion to \$154 billion.

And to furlough 5,500 Federal prison guards, call it 10,000; intermittent shutdown of some airports. That would shut down quite a few, I would think. Stop work on the hazardous waste funds cited for Superfund clean-up. Well, stop work at all of them, I guess. If you are going to have an irresponsible Government, if you are going to get elected by pledging to do things that cannot be done, let the consequences flow forth. Close down work on all the Superfund sites.

Mr. Darman, if I may say—and he is my friend, and I have known him for many years—should not be reading a list of events that will happen in the event of sequestration to journalists, and without showing it to us. I hope he brings that list with him today. If he does not, I hope someone asks him for it.

In any event, sir, it is not an \$80 billion list. By the time he arrives at 2 o'clock this afternoon, it will be \$154 billion. Let us see that list. At the same time he shows it to journalists, what do you say if he shows it to the President? That would be interesting, to be seen showing it to the President, with a good photo of him. What are we going to do about it? Well, I do not know, but thanks to Senator HEINZ, we will see.

Mr. President, I see my friend on the floor, and I cannot suppose but that he perhaps would want to discuss this matter. I asked earlier if I might be added as a cosponsor to his resolution.

Mr. President, I ask that the two articles I referred to in the Washington Post be printed in the RECORD.

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

[From the Washington Post, June 19, 1990]

FORCED CUTS COULD EXCEED \$80 BILLION,
DARMAN SAYS

(By David S. Broder)

On the eve of critical negotiations with Congress, the Bush administration's budget director said yesterday that the alternative to agreement on a deficit-reduction plan is at least \$80 billion in forced spending cuts, which would lay waste to most domestic programs.

Richard G. Darman, director of the Office of Management and Budget, told a group of reporters that possible revenue-raising measures will be discussed for the first time by administration and congressional representatives when they resume their meeting today. He predicted that by Thursday, proposals for \$45 billion to \$60 billion in deficit reduction "will come from all parties—including the administration."

As the bipartisan budget summit prepared to move from detailed briefings to direct negotiations, with only the principals present, Darman said. "We feel a lot better about the group and the process than we did a few weeks ago." But he cautioned that the "chemistry" and mutual trust that have been built up in the past four weeks of briefings are untested. No one, he said, is

under any illusions "about how hard this is."

What ultimately may force action, Darman said, is the realization that "sooner or later, we have to deal with each other" to avoid sequestration, the technical term for across-the-board spending cuts that would be of unprecedented magnitude in order to meet the Gramm-Rudman-Hollings deficit target of \$64 billion for fiscal 1991.

Darman's estimate of "at least \$80 billion" for sequestration was about \$20 billion higher than the administration originally had warned might be necessary. Even if the lower figure should prove accurate, Darman said, it would, among other things, eliminate student aid grants for 1.2 million people and reduce all other surviving student aid grants by \$675 apiece; force furloughs of 5,500 federal prison guards; the intermittent shutdown of some airports and increase delays in the air transport system four- to sixfold; and stop work on almost half the hazardous waste sites slated for Superfund cleanup.

Darman read the figures from a 22-page draft of a document he plans to make public on July 15 as a warning to Congress of the potential costs of an impasse. By then, he said, the lawmakers will be facing another deadline—the need to increase the \$3.12 trillion ceiling on Treasury borrowing before they start their annual August recess.

Darman said the national debt limit that was expected to get the government through all of this year will be exceeded by September, largely because "we're spending money so fast on the savings and loan [cleanup] resolutions."

While the deadline for lifting the debt ceiling before the congressional summer vacation "is the real midnight hour," Darman said, the administration hopes to see substantial progress in negotiations before Congress starts another 12-day break on June 29. An overall agreement on the elements of the package by that date is important, he said, to allow sufficient time for the detailed staff work required to handle not only the medium-term deficit-reduction plan but long-term reforms of \$6 trillion worth of government credit and insurance programs.

Darman said the prospect of \$80 billion or more in forced cuts is horrifying enough that all parties to the negotiation will recognize the law must be changed. But he said that "neither the administration nor the financial markets" would accept simple book-keeping changes or target adjustments that would postpone the problem for another year. "It will require change in substantive law," he said.

While withholding any details of the administration's package, Darman indicated he was ready to offer suggestions in the defense and entitlements areas "if the group is interested." He also said President Bush was likely to join the discussions personally in the next two weeks and "is fully prepared" to lead the lobbying and public education effort if a bipartisan package can be assembled.

While conceding that the negotiators face "large problems of trust and the management of political risk," Darman said he was encouraged by the fact that "there have been a number of occasions when people could have taken cheap partisan shots and didn't."

[From the Washington Post, June 19, 1990]

BAKER TO PRESS OTHER NATIONS FOR AID TO CENTRAL AMERICA

(By Lee Hockstader)

ANTIGUA, GUATEMALA, GUATEMALA, June 18.—Secretary of State James A. Baker III assured Central American presidents today that Washington would press Japan and Western Europe to increase their assistance to the region at a time of declining U.S. aid to most Central American countries.

Although the United States recently sent an aid package worth \$720 million to rebuild the ruined economies of Nicaragua and Panama, U.S. economic assistance to the other Central American nations—Costa Rica, El Salvador, Guatemala and Honduras—dropped by about 20 percent this year.

The region's presidents, meeting in this cobblestoned colonial capital on a rescue mission for their war- and debt-shattered economies, have stressed that no combination of steps they could take would be sufficient to lift the region from its poverty without new infusions of cash from industrialized nations.

Baker, who arrived in Guatemala Sunday night and met individually with the six presidents today, is proposing an international effort by wealthy nations and international lending institutions to help Central America. The approach is patterned on the Group of 24 industrialized nations that was formed last year to rebuild Poland and Hungary and has since been expanded to address the needs of other Eastern European countries.

"We . . . recognize that there are fears in Central America that the United States and the industrial democracies will be diverted by the changes in Eastern Europe and ignore this region at this moment of historic opportunity," he said. "I'm here today at the request of President Bush to make it very clear that the United States will be engaged and fully supportive of this regional peace process."

Although the presidents expressed some doubts about the structure of the new aid mechanism and conditions that might be attached to new assistance, the general response to Baker's proposal was positive.

"The United States is taking the lead in getting the world to give aid to Central America," said Costa Rican President Rafael Calderon. "We all celebrate that."

Nicaragua has already been the beneficiary not only of some \$330 million in direct U.S. aid, but also of a \$300 million aid package pledged earlier this month in Rome by a group of 34 donors, including the 12 European Community countries, the World Bank and the International Monetary Fund.

The 34 donors also pledged an additional \$180 million for Nicaragua in 1991, a sum that would include food aid and help to reduce Managua's balance-of-payments deficit.

Baker did not mention how much aid for Central America might be generated by his plan. Essentially, however, the idea seems to hold out the still vague promise of doing for the rest of Central America what the industrialized nations appear to be doing already for Nicaragua.

The proposal comes as Central America's presidents—all of them democratically elected and oriented toward free-market economies—are expressing optimism that the region has passed through a decade of violence and instability and is ready to address long-range challenges of underdevelopment and poverty.

Two-thirds of the 30 million people in the region live in poverty, and perhaps half of the poor are considered severely impoverished—that is, unable to provide themselves with a normal daily diet.

The region's leaders, plainly worried that tenuous steps toward regional peace are threatened by poverty and stagnation, proposed on Sunday a broad program of regional cooperation in trade, production and expansion of infrastructure.

One effect of the plan would be to resuscitate the Central American Common Market, launched in the 1960s but a victim of wars and rivalries in recent years.

In addition to reassessing tariffs, cutting border restrictions for goods and people and eliminating other barriers to free trade, the five presidents called for a unified approach to rebuilding the region's transportation, communications and energy resources and creating a regional foreign service to attract new investment and tourism.

They further proposed the development of coordinated industrial and agricultural policies to guide regional production. And they instructed the region's economic planners to establish a forum to examine ways of easing the region's \$20 billion debt.

Baker hailed the plan and called the summit a "historic . . . symbol of changes that are transforming this region." However, after a decade in which the United States has spent hundreds of millions of dollars to finance wars that had a devastating effect on the region's economies, U.S. aid to most of the countries on this isthmus is beginning to slip just as they seem on the verge of pacification.

Combined U.S. economic aid to Costa Rica, El Salvador, Guatemala and Honduras fell to \$565 million in fiscal 1990 from \$702 million last year—a reduction of about 20 percent.

The region's leaders have expressed anxiety that the "peace dividend" that has permitted U.S. funds originally intended for the Pentagon budget to be diverted to help Nicaragua and Panama will not be repeated in the rest of Central America.

Baker and other U.S. diplomats reassured the presidents that the proposal to organize wealthy nations to assist Central America would result in an old package that would supplement—not replace—current U.S. bilateral aid programs.

Salvadoran President Alfredo Cristiani said, "From our perspective, we look with . . . pleasure and with hope on the possibility of aid that would complement that which already exists bilaterally and multilaterally."

However, some aspects of the proposal seemed to touch regional sensitivities. In particular, several leaders expressed reservations about an outline of the proposal floated recently by Deputy Secretary of State Lawrence S. Eagleburger.

Eagleburger suggested that the organization's co-chairs be the United States, Japan and Eastern Europe, with the secretariat to be located in the United States. He added that "we would consider inviting a Latin nation," such as Venezuela, also to serve as a co-chair.

Guatemalan President Vinicio Cerezo said that if an international mechanism is created to help Central America, the leadership of such an organization should "fundamentally" come from the region itself.

U.S. officials, aware that the idea for a U.S.-based secretariat had not been enthusiastically received, stressed that the struc-

ture of the new organization had not been determined.

There also were concerns that the new aid would come heavily conditioned. Baker acknowledged that it would be intended to support human rights, democracy, development and disarmament and that deviations from those goals in the region could cloud prospects for the flow of aid.

Baker also said "it would be nice" if the Soviet Union continued supporting Nicaragua under the conservative government of President Violeta Chamorro as it did under the revolutionary rule of president Daniel Ortega.

Mr. D'AMATO addressed the Chair. The PRESIDING OFFICER. The Senator from New York.

Mr. HEINZ. Will the Senator yield for a unanimous-consent request?

Mr. D'AMATO. Yes.

Mr. HEINZ. Mr. President, I ask unanimous consent that the senior Senator from New York be added as a cosponsor to my amendment.

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

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask the distinguished Senator from Pennsylvania if he would add me also as a cosponsor.

Mr. HEINZ. If the Senator will yield, I ask unanimous consent that the Senator from New York also be added as a cosponsor.

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

Mr. D'AMATO. Mr. President, I commend the senior Senator from Pennsylvania. I think it is about time that we had an accounting system which gave credit for funds that came into the system, as it should be, and credit for other revenues that are going to be expended in the budget process, as it should be, against the expenditures. There is no reason to maintain this fiction.

I commend both the Senator from Pennsylvania and the senior Senator from New York, who has called to our attention the inadequacies of our present operation.

Mr. President, I rise with positive and yet mixed thoughts about the bill that is pending. I have been involved in helping to develop this legislation with Senator CRANSTON and others over the past 3 years. While I have concerns about certain parts of the bill, in general I believe it is moving in the right direction, shifting decision-making from the Federal Government to our cities, to our States, and to our communities. As an ex-county official, I know that the best solutions to problems most often come from within the community that understands and knows those problems firsthand and not from the bureaucrats in Washington.

Because of this shift of emphasis in giving greater decisionmaking to local government, I support this legislation.

On the other hand, during the full committee markup of this bill I expressed a number of concerns, as did many of my colleagues, relating to very important aspects of the budget level. The bill is \$4 billion over the President's budget. There is room for negotiation, and that is something that we are going to have to do.

There is the lack of full funding for the HOPE Program, only \$435 million over a 3-year period of time, as contrasted with a request of \$1.89 billion for the administration. There is the problem of new construction, what should and should not be considered a new construction program, and, of course the largest and the most important which I intend to speak to is the FHA developments. I believe that we face a possible disaster. It may or may not rival the size and certainly will exacerbate the present problem we have with the thrifts and real estate industry, and I think it bears some looking at, and certainly before we enact comprehensive legislation we should examine this most carefully.

Mr. President, I have been informed by the administration—and this information came to me literally within the past 10 minutes—that if the bill passes as it is without there being addressed some of these issues that I have put forth, the President will veto the bill.

It seems to me that we have put too much time in not to attempt to iron out, if we can, these possible difficulties. I know Senator CRANSTON shares my thoughts in this regard, and I believe a large majority of the committee and the Members of this body, but certainly the Banking Committee, feel likewise. It is going to be pretty difficult to attempt to work out the compromises necessary while we have the bill on the floor, and it seems to me that it is necessary for us to set up a time and a formula by which we can attempt to negotiate out the differences. If we can, I think the American people are going to be better for it. We will get a good housing bill. We will get one that meets the budget constraints and addresses the major problems.

Mr. CRANSTON. Mr. President, will the Senator yield briefly?

Mr. D'AMATO. Certainly.

Mr. CRANSTON. I have not heard of any threat of veto until this moment.

Mr. D'AMATO. If I might respond, I received this note, literally, just prior to my addressing my statements to the Senate, and I have been informed that a letter will be forthcoming, probably before noon, from the White House indicating this.

Mr. CRANSTON. If I may address that just briefly, I know the Senator wants to make his statement, but I appreciate this opportunity to speak just very briefly on this matter. We had a

very fine meeting yesterday with Richard Darman, the head of the Office of Management and Budget, and Jack Kemp, the Secretary of HUD. They made it very plain they did not want to discuss vetoes at this point. They thought it was an effort to be accommodating on matters where we have differences. I am rather shocked that we now have a suggestion from somewhere that there could be a veto since they know and the Senator and I know there are negotiations going on right now. We are negotiating on four points that came up yesterday in the meeting with Mr. Darman and Mr. Kemp.

They are not areas where we have any major differences. One is on new construction. They are concerned that maybe there will be too much of that, but we recognize, I think, a need for some, but we want to emphasize other approaches so we are in agreement in principle. On targeting a floor, we both want that. It is a matter of how we make sure it is done properly. On FHA making it actuarially sound, we agreed we must do that. Price Waterhouse is checking on an ultimate proposal that fits seemingly within their comprehension of the facts of life, which would, I think, probably meet a common goal in a better way than the administration proposed. Again, that is a matter to work out.

On the funding, Mr. Darman, head of OMB, specifically stated yesterday that, if we reach agreement on those other three major points, and I believe we can, funding will not be a vetoable item. Negotiations are under way now. I had a report 10 minutes ago on those negotiations while the Senator had a suggestion of veto 10 minutes ago. The negotiations are going forward. Progress is being made, with no guarantee of success, but I think there will be success. So I think we have an excellent chance rather swiftly, quite possibly to pass this measure here in a way that will have very broad bipartisan support and no suggestion of a veto from the White House.

Mr. D'AMATO. I think the issue, if I might indicate to my colleague from California, is that unless these issues are resolved, the veto is not only a possibility, but it is rather a certainty as it relates to some of the areas where concern is expressed.

This Senator will be candid and express the concern that it seems to me it is going to be difficult to deal with all of the issues to be resolved unless the principals will have an opportunity to address them with their various people in the administration, both Secretary Kemp's office and OMB and the White House.

So I wonder, when we are going to attempt to do that. We are trying to do the bill on the floor at the same time and while staff is able, is compe-

tent, is professional, in the final analysis it is going to take the parties who are interested in this to finally culminate in a successful compromise, if that is what the case is going to be.

Mr. CRANSTON. If the Senator will again yield briefly, obviously, it will take agreement by all the people who are primarily involved in this issue both in the administration and in the Senate. I think we have an excellent opportunity to achieve that agreement. Plainly, the bill we finally pass here is not the final version. It will have to go through a process with the House as to what we can agree upon in conference. But I think the House will be willing to have some give and take at that time. So I remain very confident that we will be able to work out these matters.

I would like to add one point. It was not until we got the bill on the floor that we were able to really get the attention of everybody who wants to be involved in this matter. The administration, of course, for understandable reasons, did not come forward with its exact views until we had the bill on the floor. Having the bill on the floor was a mechanism that caused some action. I hope we can have the negotiation going on simultaneously with consideration of this bill on the floor in various amendments and wrap it up all at once fairly swiftly. That is my hope and objective. I hope it can be attained.

Mr. D'AMATO. Mr. President, one of the areas of concern that I have mentioned and my distinguished colleague from California has also alluded to—Secretary Kemp came to the Hill and testified 2 weeks ago—is this question of FHA. There has been a significant development since the markup of the Banking Committee's legislation. On June 6, we learned that the Federal Housing Administration [FHA], is actuarially unsound. It has lost \$5 billion in net worth since 1980. This is something that this Senator found astounding. Yet those are the facts.

Without reform, there is no doubt that we are going to continue to lose substantial sums of money. Some estimate \$200 million to as much as \$700 million. I am suggesting that figure is lower. It is a lot more than \$700 million or \$200 million a year, and that is taxpayers' money.

I think it is about time that we took some necessary action as it relates to this and stop business as usual. Sure, we are going to have the special interest groups that are going to come down and say oh, no, no, do not touch this, you are going to make home ownership more difficult.

Let me say this to you. I think it is absolutely wrong if we are going to be, with every new FHA mortgage that we make, saying that the taxpayer is going to pick up an additional burden.

And if we are going to make these mortgages, we ought to make them when they are actuarially sound. We should not have people getting mortgages which amount to 103 percent of the value of the home that they are purchasing, because Mt. Taxpayer is paying for it.

If you looked at that report, the Price Waterhouse report, and spoke to the people who made it, the experts, what they say is that we are in a precarious situation now, but if the value of real estate does not increase between 2 to 4 percent annually, we are going to face losses. Two percent is a loss, 4 percent is about a break even. That means that property has to be a appreciating.

Mr. President, you do not have to be a scholar, or a Ph.D. in the economic area, or a real estate expert to know that property values basically throughout this country are not appreciating at 4 percent, particularly for the single family home, but in many regions are going down 20 to 25 to 30 percent. That means we have a calamity on our hands. We do not have just a problem, we have the potential for another S&L debacle, and given the depression of the real estate market as a result of the S&L situation, we have something that is unprecedented.

Now is the time for us to deal with this problem. Now is not the time to be doing business as usual. That is why this Senator has indicated to the administration that I will be working with them and offering a package of reforms on FHA. It is absolutely imperative.

I look forward to working with my colleagues. I have spent 3 years, and my staff has, as well, almost 3 years, in attempting to move a bill, a housing bill that America needs, attempting to deal with some of the problems that we find inherent in the present legislation. But I think we have to be realistic and I think we have to be fiscally prudent. And if it took the S&L debacle to wake us up, let us begin to look at this problem of FHA and not just go on doing business as usual with a little nick here and a little slight change there. Let us make sure that we bring in the people who will know the actuaries and say, what do we need to see to it that we are not adding to the problem.

I think there is a problem there already with the portfolio that exists, far bigger than Price Waterhouse really recognized, given the deterioration of the real estate market. But to continue it and exacerbate it and to put good money, so to speak, after bad, and that is taxpayer's money, and to have it follow in the same manner, would be unforgivable, would not be correct.

If we are going to act on a housing bill, we should take corrective meas-

ures now in that legislation as it relates to the FHA program.

Mr. President, I yield the floor. I see my distinguished colleague from Pennsylvania, I do not know if he is going to speak on his amendment. I know it is pending. Therefore, I will suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BRYAN. Mr. President, I ask that my name be added as a cosponsor to the Heinz amendment.

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

Mr. BRYAN. Mr. President, the term Social Security trust fund has a certain resonance to it. I think most Americans—and I include myself in this category, prior to coming to Washington—believed that the trust fund is something very sacrosanct, something inviolable, something that is set apart, separate, for an expressed purpose; namely, to take care of the retirement requirements of the American public as funded through the Social Security trust system.

Most Americans felt, until recently, that somewhere in Washington, in all of these marvelous edifices that we have, that there would be some impressive building, someplace there would be a colossal gate which would open in part, and there would be found the Social Security trust receipts amounting to some \$65 or \$70 billion, and that that money would be held separate and apart and not used for any other purpose other than the retirement purposes of the American public who are recipients under the Social Security system or who hoped to be recipients under the Social Security System.

One of the great tragedies of public finance at the Federal level, and I think one of the things that engenders so much cynicism and doubt and skepticism about those of us that are part of the public process, particularly those of us who are privileged to serve at the Federal level, is that when we say things, apparently we do not always mean what we say.

In reviewing the President's budget proposal for fiscal year 1991, one category includes borrowing from the trust funds projected in the 1991 fiscal year to be \$74 billion.

Mr. President, it is wrong to establish a trust fund for one purpose and to use those proceeds for another. So I would commend our colleague, the distinguished Senator from Pennsylvania, on the amendment that he offers.

I believe by adopting this amendment, we make an important contribution and a step in providing the truth in the budgeting process; that we make one further step to providing some integrity in the budget process; and that, finally, maybe we begin to get over the confusion that abounds in the Federal process with all of these trust funds—not only Social Security, the Federal highway trust fund, the aviation trust fund—all of these trust funds are used for purposes not intended. The public is understandably angered, and rightly so, when they learn that in point of fact if you went into that area where they believed the trust fund moneys are kept, that there would not be a single dime. All you would have on deposit there would be a slip of paper signed by the Office of Management and Budget—Mr. Darman—"We owe the American people \$74 billion."

The public knows that is wrong. Those of us charged with the responsibility of representing the public interest, we know it is wrong. It is time we do something about it.

Mr. President, I am pleased to add my name as a cosponsor to the Heinz amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

UNANIMOUS-CONSENT AGREEMENT

Mr. CRANSTON. Mr. President, I am going to propound a unanimous-consent agreement with respect to the Heinz amendment at 12 noon. I ask unanimous consent that the vote on the Heinz amendment, No. 2024, occur at 12 noon today. I further ask unanimous consent that if the Heinz amendment is agreed to, the yeas and nays on the first-degree amendment be vitiated and the Senate then proceed without any intervening action or debate to vote on amendment No. 2023, as amended.

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Mr. President, reserving the right to object, and I do not think I will need to object because I would like to have a vote on the amendment at noon, I would inquire of the Senator from California if it might be possible to have an up-or-down vote on the amendment?

Mr. CRANSTON. It is expected there will be an up or down on the amendment. I do not propose to make a tabling motion.

Mr. HEINZ. So that is clear to all Senators, could we amend the unanimous consent or modify the unanimous consent?

Mr. CRANSTON. The proposal does require "a vote on." It precludes a tabling motion.

Mr. HEINZ. And without any intervening motion or point of order?

The PRESIDING OFFICER. The Chair notes the unanimous consent as

proposed offered the opportunity for a vote—requires a vote on the Heinz amendment.

Mr. HEINZ. Parliamentary inquiry, Mr. President, as propounded, would the unanimous-consent request permit any point of order to be made?

The PRESIDING OFFICER. Unless it is explicitly stated so, points of order are not deemed waived.

Mr. HEINZ. Mr. President, I renew my request to the Senator from California, that he might modify his unanimous-consent request to preclude any points of order.

Mr. CRANSTON. I so do.

The PRESIDING OFFICER. Is there objection to that modification? Hearing none, it is so ordered.

Mr. HEINZ. I thank the Senator from California.

Mr. CRANSTON. I would add following this vote as we all know, we will recess, shortly thereafter, for the two party conferences. We will resume consideration of the bill at 2:15, when we reconvene. I hope we can then proceed to have action.

My last report is the negotiations going on between staff representatives of the majority and minority on the committee, with the administration, are presently proceeding well. We may be able to have an agreement before the end of the day on some portion of all that. Meanwhile, there are some other amendments, I hope not too many, that will be brought up on the bill. I hope we can get to them and start having some votes without too much time on each amendment this afternoon.

The majority leader has indicated the desire to pass this measure as soon as possible. That is, of course, subject to working out the agreements and negotiations with the administration. But, if those are successful I hope we can finish this bill very, very rapidly and I urge all my colleagues who have amendments, or things to say in regard to this measure, to come to the floor with their amendments the moment the way is open for that, following disposition of the Heinz amendment so that we get action. Meanwhile, any statements Senators have, like the Senator from Missouri whom I see on the floor who has been a very active participant in developing this measure and been a very fine partner across the aisle in working on it—I see he is present, perhaps he can make his opening statement at this time.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND] is recognized.

Mr. HEINZ. Will the Senator from Missouri yield for a unanimous-consent request?

Mr. BOND. I yield to the Senator from Pennsylvania.

PRIVILEGE OF THE FLOOR—S. 566

Mr. HEINZ. Mr. President, I ask unanimous consent that during the

consideration of S. 566, the National Affordable Housing Act, Kim Bellard of my staff be accorded privileges of the floor.

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

Mr. HEINZ. Mr. President, I ask unanimous consent the Senator from Arizona [Mr. DECONCINI] be added as a cosponsor to the pending amendment.

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

The Senator from Missouri is recognized.

Mr. BOND. Mr. President, I thank the chairman of the subcommittee, the distinguished Senator from California, and also our ranking member, Senator D'AMATO of New York, for the good work they have done on this measure. I want to express my optimism and the encouragement I feel about the progress we have made so far on S. 566, the National Affordable Housing Act.

As has already been noted on the floor, we had a positive meeting with the administration on Monday and I hope we will be able, by the ongoing negotiations, to reach the necessary agreements so that for the first time in a decade we will be able to agree on and pass a bipartisan bill which will give a much needed new direction to our Federal housing policy.

As has already been noted, we have been advised of a very serious situation with respect to FHA. I note that the report for HUD prepared by Price Waterhouse raises some very serious red flags, and I think it is time we deal with those warnings in a timely fashion.

This body had called to its attention about 5 years ago, problems with the Farm Credit Administration. Actions were taken, which were not effective in dealing with the problem. We came back in 1987 for a major bailout bill.

Similarly, we previously had concern raised about the savings and loan industry, and the crisis in the FSLIC, the insurance fund for the savings and loans.

We took actions, but not effective actions. It must be said we followed the old admonition: Cheer up, things could get worse. We cheered up and things got worse.

In this instance I hope we will be able to take the warning that has been prepared for us, presented to us by an accounting firm and by HUD, and take effective action so we will not jeopardize the ability of the FHA to provide assistance for those who truly need it to be able to afford homes. That is going to be one important part of this measure.

In addition, I think there are other parts of the bill which are extremely important. I have spent a good deal of time in the last several years, as has

my staff, talking with people in my home State and people around the country about housing policy, what has gone wrong, what needs to be fixed and how we can improve it. From these discussions several general principles have emerged.

First, I think it is extremely important housing programs be flexible so that at the State and local level policies can reflect local economic conditions and social needs. St. Louis and Boston and Los Angeles and Springfield, MO, may have very different housing problems. It is nonsense to think only those in Washington can make good decisions about what is needed in each local area.

The decisionmaking for policies and programs needs to be streamlined so the responsibility for policy is clearly in one place. Authority and responsibility need to go together.

All the different pieces of the housing puzzle need to fit together. The low-income housing tax credit, rental assistance, public housing, State, and local programs, all need to be coordinated along with the private sector initiatives to adopt an overall strategy for the community. Federal money should be used to leverage other resources so we can get the most housing for the dollars that we spend.

Housing policies also need to work hand in hand with social service programs to encourage empowerment and self-help and thus help people bring themselves out of poverty. Secretary Kemp has made a tremendous contribution with his HOPE initiative and they have brought forward things like Operation Bootstrap, Project Independence, and others. I applaud Senator CRANSTON for including so many of these proposals in his legislation.

Senator CRANSTON's willingness to adopt these proposals from the administration and other proposals from this side have given us a great opportunity to move forward on a bipartisan basis to achieve the needed reforms in housing.

(Mr. BRYAN assumed the chair.)

Mr. BOND. Mr. President, I, for one, could not support more money or even continue to spend money on the inefficient categorical grant programs now in place. But in this bill, we have made some significant improvements, and I believe that the time has come to start putting money back into the supply of housing which, in my view, has been sadly neglected.

I was particularly interested in the problems of public housing, problems which in some areas of my State have become severe. I introduced several amendments which were accepted at the committee markup which will improve the management of public housing and, most important, the service provided to those residents of public housing.

I would like to take a minute now to describe some of them because I believe they improve the bill, and I would like my colleagues to know the philosophy behind them and what we are trying to achieve in this legislation.

I think we would all say that the vast majority of public housing agencies are well run, but there are a small minority of public agencies that give a black eye to the whole program. There are particular problems that crop up which bring general disgrace to the concept of public housing.

Public housing is run by local officials spending Federal money and in the past, too often, it has been spent only with great interference and red tape and conflicting responsibilities and authorities with Federal bureaucrats. This division of responsibility has caused a significant number of the problems which have arisen.

Local officials blame the Federal Government for the squalid conditions. They say they will not let us do something; they will not let us make the necessary changes. The Federal Government, on the other hand, says, why, it is the PHA, the Public Housing Authority's responsibility; we cannot control them.

The people who lose out, Mr. President, in that kind of squabble are the residents themselves who live in housing that is substandard, that does not meet the conditions or the qualifications that we would expect a rich and decent country as ours to afford.

We want to change this, and the amendments that were adopted move in that direction. The first amendment sets up a system of performance indicators for HUD to use in evaluating how well public housing agencies are managing the public housing under their control. HUD is to report back to Congress annually about what progress they are making in improving the performance of the most severely troubled PHA's.

HUD is given the ability to contract out some or all of the housing projects in a jurisdiction if the PHA is severely troubled and will not work out an agreement to improve performance. This gives HUD an additional alternative to petition the courts for the appointment of a receiver to manage troubled public housing agencies.

Currently, the sticks used in dealing with unsatisfactory conditions in local public housing is to cut off the CIAP or modernization housing funds. The problem with that tool, the only people who suffer are the residents of public housing who are not getting decent public housing in the first place. This measure gives new tools. It gives a modified bunch of sticks so that the housing authority can be replaced as the manager of that public housing development if they are not doing a good job.

In addition to the sticks, it provides some carrots. It says for those housing agencies which are doing a good job, they will be able to get their funds, this CIAP fund, on a block grant basis so they will not have to apply each year for specific approval for CIAP.

To me, this makes a great deal of sense. The amendment also allows for reduction in operating subsidies for units which have been continuously vacant for more than 1 year due to the negligence of the PHA.

My amendment also sets up an Advisory Commission on Public Housing so that HUD can take advantage of the expertise in the field. Our message to HUD simply is: Just do it. We want you to take care of these problems. Public housing deserves a higher priority.

A second amendment, one that is extremely important in my State and a number of others, adds some flexibility to the public housing demolition standards in current law. The rigidities of the one or one replacement requirement prevents cities from dealing with troubled projects that have been vacant for many years. I understand the philosophy behind the 1-for-1 replacement rule. That makes some sense when the projects or the developments are fully occupied. Why let a housing resource be destroyed? But it makes much less sense when there are empty high rises that never provide a decent living environment for families and now sit boarded up.

I have toured housing developments in St. Louis which no one would want to live in; no one would choose to go there. They have degenerated through lack of attention, through abuse over the years, and they are beyond rehabilitation. Many of these sit three-quarters empty.

Under the current law, it is impossible to tear down those high-rise tenements and replace them with decent housing because of the rigidities of the 1-for-1 replacement formula. My amendments allows HUD to approve demolition if conditions are met. The city has to come up with one replacement unit for every two demolished. The project must have been 35 percent vacant for each of the previous 5 years. The vacancy rate in the city must be above 10 percent. The area must be economically distressed and the city must hold open meetings to discuss plans for the site.

I believe from discussions with my colleagues that similar situations exist in other States, and I believe this reasonable provision puts much needed flexibility in an overly rigid statute and will lead to much better housing and more available housing which families will not be loathed to live in.

My last public housing amendment adds public housing simply as one of the issues that must be addressed

when jurisdictions submit their housing strategies to HUD.

In the conversations that I have had with people from the entire spectrum of subsidized and public housing interest and responsibility in my State, the one point they all make is we have to consider public housing as a critical element in our overall housing strategy. It is important that we consider so, and this amendment will require it to be done.

Mr. President, I would like to address just for a minute some concerns that a number of my colleagues have expressed in the hearing in committee and in the cloakrooms as we have discussed housing. Some are concerned about the commitment the Federal Government has to housing.

We have made that commitment, Mr. President. We have moved forward but, unfortunately, we have tied that commitment down with a series of redtape bureaucracy. We have seen evidence of mismanagement and the term "HUD scandal" has become a standard term of reference. The time has come when that is changed.

First, the new administration of Secretary Jack Kemp has made a total commitment to improving the management of housing resources in the United States. Under his strong, dedicated leadership, concern for those who live in public housing, I am convinced that we now have the administration in place that realizes how important our commitment to housing is.

Second, Congress last year passed HUD reforms which are essential to cleaning up the problems that have existed. But, frankly, I think the final element that is necessary in reform of HUD, to avoid the problems of the past, is to change the system that we now have that is strangled with redtape, whose complexity invites the use of consultants to short circuit the unduly lengthy and burdensome procedures to get money approved.

For my colleagues who have reservations about housing, who look at Government from a more conservative point of view, I would say philosophically this is sound. Essentially, we have moved to a block grant type of arrangement under which responsibility and authority will be lodged at the local level. This will get away from having unnecessary responsibility centered in Washington.

Pragmatically, we will put the responsibility at the local level so that the local officials and the State officials will have the responsibility. They will not be able to point their finger at anybody else; they will have to get the job done.

Mr. President, I know that the occupant of the chair has had the same experience that I have serving as the chief executive of his State, recognizing the frustrations that we have all had when we have programs that are

thrust upon us to administer; yet we have to call back to Washington; we have to beg, plead, and implore Washington to let us manage the projects.

I am convinced that in most, if not all, of the circumstances, we will see much better management when that authority and responsibility is returned to the State and local level. But in those cases where it is not, it is going to be far easier to identify and make accountable those officials subject to the will of voters at the local and State levels who have not performed their responsibilities satisfactorily.

The second objection, the second concern that has been raised, and it is a legitimate one, is the same authorized in this bill. As I said earlier, I feel strongly we did not spend enough money on housing in the last few years, but I would say also that we were wasting far too much of the money that we appropriate.

Now, however, we have passed an authorization out of committee which recognizes more funds are needed for this vitally important resource.

As the President knows and all of us know in this body, we are not going to, in this bill, commit the funds. We authorize the funds. As Secretary Kemp and Budget Director Darman pointed out yesterday, the amount of money we are going to have to spend on housing ultimately, apparently, is going to be determined by our colleagues and those in the administration who are in the budget summit. We hope that they will be able to provide additional funds. But the actual level of funding will not be determined by this bill. It will come out of the budget agreements and out of the Appropriations Committees.

Secretary Kemp and Director Darman said if the changes in policy are made, they would not object to the level of authorization. I think that is very important. We understand, those of us who have to operate under tough budget discipline, that we sometimes cannot have all the money we want, but at least we can make sure that the policies are correct.

I say also to my colleagues on this side of the aisle that this measure contains some very important initiatives that have been recommended by HUD, under Secretary Kemp, and are supported by the Bush administration.

I mentioned things like Operation Bootstrap and Project Independence. One that is of particular interest to me is the additional authority and resources for assisting resident management organizations to buy the housing units, the developments in which they live.

Mr. President, for my colleagues who have not had an opportunity to visit some of the resident management operations or to see in operation one of those units turned over to resident

ownership, I would say you are missing one of the most exciting and one of the most innovative developments in the field in many years. People who have the opportunity to manage their developments, who will in the future have the opportunity to own their developments, are the ones who will make them livable. We can cite many around the country but we are very proud of Loretta Hall in Carr Square, which is in the process of moving toward tenant ownership; Bertha Gilkey in Cochran Gardens and the many working with them.

They have said to the drug pushers "Get out." They have said to the young mother who is overwhelmed with responsibilities, "We will help you. We will provide child care and assistance for you and your children." They have said to the substance abuser, "Get help. We will help you if you reform and change your ways." They have cleaned up. They have modernized. They have painted up. They have spruced up their developments and they are pleasant places to live because they have incentive and the opportunity to control their destinies. That is an exciting principle which is expanded upon and continued in this very important piece of legislation.

Finally, as has already been noted, Secretary Kemp and Director Darman have asked us to look at four areas in which they have significant problems. No. 1, they say that we ought to target more money to lower income. It was certainly the intention of the committee that low-income housing be favored. Senator CRANSTON has graciously agreed to consider the prospect because I believe everybody on the committee wants to see the money going primarily to the lowest income housing, recognizing that some may need to go for higher income to maintain stability in the project. But we think this is a worthwhile step forward, can help maintain the neighborhoods and can provide better housing for everybody involved.

Second, they want to limit the amount of money that goes into construction. I do not think anybody had an intention of making this a construction measure. We wanted to encourage rehabilitation. The administration is to come forward with some higher standards for new construction which they wish to include in the bill. Again, I believe that the willingness of the majority and the minority to consider those puts us on the right track.

Third, they want to see more funds authorized for the HOPE Program. I would support them in that. I think the HOPE Program, the projects I have mentioned which have been brought forth as a result of the work of Secretary Kemp and others, do provide empowerment. They provide

social services. They go beyond provision of housing to make better lives and better contributing citizens of the residents who live in public housing. I believe we can add more to the HOPE Projects.

Finally, they have said that we must have FHA reforms. Mr. President, as I mentioned at the beginning of my remarks, that is absolutely essential. I do not believe anybody in this body or in Congress or in the administration wants us to turn loose on the American taxpayer another disaster such as we have had to bail out in other areas where Government-sponsored enterprises or Government-backed insurance funds have gotten into trouble.

These are the critical elements. We have a flawed housing strategy. We have problems in the FHA right now. We have before us a means of solving those problems and of working out a much better policy. I urge my colleagues who are not initially inclined to support a housing bill to come work with us.

There are the four general areas on which the administration places its highest priority. They have a number of other concerns. Some of those concerns we may be able to agree upon without a vote. They may be accepted by both sides. On others we may have to vote up or down. I think, however, we have the vehicle before us which can help develop a sound housing strategy, a policy which will serve the people of this country, particularly those who need assistance with their housing for the rest of this century and on into the next.

I invite my colleagues to take a look at what is in this bill to see if they do not agree with us that we have made great strides, and with the help of our colleagues in this body, we can make an even better bill that will be, for the first time in too long a time, a good bipartisan effort to reform and improve housing policy in the United States.

I thank the Chair.

Mr. CRANSTON. Mr. President, I thank the distinguished Senator from Missouri for his very fine statement in regard to the housing situation facing our country and the specific legislation now before us. The Senator has contributed mightily to working out a better and better bill. Many of us are deeply grateful to him for that. His experience as a Governor was also of great help as we developed a bill that is going to rely more and more on Governors and mayors and other local officials to execute sound housing policies that will be backed by this legislation.

I was unable to listen to all of the Senator's remarks. I would like to ask one question. I heard him refer to amendments. Is he planning to offer amendments?

Mr. BOND. Mr. President, at this time I do not have plans to offer any

amendments. I intend through my staff, to continue to participate in the negotiations. There may be areas which come out of those discussions where the administration would wish to have points brought forward. I defer to the ranking member on the subcommittee as to his views on that. I am willing and able to assist in any way I can. I do not have any of my own but will work with the managers of the bill if I can be of assistance in any way.

Mr. CRANSTON. I thank the Senator for that explanation. It is my hope that before too long we have some amendments that we have worked out with the administration; that a number of us can then join as sponsors of whatever amendments are required to implement that agreement.

Mr. BOND. I thank the chairman of the subcommittee for his kind comments, and I look forward to working with him.

Mr. CRANSTON. Mr. President, I wish to speak briefly on the Heinz amendment. I hope that most of our discussion today and on through tomorrow, can be related to housing and not to other matters. But on the Heinz amendment, let me begin by saying that I fully support the goal of the Senator from Pennsylvania. That goal is to remove the Social Security trust fund from the unified budget and from the Gramm-Rudman deficit calculations. I am a cosponsor of legislation, S. 1795, which would do so.

In 1985, I authored an amendment adopted by the Senate instructing the Finance Committee and the Budget Committee to bring before the Senate legislation to assure that Social Security funds would not be used to offset general spending or to reduce the general deficit. Social Security taxes are collected for the specific purpose of funding Social Security benefits and should not be used for other purposes.

S. 1795 and the amendment offered by the Senator from Pennsylvania are intended to protect Social Security funds and I strongly support that goal.

Although I am not sure that the current bill before us, the housing bill, is the most appropriate vehicle for the Senate to use to achieve this goal, I intend to vote for the Heinz amendment for the reasons I have expressed, and I urge other Senators to do likewise.

In closing, I wish to pay tribute to the remarkably effective and thoughtful leadership which PAT MOYNIHAN has provided for a long, long time now. He is the man who has been out front on this issue.

He thought it through with great care. He has made some very bold proposals. I applaud the leadership that Senator MOYNIHAN has offered to all of us, to the country, and senior citizens—and to all concerned in relationship to this matter.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York [Mr. D'AMATO] is recognized.

Mr. D'AMATO. Mr. President, I too hope, as the Senator from California has indicated, that we will be able to work out some compromise as it relates to some of the outstanding issues I have attempted to touch on, and that the administration is concerned about.

I expect this afternoon I will probably have in hand the letter in which the White House indicated to my staff that unless various areas can be dealt with there would be a veto.

Obviously, the tactic of bringing the bill to the floor was such, and I concurred, as to attempt to bring about the kinds of movement and dialog that would see us make some progress so we could resolve those legitimate differences that exist.

There are a number of policy questions. I think we have come a long way in narrowing the number and scope of those differences. Hopefully we can work them out. There is obviously the matter of the budget and the amount of dollars that we are talking about. But I think that falls in place after we resolve the issues.

There is a matter of the FHA. I can say with certainty that there will be at least one amendment that this Senator will be offering as it relates to FHA.

I have been a great proponent of the FHA program. I believe home ownership is the route of a strong neighborhood, a strong community, gives family an opportunity to sink its roots, and has so much in the way of value as it relates to socioeconomic policy that I believe everyone, in terms of shared values, feels comes about.

Having said that, this Senator sees an incredible problem. It is not to deprive people of the opportunity of home ownership, but it is not to continue business as usual in the market that is going to bring about destruction.

We do no good to those families, and we certainly do not help them if we raise their hopes and expectations, and get them to put whatever limited resources they have into a home that is going to be taken away from them; that is going to be foreclosed on them. We dash their dreams, their hopes, their aspirations, as well as cost the taxpayer billions of dollars.

We have to look at this. This is a Senator who worked with my distinguished colleague in fighting to raise the limits, because I saw many youngsters in the New York metropolitan area, Long Island, where I live, where FHA was not applicable in most cases.

But I say when you see changing times, when you have the facts, when you have the circumstances which

demonstrate that we cannot continue business as usual, this is not the time to raise limits in the face of the precarious position that the fund is in, and indeed it is precarious. I think it is in worse shape than was put forth, because certainly they did not anticipate it as they were going through the diminished values as it relates to real property.

Diminished values there are. Homes that were bought 2 years ago for \$240,000 people cannot sell for \$200,000. We are not talking about a 2 or 3 percent gain in the market, or a 2 or 3 percent loss in the market. We are talking about losses of 20 percent.

If you ask Price Waterhouse, if you were to calculate a 20-percent loss in the first year, and they make their calculations over a 5-year period of time, if you ask them what would they think about that, they probably would have to hedge and say, "Well, if that were sustained for a period of time, there would be deep trouble."

Deep trouble? You better believe there is deep trouble. We should not kid ourselves. I was shocked by that report. The fact of the matter is, it is not good enough to be shocked; we have to do something. We cannot continue business as usual.

You cannot let people come in, mortgage out, and get 103 percent. They are not putting in money. If you are able to mortgage out the cost of the closing costs, the insurance costs, all of the other costs, and you have a mortgage now that is in existence for 103 percent of the value of the property, what kind of real equity have those people put in?

We have to change it. You cannot do it. It is not right. It is not fair. It is not fair to those same people who you are inducing to get into a situation, in many cases, which they cannot support.

Let me tell you, you have people in this; you want to talk about fraud and corruption. You have brokers who make a living this way. They do not give a darn about these people.

One of the things we ask the FHA, the Housing Commission, one of the things we ask Price Waterhouse, one of the things I asked GAO, and they said they are undertaking, is a study to see how many of these mortgage mills there are that have failure rates which would exceed that which would be acceptable, so the FHA people, the housing people, would stop doing business with them. We do not have that information.

But I must say, Secretary Kemp and his people are looking at that. But you have to be able to distinguish. There are some people who do not care, some of the mortgage brokers who bring people in. I am not condemning all mortgage brokers. I tell you there are some who want to get that commission. The more people they handle,

the more money they make. John Q. Taxpayer, in the long run, winds up paying the tab. So we cannot continue business as usual.

There will be an amendment offered by this Senator. I hope that I will be able to get support. We are working on it now. I will submit it to the distinguished chairman of the committee and hope to elicit his support. I know how deeply he feels about home ownership opportunities for working families, for poor, to give them an opportunity. I believe in that.

But I think we would be making a terrible mistake if at this time, at this date, with the climate what it is, to exacerbate the problem, to underestimate the potential for adding billions of dollars to the deficit, and also throwing many, many people out on the streets. This does not make sense to this Senator to continue a policy which, as it is presently constituted, is doomed to colossal failure.

Mr. CRANSTON. Will the Senator yield?

Mr. D'AMATO. Certainly.

Mr. CRANSTON. Mr. President, we share the concern about the actuarial soundness of FHA. We do not want another mess on our hands. It is plain that an effort must be made and will be made to deal with that problem on this bill.

We did not do it in committee when we were concerned with the bill simply because Price Waterhouse said it was not available to us. It became available to us, and subsequent to that the administration suggested one approach.

The staff of the committee has suggested an alternative approach which is now being analyzed by Price Waterhouse to see if it, in their view, would contribute the necessary stability and soundness to the FHA fund. If it does, I hope it can be the basis of the negotiation resolution that is now going on with the administration, since it would have the effect of keeping the out-of-pocket costs of would-be home buyers under FHA from going up by about \$900 from a typical \$3,500, \$3,600, \$3,700, up to \$4,400.

If we can avoid that, we should. If we cannot avoid it, we will obviously have a problem.

Mr. D'AMATO. If I might ask my good friend, I understand and I have a shared concern with my colleague as it relates to attempting to give home ownership the broadest possible opportunity.

It would seem to me if we are talking about \$900 as it relates to raising the cost, at some point in time we have to look at this situation and come to a realization that indeed it may be more than \$900.

And would the Senator agree that keeping the FHA program sound might very well not only call for it but be the correct and proper thing to do, to raise that cost—and it is a cost—to

the individual who is looking to participate in that program so we do not have a debacle? That is what we are trying to come to, I think. But \$900, I think, is on the low side. I just want to share that with the Senator.

I think that this problem is worse than Price Waterhouse put forth to us in their presentation, that if one looks at the underlying figures and begins to examine in depth and detail how serious this problem is, there is not a 4 percent appreciation of homes throughout the United States. Their program which they put forth, which calls for at least \$900 more in each home, bases that on an appreciation value of 4 percent. Absent that appreciation, we are going to have to put up more than \$900. Otherwise, that fund will be in deep trouble.

I am suggesting to the Senator that it is a difficult proposition to accept Secretary Kemp's initial proposal, and this Senator believes it does not go far enough, and we are going to have another situation that we will be back here and called to account by the public, saying, "My gosh, you knew this was taking place; how come you continued?" We have now been put on notice, and some can say we did not have a full appreciation of the volatility of the real estate market and the expanded powers that back in 1982 were given to the State savings and loan associations that brought us into the terrible situation that we face. But we cannot say that now, as it relates to the FHA situation.

I also suggest that, if they were to go and monitor—and I think they should—6 months from now, I think they are going to find that the FHA is not only actuarially unsound but has no more value left, and they are in a deficit position, particularly if real property values continue to fall. I see no sign of that letting up.

When one looks at the RTC and the property being put out on the market and at the credit crunch, again, I do not think you have to be a doctor of economics to say that the real estate market is not going to turn around in the foreseeable, certainly in the immediate, future. It simply is not. There is more and more property being put out there under distressed situations which pulls the value of all real estate down. The first ones to get hurt are the FHA properties, which are at the lower end.

So I am very concerned about this, and I say to my colleague, it is a new wrinkle. It is. We received this report June 6, and I think things are moving so quickly, kind of like Eastern Europe. Who could have imagined the events taking place as they did? Who could have imagined we would have a thrift problem like this? But the problem is here, and we better wake up to it.

Mr. CRANSTON. I share every concern that has been voiced by the Senator from New York. We must have FHA on a sound and solvent basis for now and for the future. If we can get it on that basis in a way that avoids knocking out of the housing market through FHA many people who are perfectly capable of making the monthly payments but have not accumulated enough cash for a lot of out-of-pocket expenses for the purchase, I think we should seek to do so. There are many people in my State who are in that condition. I am sure there are many in the State of the Senator from New York and in other States.

There are presently discussions going on between OMB, HUD, and representatives of both the minority and the majority on the Housing Subcommittee, and Price Waterhouse is involved in this, to see if there is a way that we can agree upon to ensure through this legislation that FHA will be on a sound basis. And if we find agreement on that in a way that does not knock some people out of the market, I hope that we will be able to proceed in that fashion.

I want to ask the Senator from New York if he would be good enough to delay bringing forward his own amendment on FHA until we see what comes out of the negotiations between his staff, my staff, OMB, HUD, and Price Waterhouse, and maybe we can all agree on an approach so that there would be no controversy on the Senate floor at all.

Mr. D'AMATO. I certainly will not offer an amendment until I have an opportunity to discuss it with the chairman of the committee, the manager of the bill, and have input from all of the various people. But I have to say that even the administration's proposal which has been put forth, or the suggested reforms that have come forth from Price Waterhouse at this point in time, I have to say that this Senator does not feel go far enough.

Mr. CRANSTON. I have not seen what will come out of the negotiations, if something comes out of the negotiations. I would like to wait and see.

Mr. D'AMATO. I am willing to sit with the Senator. There is talk of amendments which HUD is looking to get people to go forward with. I am attempting to see if we cannot sit down and find out what their legislative suggestions and changes are. I imagine they are attempting to work those out with staff. I wish I could share the good Senator's optimism for that compromise, but I do not see it moving as quickly as I would like. And this is brinkmanship at the 11th and a half hour that we are talking about. So I hope we do have the compromises we are looking for so we can move toward enactment of the legislation.

Certainly, I would submit any changes to the Senator, but I cannot say, in all candor, that I will not go forward with an amendment at some point in time.

Mr. CRANSTON. I understand that. I thank the Senator.

If there is no one who wishes to speak at this moment on the housing matter or the Heinz amendment, I suggest the absence of a quorum. We will be voting in about 12 minutes.

Mr. HEINZ. If the Senator will withhold his request for a quorum call.

The PRESIDING OFFICER. The Senator from Pennsylvania, Mr. HEINZ.

Mr. HEINZ. Mr. President, I rise to make a few closing observations on the pending amendment. Let me say that I am most appreciative of those Senators who have indicated their support of this amendment and those Senators who have agreed to cosponsor it. I also want to thank the manager of the housing bill, Senator CRANSTON, who has stated his intent to support it and vote for it.

I want to take one moment to refresh my colleagues' recollection of why this is an issue that is an easy one to vote for and a very hard one, I believe, if you care about the future of this country and of our children and children's children, to vote against.

The basic problem is this; we are telling the country that we have money, which is in a trust fund, the Social Security trust fund, which is not ours to apply as if it were available to reduce the Federal deficit. Yet, that is exactly what we are doing. So in a very real sense, ever since we enacted our deficit reduction legislation, the Gramm-Rudman-Hollings law, we have been a party to continuing a practice that was probably considered somewhat innocuous back in 1985 but today has become a serious problem.

We cannot continue to, in effect, treat those annual increments of increased surpluses in the Social Security trust fund as someone's personal piggy bank. We should not do it here in the Senate or in the House, and they should not do it downtown. The size of that misapplication is, indeed, I think something of a shock.

I took the liberty of preparing this analysis in chart form, which shows that back in 1980 when we told people that the deficit increased by a certain amount, in this case back in 1980, \$74 billion, the increase in the national debt was very close to that amount. In that case it was \$79 billion. Therefore, there was a discrepancy of about \$5 billion. And, in a sense, it did not seem to most people to be terribly significant. But in the last 4 years, for which we have numbers, fiscal years 1986, 1987, 1988, and 1989, what is clearly apparent is the size of the deficit. Although, very, very large, it is, in fact, being substantially dwarfed by the size

of the increase in the national debt that very same year.

Mr. President, if you said to the average American that the national debt is increasing much faster than the annual deficits as they accumulate, he or she would probably give you a very strange look and say how can the national debt increase more quickly than what you say it is you are running up in the way of unpaid bills? How can your debt go up faster than your cash shortage?

The answer is that we have found a way to do it, and the way we have done it is to pretend that the surpluses in our trust funds, principally the annual surpluses accruing to the Social Security trust fund, are somehow available to make the deficit look smaller than it actually is.

So, over this 4-year period, where deficits have run \$221 billion, \$149 billion, \$155 billion, \$152 billion, respectively the actual increases in our national debt have been much higher; \$303 billion, \$226 billion, \$255 billion, \$265 billion—for this same time period. In sum, our annual deficits over this 4-year period have increased some \$677 billion; the national debt some \$1.849 trillion—over 50 percent.

When the Senate votes on the amendment before it today, we will be giving very explicit instructions to our colleagues in the Congress that we are not going to engage in this kind of charade any longer and that before the national debt can be increased one penny, that we will have acted to end this practice.

That, of course, is the sum and substance of this amendment. It says we cannot take up the debt ceiling unless Congress has acted to remove the OASDI trust funds from the calculation of our deficits and deficit reduction measures under Gramm-Rudman-Hollings. That is the way it ought to be and I hope, Mr. President, it is the way the Senate will make it.

Mr. CRANSTON. If the Senate will yield, there is at least one Member on our side, perhaps two, who would like to speak briefly on the amendment.

Mr. HEINZ. I yield the floor.

Mr. SANFORD. Mr. President, I thank the Senator from Pennsylvania.

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

Mr. SANFORD. Mr. President, I simply wanted to thank the Senator for his leadership and persistence in pointing out to the American people that we have been fooling them about the size of the debt, and the time has come to do something about it. I ask that he allow me to be a cosponsor of this resolution.

Mr. HEINZ. Mr. President, I make that unanimous consent.

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

Mr. SANFORD. Mr. President, in March 1988, I introduced legislation to remove Social Security from the Gramm-Rudman deficit calculations. At the time, some told me that this was a rather radical idea. So I am pleased that this idea of no longer using Social Security trust fund reserves to mask the true size of our deficits has caught on. It is about time.

I am pleased to support the amendment offered by my distinguished colleague from Pennsylvania, but I believe this is but one of several steps that must be taken to reach an honest budget. In fiscal year 1991, it is estimated that under present law, the Social Security reserves will cover up the real deficit by about \$75 billion, yet we will increase the debt by well in excess of \$300 billion.

Mr. President, we should remove Social Security from the deficit calculations, but we should go further. We should remove all Federal retirement programs from the deficit calculations as I have proposed in budget reform legislation, S. 101. If it is wrong to misuse Social Security funds to hide our debt, it is equally as wrong to misuse other Federal retirement funds.

We must also require that our annual deficit numbers include gross interest. All interest owed by the Federal Government should be counted as a payment. Interest on the debt is our problem, and we should be clear about that. This year alone we will pay more than \$261 billion in interest on the debt.

We must, in short, take off or move aside all of the items that have been used to cover up the true size of the debt.

Mr. President, I hope my colleagues will support the amendment before us this morning. But I also hope they will view this effort to remove Social Security from the deficit calculations as one of many steps we need to take this year that will require an honest accounting of the Federal budget.

Mr. HEINZ. Mr. President, if the Senator will yield, I thank him for his kind remarks. He, too, has been very much in the forefront of trying to bring this issue to the attention of the Senate. He mentions the fact, and he is quite accurate and correct, that not all of the differential between the growth in the national debt and what we report as our deficit is due to the Social Security trust fund surplus. Most of it is due to the Social Security trust fund surplus. But it is also due to the treatment of some other trust funds, such as the highway and airport and airways trust fund, and on that he is absolutely correct.

I hope it will be possible to act not only on the OASDI, the Social Security Program, but others that have

posed this same problem to us and to the country.

The PRESIDING OFFICER. The Senator from Florida [Mr. GRAHAM] is recognized.

Mr. GRAHAM. I thank you, Mr. President.

I first ask unanimous consent to be added as a cosponsor of the amendment of the Senator from Pennsylvania.

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

Mr. GRAHAM. Thank you, Mr. President.

I, too, commend the Senator for having focused, over a long period of time, our collective consideration on this aspect of the issue.

I believe it is clearly in the interest of the Nation, in the interest of honest budget policy, and in the interest of those who look to the Social Security fund for their economic support, that we take the action that the Senator from Pennsylvania has suggested; that is, that we set in motion a process which will lead to the removal of the Social Security surplus from the calculation of the annual deficit targets for purposes of Gramm-Rudman-Hollings. I support that and am pleased to cosponsor it.

Mr. President, I would suggest that that is not enough in order to accomplish our objectives, that there are other issues that require this Senate's attention. I hope as part of the debate, when we return to this issue, that we will look at some of these additional considerations.

I make these remarks in part to alert my colleagues to the fact that over the next few days it is my intention to introduce legislation which will deal with another dimension of this question; that is, what do we do with the Social Security surplus after we have taken it off budget and after we have taken it off Gramm-Rudman-Hollings? Do we continue to do as we are doing it today, which is allow it to be used to finance essentially the Federal deficit?

Mr. President, I ask unanimous consent to have printed in the RECORD a portion of an extremely interesting study by the Federal Reserve Bank of Boston dated March-April 1989, discussing the United States and the comparative experience with social security surpluses in Sweden, Japan, and our neighbor in Canada.

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

[From the New England Economic Review, March-April 1989]

PUBLIC PENSION SURPLUSES AND NATIONAL SAVING: FOREIGN EXPERIENCE

(By Alicia H. Munnell and C. Nicole Ernsberger)

Old-age, survivors, and disability insurance receipts are projected to exceed outlays for the next 30 years, producing assets equal to nearly 30 percent of GNP by the

year 2018. Although current law provides that these accumulated reserves be drawn down between 2018 and 2048, proposals are already emerging to raise taxes and maintain the reserves once amassed. Hence, the United States currently has a convenient mechanism for augmenting its low level of national saving. By accumulating assets in the social security trust funds, the federal government has the potential to create government saving and thereby raise the national saving rate, but this will not happen automatically.

Whether or not government saving actually occurs will depend on how Congress reacts to the buildup in the social security trust funds. If Congress substitutes the increase in reserves for a tax hike or spending cut to finance current consumption—that is, to pay for current outlays in the rest of the budget—no real saving will occur. But if the government alters its spending and taxing patterns to produce surpluses in its unified accounts—not just in the social security trust funds—the nation will enjoy higher saving and investment.

While saving through the trust funds may be the most desirable course of action, its importance for either the OASDI program or future generations should be kept in perspective. If the economic assumptions underlying the social security trustees' intermediate cost projections prove to be roughly correct, the OASDI program will function perfectly well regardless of whether reserves are accumulated in advance or financing is returned to pay-as-you-go. If OASDI reserves are not built up between now and 2018, then OASDI taxes will have to be raised between 1 and 2 percentage points each for employees and employers in 2018, rather than 2048, to finance annual deficits on a current cost basis. This tax increase is not insignificant, but completely manageable.

Likewise, if the productivity growth underlying the intermediate cost projections materializes, the difference between how well-off people would be with and without the additional saving is fairly small. Recent estimates indicate that in 2020 the net wage after paying social security taxes will be 199 percent of today's level without the additional saving, 211 percent with it (Aaron, Bosworth, and Burtless 1989, table 5-4).

The necessity of prefunding may be open to debate, but a result that almost all commentators agree should be avoided is one where the reserves amassed in the social security trust funds are spent on current consumption. This outcome would have the undesirable distributional consequence of financing general government activities by the more regressive payroll tax. Hence, if reserves are to be accumulated, it is important to figure out how to translate public pension accumulations into national saving.

The United States is not the first country to attempt to prefund, at least partially, its public pension system. Canada, Japan, and Sweden, in particular, have all accumulated large public pension trust fund reserves in an effort to ease the burden of future pension costs. This paper explores the experiences of those countries to see if they suggest any policies or procedures that might help ensure that pension fund surpluses are used to augment national saving and investment rather than merely to replace current taxes and pay for current general government outlays.

I. RELEVANT CONSIDERATIONS

Before looking at the experiences of the individual countries, it is useful to consider the major concerns regarding the ability of the federal government to increase national saving, and to identify those factors that might influence the likelihood that trust fund surpluses will raise future output and national income.

Since the origins of the social security program in the 1930s, opponents of funding have argued that Congress will use the assets in the trust funds to pay for current consumption. This potential problem is typically, albeit imprecisely, characterized as using surpluses in the social security trust funds to cover deficits in the rest of the budget. The real concern, however, is not one of deficits but rather one of behavioral response. That is, critics worry that the surpluses in the social security trust funds will encourage Congress either to spend more money or to raise less tax revenue than it would have otherwise. Thus, the issue is one of fiscal discipline. By removing pressure to scrutinize the merits of alternative spending proposals, the social security reserves could allow Congress either to liberalize social security benefits or to finance marginal projects in the non-social-security portion of the budget, producing high government spending than would otherwise occur. Alternatively, by appearing to be available to cover general government outlays, the social security surpluses could reduce incentives to raise additional taxes.

One would think that the likelihood of producing this type of behavioral response would vary inversely with the availability of trust fund revenues for general budget or deficit reduction purposes. One factor in this regard is probably whether the social security programs are included in some type of unified budget or are accounted for separately. If trust fund activity is integrated with other federal functions and the total reported as a single figure, as has been true in the United States since 1969, Congress and the public would be encouraged to think that the trust fund reserves are available to cover general government outlays. This tendency is reinforced if social security is included in deficit reduction targets as has been true under the Gramm-Rudman-Hollings legislation. Hence, the buildup of assets in the public pension programs would be expected to have the least effect on other government tax and spending decisions when budget totals and budget targets are reported excluding social security.

Another closely related factor is the ease with which the Treasury can borrow from the trust funds. This depends on the extent to which the administration and the finances of the social security trust funds and the rest of the government are intertwined. In the United States, the Secretary of the Treasury is also the Managing Trustee of the Trust Funds. Although the Secretaries of Labor and of Health and Human Services and two public members also serve as trustees, the Treasury Secretary has the authority to make decisions that affect the financing of the trust funds without involving other members of the Board. For example, in 1985 when the Treasury was constrained by a statutory debt ceiling from issuing any new securities, the Secretary made the decision to convert \$28 billion in long-term specially issued bonds held by the trust funds into non-interest-bearing cash balances without notifying the two public trustees (U.S. Senate 1985 and General Accounting Office 1986). The use of payroll taxes, in

effect, to temporarily underwrite general government expenses occurred because the Secretary of the Treasury was forced to choose between forgoing interest earnings on the funds or defaulting on government obligations.

Moreover, in the United States, the finances of the social security trust funds and the rest of the budget are closely intermingled (Koitz 1986). The Treasury Department, rather than the Social Security Administration, collects the earmarked payroll taxes and deposits them in a general account with other revenues it receives. The trust funds are then issued special federal securities in a compensating amount. While the balances of the securities reflect the resources available to the social security programs, they more closely resemble spending limitations than control over resources. One would expect less use of trust fund revenues for general government expenditures in situations where the trust funds are more than a bookkeeping activity on the part of the Treasury Department.

In the same vein, the extent to which the trust funds are a captive market of the Treasury might also affect the extent to which social security surpluses produce additional investment. An investment mechanism that diverted reserves directly to the private sector might discourage Congress from spending the social security balances. Of course, the amount of investment is not directly affected by whether social security reserves are invested initially in Treasury securities or private securities. The potential impact is only indirect: forcing the government to go to the private sector to finance all of its debt might highlight, and thereby create pressure to control, the size of the deficit in the non-social-security portion of the budget. Hence, one would expect less use of social security revenues to cover general government outlays in those countries where the fund trustees have more discretion over investment options.

The discussion so far has assumed that reserves in the trust funds are translated into national investment in the private sector; that is, the trust funds buy government debt, thereby freeing private investors to increase their purchase of private sector securities. In fact, it is also possible for investment to take place directly through the public sector. Not all government spending consumption; the building of roads, bridges and other types of physical infrastructure by the government is just as much an investment as the construction of any factory in the private sector. Equally important is government investment in human capital; increases in future output will require a healthy and educated work force. This means that money spent on programs such as Head Start may contribute just as much a physical investment to ensuring higher future income. In both cases, the spending initiatives would have to be over and above what would have occurred in the absence of the trust fund accumulation; otherwise the buildup of trust fund reserves would simply have substituted for tax increases and no additional investment would have taken place.

The implication of the potential role for government investment is that evaluating whether trust fund accumulation produces greater investment may sometimes entail a two-step process. The first step is an assessment of whether the existence of the surpluses generated greater expenditure or lower taxes in the rest of the budget. If the overall government budget deficit remains

unchanged, probably no additional saving has occurred. An exception would be those instances in which the government increased expenditures, but these additional expenditures took the form of investment in physical or human capital rather than consumption. Thus, a second step in gauging a nation's success in translating social security reserves into higher future incomes requires an appraisal of the composition of government spending in the wake of the trust fund accumulation. While generally such an appraisal would be quite difficult, requiring a detailed analysis of spending patterns, some information on government investments in physical capital may be readily available when capital outlays are treated separately in the national accounts.

The following sections explore the experiences of Sweden, Japan, and Canada in order to see what can be learned about effectively prefunding public pension plans that might be useful for the United States. These countries have accumulated substantial amounts of money in their public pension plans; pension reserves currently amount to 30 percent of gross domestic product (GDP) in Sweden, 18 percent of GDP in Japan and 8 percent of GDP in Canada. The individual countries, however, have had varying degrees of success in translating pension fund accumulation into national saving. Part of this variation in outcomes may be attributable to differences in political climates.

All three countries have parliamentary forms of government, where the prime minister is also the leader of the majority party. This arrangement eliminates much of the conflict between the executive and legislative branches and produces a stable political environment as long as one party remains in power; otherwise the results can be extremely unstable. As discussed below, Sweden has been governed almost continuously by the same party since 1932 and Japan has been controlled by the same party since 1955, while control of the Canadian government has alternated on a regular basis between the Liberals and the Conservatives. Because one would expect more success using the government to increase saving in a stable and disciplined political environment, the discussion of each country begins with a very brief political overview.

The bulk of each country survey then consists of three parts. The first is a summary of the developments that led to the prefunding of the public pension program. The second is a preliminary assessment of the impact of the pension fund buildup on national saving, based on government accounts data prepared by the Organisation for Economic Co-operation and Development (OECD). These data are particularly valuable since they standardize for differences in accounting, and they include separate figures for government deficits (revenues less outlays) and for government saving (revenues less outlays plus net capital investment). The third part goes behind the government accounts to explore the factors, such as budgetary procedures or investment policies, that may have contributed to each country's apparent success or failure. The necessarily tentative conclusions are presented in a final section.

II. SWEDEN

Sweden is a constitutional monarchy with a parliamentary form of government. Since World War II, the same five political parties—the Moderates, the Centerists, the Liberals, the Social Democrats, and the Left

Party Communists—have been represented in Parliament. The Social Democrats were in power, either alone or in coalition from 1932 to 1976, and they returned to power in 1982. During the period from 1976 to 1982, the Moderate, Center, and Liberal parties—typically referred to as the bourgeois parties—ruled in coalition. The Social Democrats are closely aligned with the workers' trade union movement, which has been the motivating force behind most of the social security reforms (The Swedish Institute 1986, pp. 16-19).

Development of a Funded Pension Program

Sweden has two public pension programs: 1) the basic social security pension and 2) the Swedish national pension, Allman Tillaggas pension (ATP). The basic social security program dates from 1913 and pays old-age benefits to all persons 65 and older (67 prior to July 1976) regardless of their labor force status. The ATP pays an earnings-related pension to those with substantial labor force attachment and their dependents. The basic social security program is financed on a pay-as-you-go basis, with 75 percent of the revenues coming from payroll taxes levied on employers and 25 percent coming from general revenues. The ATP program is financed on a pay-as-you-go basis, with 75 percent of the revenues coming from payroll taxes levied on employers and 25 percent coming from general revenues. The ATP program is financed on a partially funded basis with contributions derived completely from employer payroll taxes. Employees do not make direct contributions to either pension.

In the early 1950s, the workers' trade union movement began pushing for reform of the public pension system, and its efforts led to the establishment in 1957 of a commission to study ways of improving public pension benefits. As a result of the Commission's report, Parliament passed in 1958, by a one-vote margin, legislation that raised benefits under the existing social security program and introduced the new ATP supplementary earnings-related pension program.

IV. CANADA

Canada, a federal state consisting of ten provinces and two territories, is a member of the British Commonwealth. The Queen and her representative in Canada, the Governor General, are the formal heads of state. The Governor General summons and dissolves Parliament, signs state documents, and gives assent to parliamentary bills, but, in almost all cases, must carry out these duties in accordance with the advice of the responsible ministers.

Parliament consists of two houses: the Senate, where representation, as in the United States, is determined on the basis of a fixed number of representatives from each region; and the House of Commons, where representation is based on population. Three political parties have significant representation in the Canadian Parliament; the Progressive Conservatives, the Liberals, and the New Democrats. The Progressive Conservatives are currently in power. Since 1930, Parliamentary control has alternated fairly regularly between the Liberals and the Conservatives; the New Democrats have never been the ruling party.

Development of a Funded Pension Program

The Canada and Quebec Pension Plans (CPP and QPP) were developed in the 1960s by the Liberal government, in response to growing inadequacies of the existing federal universal pension system. Parliamentary debate began in 1963 over the establishment of an earnings-related old-age, survivors and disability public insurance system to supplement the flat benefit provided to all persons 65 and over by the Old Age Security program.

The federal government originally proposed a pay-as-you-go financing scheme, but the provincial governments objected. Feeling the effects of almost a decade of deficits and facing the prospect of massive investments in schools to meet the educational needs of Canada's baby boom generation, the provinces were determined that the system be substantially funded, with annual surpluses made available to them for investment (Bryden 1974). The current financing

of the CPP represents a compromise between the federal and provincial government positions; the program has run annual surpluses since its inception, and had accumulated \$35 billion (Canadian dollars) in assets, or 6 percent of GDP, by 1988.

Rather than participate in the CPP, Quebec elected to create its own public pension, the QPP. Because contributory rates and benefits have always been the same and the buildup of assets in relation to outgo is identical, the two plans are often referred to together. QPP assets amount to 2 percent of GDP. As noted below, however, the investment practices for the \$13 billion (Canadian dollars) held by the QPP have been very different from those of the CPP.

The founders of the Canada Pension Plan felt that reserves equal to two times annual outlays would be sufficient for their purposes. In order to hasten the buildup of reserves, rates were originally set at 1.8 percent each for employers and employees and 3.6 percent for the self-employed, and the payment of full benefits was delayed until 1976. From the outset, however, the CPP's designers recognized that the initial rate schedule would not be sufficient indefinitely and recommended a future review of the reserve fund's status. In 1985 the federal and provincial Ministers of Finance conducted a series of meetings aimed at setting a rate schedule for the next 25 years. Despite the fact that the reserve fund then held assets in excess of six times annual outlays, the original intent of a reserve fund equal to two times outlays was reaffirmed at the meetings (Department of Insurance Canada 1985, p. 3). A new rate schedule, recommended by the Ministers of Finance, was passed by Parliament in 1986 and enacted in 1987. The revised schedule called for the 3.6 percent payroll tax to rise 0.2 percent annually from 1987 through 1991 and 0.15 percent annually from 1992 through 2011. As benefits are expected to increase sharply, this schedule should result in a decline in the ratio of reserves to outlays from 6.0 to 2.0, while the absolute size of the fund remains constant.

TABLE 7.—CANADIAN GOVERNMENT SAVINGS AND DEFICIT (—) OR SURPLUS AS A PERCENT OF GDP, 1960-86

Year	General		Central and Social Security		Central		Social Security ¹		Local ²		Provincial		Municipal ³	
	Savings	Deficit or surplus	Savings	Deficit or surplus	Savings	Deficit or surplus	Savings	Deficit or surplus	Savings	Deficit or surplus	Savings	Deficit or surplus	Savings	Deficit or surplus
1960	0.60	1.71	0.49	0.58	0.49	0.58	(*)	(*)	1.09	-1.13	0.47	0.54	0.62	-0.58
1961	.47	2.06	.70	1.01	.70	1.01	(*)	(*)	1.17	1.05	.11	-.69	1.05	-.35
1962	1.12	1.60	.94	1.15	.94	1.15	(*)	(*)	2.07	-.45	.74	-.13	1.32	-.32
1963	1.32	1.32	.42	.60	-.42	.60	(*)	(*)	1.74	.71	.61	-.21	1.13	-.50
1964	2.51	.19	.80	.67	.80	.67	(*)	(*)	1.72	.47	.77	-.16	.95	-.32
1965	3.06	.36	1.28	.95	1.28	.95	(*)	(*)	1.78	.59	.90	0	.88	-.59
1966	3.52	.66	1.81	1.47	.70	.36	1.11	1.11	1.71	.80	.65	-.27	1.06	-.53
1967	3.05	.22	1.55	1.17	.26	-.12	1.29	1.29	1.50	.95	.47	-.49	1.03	-.47
1968	3.20	.67	1.69	1.33	.35	-.01	1.34	1.34	1.61	.65	-.65	-.07	.86	-.58
1969	4.53	2.32	2.90	2.59	1.55	1.24	1.35	1.35	1.63	.27	1.06	.39	.57	-.65
1970	2.91	.80	1.93	1.63	.58	.28	1.35	1.35	.98	-.82	.30	-.29	.67	-.53
1971	2.46	.03	1.52	1.18	.20	-.14	1.32	1.32	.94	1.15	.42	-.50	.62	-.64
1972	2.32	.04	1.24	.78	.03	-.49	1.27	1.27	1.08	.63	.75	-.67	.83	-.16
1973	3.05	.89	2.01	1.51	.85	-.34	1.16	1.16	1.04	.62	.70	-.09	.34	-.53
1974	4.22	1.89	2.54	2.01	1.37	-.84	1.17	1.17	1.68	.12	1.32	-.47	.36	-.60
1975	.07	2.52	-.52	1.07	1.70	2.25	1.18	1.18	.44	1.45	.07	1.00	.51	-.45
1976	.22	1.81	.07	.59	1.18	1.70	1.11	1.11	.79	1.22	.08	-.74	.37	-.48
1977	.58	2.53	1.86	2.36	2.89	3.40	1.04	1.04	1.28	.16	.37	-.27	.92	.10
1978	1.40	3.19	3.03	3.51	4.06	4.53	1.02	1.02	1.63	.32	1.05	-.42	.58	.10
1979	1.26	2.02	2.17	2.44	3.15	3.42	.98	.98	1.64	.42	.61	0	1.03	.42
1980	.03	1.48	.90	2.49	3.15	3.47	.98	.98	.92	.31	.40	-.18	.52	-.13
1981	.03	1.48	.90	2.49	3.15	3.47	.98	.98	.92	.31	.40	-.18	.52	-.13
1982	3.86	5.96	3.68	4.44	4.69	5.45	1.02	1.02	.18	1.53	.84	1.53	.66	0
1983	4.82	6.97	4.41	5.42	5.21	6.21	.79	.79	.41	1.55	.96	1.56	.56	.01
1984	4.73	6.70	5.07	6.15	5.81	6.88	.73	.73	.34	.55	.12	.56	.46	0
1985	5.13	7.06	5.24	6.05	5.91	6.72	.67	.67	.11	1.01	.47	1.07	.58	0
1986	3.80	5.51	3.64	4.29	4.26	4.91	.62	.62	.16	1.22	.68	1.27	.52	.06

¹ Canada and Quebec pension plans only.

² Includes hospitals.

³ The Canada and Quebec pension plans were not instituted until 1966.

Source: 1974-86: OECD, Department of Economics and Statistics, 1988, *National Accounts: 1974-1986*, Vol. 2, Detailed Tables, Canadian Tables 1, 6.1, 6.2, 6.3, 6.4, 1960-73: OECD, unpublished data.

Additionally, the 1986 reform provided that the CPP system be subject to actuarial reviews at five-year intervals. Should it be found that alterations in contributions are necessary to meet the ultimate goal of a reserve fund equal to two times outlays, the actuaries will so advise the Ministry of Finance which, in turn, will submit a bill to Parliament.

The CPP and QPP and National Saving

Table 7 presents the OECD budget data for Canada. The table shows that the CPP and QPP have consistently produced annual surpluses equal to roughly 1 percent of GDP. Since 1974, however, these surpluses have been swamped by large annual deficits in the central accounts, producing substantial overall deficits at the federal level. As discussed earlier, deficits in the non-social-security portion of the budget do not indicate, in and of themselves, that the effort to increase national saving and investment has failed. What must be evaluated is whether the existence of the pension fund surpluses caused general government expenditures to be higher, or taxes lower, than they would have been otherwise. To a large extent, this may depend on how social security is treated in the budget.

The CPP and the Budget

CPP financing is entirely off-budget and no discussion of the system's finances is included in the budget document. The CPP's annual report is an independent publication, prepared by the Chief Actuary of the Office of the Superintendent of Financial Institutions. (The Office of the Superintendent of Financial Institutions is an arm's-length department of the Ministry of Finance.) While there is no legislated schedule for these annual reports, Health and Welfare Canada is required to submit its *Main Estimates* to Parliament each February, and part III of this report focuses on the CPP. Parliamentary tradition dictates that the federal budget be presented in February as well.

Despite this coincidence in timing, it is unlikely that members of Parliament take any comfort from the buildup in the CPP. Not only are the reserves not included in budget totals or deficit targets, but also the fund is in no way a captive market for Treasury securities. The vast majority of CPP reserves are loaned to the provinces and only a small residual may be used by the central government. On the other hand, because the provinces have such easy access to the accumulated pension reserves, it is necessary in the case of Canada to worry about a behavioral response not only from the members of Parliament but also from the provincial governments.

Investments of the CPP

The provinces are allowed to borrow from the CPP in proportion to their contributions, with any leftover funds used to purchase federal 20-year bonds. Table 8 shows how the \$35 billion (Canadian dollars) held by the CPP were divided as of April 1988; less than 8 percent has been loaned to the central government.

The provinces might increase their expenditures in response to the CPP commitment to purchase their bonds, for several reasons. First, the average (and marginal) interest rates that the provinces have to pay on this debt are below market. This occurs because interest rates charged by the CPP are weighted averages of all federal 20-year bonds outstanding, which are typically below those of provincial debt. Hence, prov-

inces can borrow from the CPP for lower rates than they would have to pay on the open market. They may also be able to lower their own open market rates by reducing the supply of provincial bonds sold to the general public. The Atlantic Provinces, which tend to be poorer, have the most to gain from the CPP lending provisions, since they face the largest gap between the rate that they are charged by the CPP and the rate that they must pay on the open market. If the provincial deficits are large, the implicit reduction in marginal costs may be substantial. Lower interest costs may thus induce more current consumption of government goods and services.

TABLE 8.—DISTRIBUTION OF CPP LOANS, APRIL 1988

Province	Percentage of total loans
Atlantic Provinces:	
Newfoundland	2.1
Prince Edward Island	4
Nova Scotia	3.9
New Brunswick	2.9
Central Provinces:	
Quebec ¹	4
Ontario	47.1
Manitoba	5.5
Western Provinces:	
Saskatchewan	4.5
Alberta	11.8
British Columbia	14.0
The Yukon Territory	(²)
The Northwest Territories	(²)
Federal	7.4

¹ Quebec is allowed to borrow from the CPP because some Quebec citizens work in Ontario and because the Royal Canadian Mounted Police who reside in Quebec still contribute to the CPP.

² Less than 0.1 percent.

Source: Ministry of Health and Welfare, 1988, Canada Pension Plan Account Monthly Report, April, Schedule F.

An even greater increase in government expenditures might occur if the provinces felt that they would never have to pay back the loans from the CPP fund. A number of Canadian observers originally thought that this might be the case (Pesando and Rea 1977, p. 91), and early statements by the government of Ontario implied that CPP-owned debt was treated differently than publicly owned debt (Ontario 1974, pp. 26-27). In fact, the provinces have treated their borrowing very seriously; they have never missed all interest payment and, in some instances, have already repaid the loans.

Some commentators simply assume in their reviews that the availability of ready credit encouraged more spending by the provincial governments (Bird 1976); no one appears to have made strong arguments to the contrary. The only effort to actually document increased expenditures was a 1981 study prepared for the Economic Council of Canada. This study found that the borrowings from the CPP induced the Atlantic Provinces to reduce their own-source revenues and to increase expenditures, thereby increasing their total borrowings; the results for the other provinces were ambiguous (Patterson 1981). Although it is difficult to say with certainty, it appears that the CPP money loaned to the provinces induced greater provincial spending.

The issue remains, however, as to whether this increased spending produced additional consumption or greater investment. The data in table 7 tend to indicate that provincial spending on investment did not increase in response to the ability of the provinces to borrow from the CPP. Provincial saving was 0.6 percent of GDP from 1960 through 1965; it increased only very slightly from the in-

ception of the CPP through 1974; thereafter it became negative. This pattern is also evident in the figures for provincial expenditures on gross capital formation, which have declined steadily since the inception of the plan from a high of 14 percent of total provincial expenditures in 1964 to less than 4 percent in 1986 (Ministry of Finance 1987, table 52). Thus it appears that the provincial governments have allocated a large share of the CPP surpluses to current consumption.

Investments of the QPP

The QPP, which as of June held \$13 billion (Canadian dollars) in assets, does not lend to other provinces. Instead the assets, along with the assets of other Quebec public employee pensions, are supplied to the Caisse des Dépôts. The Caisse des Dépôts invests its assets in regional businesses and crown corporations, with an eye toward the highest possible return. The fund is even allowed to purchase private corporate equities, although it may not hold more than 40 percent of the voting stock in any one firm. Directors of the Caisse des Dépôts are often taken from the private sector, despite some concern over conflicts of interest. By placing its funds directly into regional businesses, the investment patterns of the QPP contrast sharply with those of the CPP. In short, the QPP appears to have increased national saving and investment while the CPP probably has not.

Overall Assessment of the Canadian Experience

Except in the case of Quebec, the Canadian government appears to have failed to prefund its public pension system in a meaningful way. On balance, the buildup in the trust funds seems to have stimulated additional consumption spending at the provincial level and to have reduced the incentive to raise provincial taxes. Would the same thing happen in the United States if the social security funds invested their reserves in state and local bonds? A partial answer may rest on the functions for which the two entities—provinces and states—can borrow.

It appears to be much easier for provinces in Canada to borrow for consumption expenditures than it is for states in the United States. Although New Brunswick, Newfoundland, and Nova Scotia maintain capital accounts, all borrowing is considered revenue, so debt may be used to meet deficits in their general accounts. Alberta has several off-budget special accounts for capital investments and crown corporations, and borrowing for the general budget is not encouraged. However, because Alberta is so dependent upon oil prices for its revenues, it is occasionally forced to borrow for current consumption. Ontario, British Columbia, Manitoba, and Saskatchewan do not even maintain capital accounts. Therefore, borrowing for current consumption is in no way differentiated from borrowing for capital investments. Only Prince Edward Island has legislative restrictions on current consumption borrowing; deficits in the general account may only be met by short-term debt issues. On balance, however, the lack of legal prohibitions and the negative saving in the OECD accounts indicate that the provinces are certainly able to borrow and probably have been borrowing for current consumption.

In the United States 49 of the states (Vermont being the exception) have balanced budget laws. This means that any borrowed

general consumption funds must be repaid within a legislated time frame, typically under one year (Advisory Commission on Intergovernmental Relations 1987, tables 42 and 43). The OECD data for the United States in table 9 show consistent surpluses

at the local level since 1972 (1975 is the lone exception), which tends to confirm that the states and localities have not engaged in deficit financing for their general accounts. Hence, as long as the OASDI funds limited their state bond purchases to those with

long-term maturities, the states could not use OASDI funds to cover general account deficits. This constraint would help assure that trust fund loans to state and local governments would result in productive investment.

TABLE 9.—U.S. GOVERNMENT SAVING AND DEFICIT (—) OR SURPLUS AS A PERCENT OF GDP, 1960–86

Year	General		Central and Social Security	Saving		Central		Social Security		Local	
	Saving	Deficit or surplus		Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	Saving	Deficit or surplus	
1960	1.67	0.58	0.81	0.96	0.68	0.84	0.12	0.12	0.86	0.38	
1961	.78	.86	.57	.41	.18	.02	.39	.39	.85	.45	
1962	.38	.57	.59	.28	.54	.22	.05	.05	.97	.29	
1963	1.11	1.11	.08	-.25	.11	.06	.19	.19	1.03	.36	
1964	.61	.62	.51	.37	.76	.62	.25	.25	1.12	.25	
1965	1.05	.21	.04	.19	.09	.06	.13	.13	1.01	.39	
1966	.67	.63	.47	.26	1.32	1.11	.84	.84	1.14	.37	
1967	.80	2.16	1.84	1.58	2.45	2.20	.62	.62	1.04	.58	
1968	.42	.72	.79	.36	1.24	.82	.45	.45	1.20	.35	
1969	1.78	.79	.64	1.04	.04	.36	.68	.68	1.15	.25	
1970	.74	1.39	1.67	1.06	1.81	1.20	.14	.14	.93	.33	
1971	1.40	2.03	2.25	1.72	2.06	1.53	.19	.19	.85	.31	
1972	.39	.65	1.90	1.19	1.93	1.23	.03	.03	1.51	.54	
1973	.44	.36	.82	.10	1.35	.63	.53	.53	1.26	.46	
1974	.24	.35	1.15	.41	1.45	.71	.30	.30	.91	.06	
1975	3.97	4.30	4.45	4.10	3.51	3.15	.94	.94	.48	.20	
1976	2.48	2.44	3.24	2.75	2.45	1.96	.78	.78	.76	.31	
1977	1.33	1.14	2.30	1.90	1.70	1.31	.60	.60	.97	.77	
1978	.22	.30	1.25	1.11	1.16	1.02	.08	.08	1.03	.81	
1979	.04	.17	.71	.40	.85	.53	.14	.14	.76	.67	
1980	1.60	1.46	2.23	1.88	1.76	1.40	.48	.48	.63	.42	
1981	1.32	1.13	1.90	1.63	1.51	1.25	.38	.38	.58	.49	
1982	4.15	3.97	4.38	4.16	3.36	3.14	1.02	1.02	.23	.19	
1983	4.95	4.86	5.32	5.15	4.30	4.13	1.02	1.02	.36	.29	
1984	3.92	3.84	4.70	4.51	4.61	4.42	.09	.09	.79	.66	
1985	4.01	4.13	4.71	4.63	4.82	4.74	.11	.11	.70	.50	
1986	4.31	4.37	4.91	4.69	5.12	4.90	.21	.21	.60	.32	

Source: 1974–86: OECD, Department of Economics and Statistics, 1988, National Accounts: 1974–1986, vol. 2, Detailed Tables, United States tables 1. 6.1, 6.3, 6.4; 1960–73: OECD, unpublished data.

V. CONCLUSIONS AND POLICY IMPLICATIONS

Before drawing any conclusions, it is crucial to emphasize the speculative nature of this entire exercise. This is a preliminary paper and involves hypothesizing about what would have happened in the absence of trust fund accumulations in foreign countries with different cultures and institutions on the basis of limited information. With this important caveat, some tentative conclusions are possible.

The key concern in the United States is that Congress will increase its spending or reduce its tax-raising efforts in response to the buildup of large reserves in the social security trust funds. Such a response would mean that no savings would occur, and future incomes would be no higher than they would have been otherwise. It would also have the undesirable distributional consequence of financing current general government activities by the more regressive payroll tax.

The likelihood of the members of Congress responding to the social security surpluses in this manner probably depends largely on their ability to count the surpluses towards overall deficit reduction. All three countries studied keep their social security accounts very separate from the rest of the budget, and this appears to have discouraged their legislatures from incorporating social security surpluses in their general budget decisions or their deficit reduction efforts. As long as the United States retains a unified budget and frames its deficit targets in these terms, Congress will be tempted to keep one eye on the surpluses when voting on tax and expenditure proposals. Hence, ensuring that social security does indeed go off budget when the Gramm-Rudman-Hollings legislation expires in 1993 is an important first step.

The separateness of the social security program as an institution seems to be another important dimension. This does not

mean that separate institutional arrangements guarantee complete control; the Swedish fund has total independence, but the nature of its investments was strongly influenced by the Central Bank's credit market regulations. Nevertheless, more separateness may be desirable than currently exists in the United States. As described in the introduction, the U.S. program is really only a Treasury Department account with the Secretary of the Treasury as managing trustee. This incestuous setup would probably not be desirable in an environment where the social security trust funds are to be used to increase national saving. The Secretary of the Treasury should not have easy access to social security funds in case of a debt ceiling crisis such as occurred in 1985, or consider the trust funds available as a captive market for purchasing federal debt.

The solution may rest, in part, in resurrecting a proposal to make social security an independent agency. This change, which has long been advocated for the integrity of the program and administrative effectiveness (Ball 1978, pp. 458–60 and Congressional Panel on Social Security Organization 1984) may become essential in an era of reserve accumulation. Control over revenues and investment decisions should reside with a board that is totally separate from the Treasury.

The lessons so far have come primarily from Sweden and Canada; Japan, of course, has taken an entirely different approach to translating pension fund reserves into productive investment. It does not have a separate agency, but instead the federal government tightly controls the allocation of the EPI and NP reserves through the capital budget. Although this approach does not seem to fit well with our institutional arrangement and political environment, it may be useful to take a new look at the capital budgeting process.

Investing the accumulated trust fund reserves, which might at first appear difficult, in fact seems to create few problems. The Swedish experience illustrates that the purchase of debt instruments and investing through financial intermediaries avoid any interference in private sector decisions. Also, the United States should be able to invest in state and local securities without running into any of the problems experienced in Canada, since states are restricted from long-term borrowing except for capital projects.

In short, we can learn a lot from Sweden, Japan and Canada's efforts to prefund some of their future pension liabilities. These countries have already accumulated reserves equal to 30 percent, 18 percent and 8 percent of their respective GDPs, and have attempted to funnel them into productive investment, with varying degrees of success. A somewhat discouraging result, for those committed to increasing national saving through accumulating reserves in the social security trust funds, is that the greatest success has occurred in countries with stable and disciplined political environments, where one party has been in power almost continuously since the experiment began.

Mr. GRAHAM. Mr. President, in discussing the United States experience, the authors point out an instance in 1985, when the Treasury was constrained by a statutory debt ceiling from issuing any new securities, a circumstance that we are soon going to be returning to. The Secretary of the Treasury made the decision to convert \$28 billion in long-term, specially issued bonds held by the Social Security trust fund into non-interest-bearing cash balances without notifying the two public trustees. The use of payroll

taxes, in effect, to temporarily underwrite general Government expenses occurred because the Secretary of the Treasury was forced to choose between forgoing interest earning on the funds or defaulting on Government obligations.

The authors go on to reference this as the incestuous relationship between the Treasury and the Social Security surplus. I suggest that we need to break that incestuous relationship by not only taking the surplus off budget and off Gramm-Rudman, but we also need to start investing the Social Security surplus in areas that will not allow it to be used in the way it was in 1985.

I suggest to my colleagues that we learn from the experience of other countries which have dealt with essentially the same economics and demographics but have done so in a more creative way. I am particularly going to suggest that we study the Canadian experience in which they have used the Social Security surplus to help—

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. GRAHAM. Let me finish the sentence, and I will yield the floor. The Canadians have used the Social Security surplus as a means of assisting and financing their capital infrastructure needs.

I believe that there are some important analogies for the United States to this. What the Senator from Pennsylvania has done in giving us a forum in which a broad array of issues that relate to how do we fulfill our contract with the Social Security eligible of America in an honorable, decent, and credible manner, I think is a debate that will be of great significance and value to the American people.

I yield the floor.

Mr. DECONCINI. Mr. President, how much time remains?

The PRESIDING OFFICER. The time for the vote under the previous order is set at 12 o'clock.

Mr. DECONCINI. Mr. President, I ask unanimous consent that I may have 1 minute.

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

Mr. DECONCINI. Mr. President, I thank my colleagues.

I want to first comment on what the Senator from Florida mentioned. He is absolutely right. We need to not only take the steps the Senator from Pennsylvania is moving forward here but we need to address what we are going to do with these funds. I look forward to seeing his legislation and would hope he would share it with some of us.

I want to say that the Senator from Pennsylvania has finally got to the crux of the matter that has been hanging around here for far too long. He has taken the leadership of bringing this not only to the attention of

the U.S. Senate and us voting on it today but to the people of this country. I wish to thank him for his steadfastness and, quite frankly, innovative approach of doing this in a manner that is going to do away with, as he said, the charade. It is long overdue to put this in perspective with what the American public thinks it is and it is not; and that is the Social Security funds be not spent for Government operations and to satisfy the huge burgeoning deficit that we permitted to go on and on for years and years. I joined the Senator already as a cosponsor and compliment him for his leadership.

I yield back the remainder of my time.

LET THE SENATE VOTE ON SOCIAL SECURITY OFF BUDGET

Mr. HOLLINGS. Mr. President, I rise in support of the amendment of the distinguished Senator from Pennsylvania, and to second his determined insistence that the Senate be allowed to vote on removing Social Security revenues and expenditures from the calculation of the deficit for Gramm-Rudman-Hollings purposes.

It is high time we voted on this litmus test of truth in budgeting and honesty in Government. My own amendment to remove Social Security from the Gramm-Rudman-Hollings calculations was introduced last session. It gained 25 cosponsors in the Senate, including our leader, Senator MITCHELL, and had widespread support in the House from Speaker FOLEY on down.

The crunch of legislation at the end of the 1989 session prevented the Senate's voting on my bill, but Senator MITCHELL promised us a vote early in the new session. Well, we are now into the 6th month of the session and we have yet to have our vote. So I believe that Senator HEINZ is entirely correct and justified in forcing the issue onto the calendar with his amendment No. 2023.

Mr. President, let us face it. Until we acknowledge the true scale and enormity of the Federal deficit, then we will never get off the dime on the deficits. Putting Social Security off budget will be a giant step forward toward that day of truth and reckoning.

Mr. President, in all the great jambalaya of frauds surrounding the budget, surely the most reprehensible is the systematic and total ransacking of the Social Security trust fund in order to mask the true size of the deficit. As we all know, the Social Security payroll tax has become a money machine for the U.S. Treasury, generating fantastic revenue surpluses in excess of the costs of the Social Security program. Excess Social Security tax revenues will be \$65 billion in 1990 alone—boosted by yet another rise in

the Social Security tax rate this past January 1. By 1993, the annual Social Security surplus will soar to \$99 billion.

The public fully supported enactment of hefty new Social Security taxes in 1983 to ensure the retirement program's long-term solvency and credibility. The promise was that today's huge surpluses would be set safely aside in a trust fund to provide for baby-boomer retirees in the next century.

Well, look again. The Treasury is siphoning off every dollar of the Social Security surplus to meet current operating expenses of the Government. By thus reducing the deficit, we mask the true enormity of the Federal budget crisis while creating the illusion that Congress and the administration are actually doing something about deficits.

The hard fact is that, in the next century, the Social Security system will find itself paying out vastly more in benefits than it is taking in through payroll taxes. And the American people will wake up to the reality that those IOU's in the trust fund vault are a 21st century version of Confederate banknotes.

Of course, the Treasury would have the option of raising taxes to repay the astronomical sums we have borrowed from the trust fund. But that would be a brazen rip off of working Americans, many of whom will be retirees obliged to pay a second time for the benefits they have already earned.

On the other hand, if the Treasury wimps out and chooses not to raise taxes to reimburse the trust fund, then there will be no alternative but to slash Social Security benefits. The most likely scenario is that Social Security payments would be turned into just another means-tested welfare program for the very poor; if you make more than, say, \$15,000 per year, then forget about collecting any Social Security benefits.

Any way you slice it, it is lousy public policy to borrow massively from the Social Security trust fund with no credible plan for reimbursement. Of course, the immediate damage from this approach is that it allows us to mask the true scale of the Federal budget deficit, thus making it easier for us politicians to sit on our hands.

This is a gross breach of faith with the American people. Social Security is perhaps the most successful social program ever enacted by the Federal Government. Without question, it is the most effective antipoverty program in history. Social Security is not charity or welfare. On the contrary, it is a supplementary retirement fund that workers pay for with their hard-earned money.

Mr. President, I say it is time to stop playing games with Social Security

and the Government's finances. It is time to use honest budget numbers and to make honest budget choices. By all means, let us begin by putting Social Security truly in trust and to tally off budget.

Mr. SIMPSON. Mr. President, I rise to speak on a subject that has been bouncing around this old Chamber quite a bit these past few weeks—Social Security and the treatment of the trust funds. I think it is time to dispense with some of the passionate—though very sincere—rhetoric on this issue and turn our attention to the real problems involving Social Security over the long haul.

Mr. President, one thing has become so very clear from the mail that I have received on this issue: People are just a mite confused about the way the Social Security system operates. They seem to think that Congress has done something sinister—dirty perhaps or even illegal—with the Social Security trust funds, that evil politicians are callously raiding the excess Social Security revenues and diverting the funds to their own very favorite political pork-barrel projects. Political leaders who use words like thievery and embezzlement—and we have heard that here in the Chamber—to describe the Government's handling of Social Security are only recklessly adding to the confusion. Let me state this so very clearly: The money going into the Social Security system, and the money being paid out, is handled in exactly the same fashion as it was when the program was first begun in 1935. Please hear that! The collection, investment, and distribution of Social Security taxes and benefits are and were set by law, and they have never changed. The only difference is that the present financial condition of the Government—and the Social Security program is very much a part of the Government—has focused attention on how the individual pieces all fit together, and on the real relationship between pork-barrel projects and the Social Security trust funds.

At the root of the issue is the public's perception—or misperception—that the surplus taxes are somehow directly deposited and saved in Social Security trust funds, which they are not. Contrary to popular belief, Social Security taxes, like all other Government revenues, are deposited in the U.S. Treasury—not into some separate Social Security trust funds. Each day, these taxes flow into 15,000 depository accounts maintained by the U.S. Government with various financial institutions across the country. They, along with the many other forms of tax revenues which the Government collects, then become part of the Government's operating cash pool. Airport and highway taxes, civil service retirement contributions, and many other forms of dedicated Federal receipts—all of

which have corresponding trust funds—are treated in exactly the same way. The trust funds themselves receive credit for the taxes when the Government receives them, through the posting of nonmarketable securities—really IOU's—to the fund. Basically, this is a proper bookkeeping entry made by the Treasury. Similarly, the benefits are not paid from the trust funds, but are paid from the General Treasury. As the checks are then issued, the securities posted to the trust funds are reduced by a corresponding amount—another proper bookkeeping entry. Simply stated, the Social Security trust funds are credited with IOU's when Social Security taxes are received by the Treasury, and those IOU's are taken back or debited when the Treasury makes expenditures to beneficiaries on the program's behalf.

What the trust fund securities do is represent spending authority for the program. As long as there is a balance posted to the trust fund account, the Treasury Department has the authority to continue to pay the program's bills. But the cash money itself—the resources needed to make actual cash payments—comes from tax receipts and from the public borrowing of the Government as a whole, through the U.S. Treasury.

What happens if more Social Security taxes are collected than are spent in any given month? Is the money then still in the Treasury? Nope—for once the taxes are received, they then become indistinguishable from other moneys paid into the Treasury and they are then used to pay whatever bills the Government owes. The fact that more money was received than was spent shows up as a higher balance—or a surplus, if you want to call it that—of securities on the trust fund ledgers. These IOU's represent a loan that the Government makes to itself—like giving one part of the Government—the Social Security system—a claim on other, future Government resources.

Thus, while the concept of trust funds and dedicated receipts seems to indicate there might be separate pots of money, the Federal Government really honestly does operate as one single financial entity. Revenues generated by any of the trust fund programs are not handled separately, invested separately, or managed separately. Their operations are only separated from other accounts by bookkeeping entries. When money slated for the trust funds reaches the Treasury, it is indistinguishable from all of the other receipts—and the Treasury Department, after properly crediting the various accounts, uses whatever funds are available to pay the country's bills. I do earnestly hope that this might make it clear that for a Federal account, the term trust fund

does not mean that the Federal Government is operating in a fiduciary or trustee capacity, it is merely a special account which is designated as is based in the law which was placed on the books originally.

This handling of Social Security's finances is not some new invention; the idea of collecting surplus Social Security taxes was heavily imbedded in the original Social Security Act which was enacted in 1935. Even then, the notion was that a large fund should be built up to help finance the future benefits. During the early 1940's, in fact, Social Security tax receipts were 6 or 7 times more than the program's expenditures. It was also the original Social Security Act which mandated that the excess Social Security receipts would flow only into the Treasury through the purchase of special issue U.S. Treasury bonds. This was to be a form of forced national savings which it was hoped would continue to stimulate the rapid growth of America's expanding economy. Unfortunately, the founders of Social Security could not have ever foreseen the twin economic and demographic forces that are driving the system today. If they had, they may well have designed some other instrument for investing of the Social Security tax receipts.

It may be helpful to consider an analogy, though I surely have no desire to confuse the issue further. Consider how a bank works. When you deposit cash in a bank, the cash does not just sit there in a safe deposit box while inflation eats away at its value. Instead, the bank credits your account with the deposit and then uses the actual cash to make interest-bearing loans and investments, which in turn increase the capital of the bank. Similarly, when you go to the bank to draw cash out of your account, you don't get back the same money you put it, you get the cash just deposited there by somebody else. That is just how the Social Security system operates—but with one important difference. That difference is that the bank loans the money out to investors or businesses who use it to generate capital and then pay it back to the bank with interest, so that the money is recycled. Social Security payments are not recycled—instead they are replaced in the Treasury bank by a constant stream of FICA tax revenues.

The second difference is that you cannot draw more money out of the bank than you have in there—without incurring a debt. Under Social Security however, most individuals draw out the entire amount of their contributions, plus interest, in under 6 years. Yet they can expect to continue to live and draw benefits for another dozen years. No bank could ever operate in that manner. However, the Social Security system has a sufficient number

of depositors to cover the excess outflow with their payroll tax deductions—but only for the time being.

As long as the FICA tax stream keeps pace with the benefit payment stream, the system will remain self-financing—however, in the year 2030, when the retired population is more than double what it is today, Social Security benefit obligations will start to exceed all FICA payroll tax receipts. That is when we will face some genuine difficulties. A huge—some say \$12 trillion—reserve of spending authority will likely have accumulated on Social Security's ledger sheets by then, and the Treasury will have to make good on those notes. The problem is that unless the Treasury bank is operating on a balanced budget by that time, it will simply not have the funds at hand to pay out. At that time, the Treasury will have to either increase its income—raise taxes—cut its spending, or do some combination of the above, in order to produce the necessary surplus cash to pay off Social Security obligations. That is just exactly how the system was designed at the very beginning.

In effect, whether or not Social Security is counted as part of the Federal budget, Social Security FICA taxes will continue to be deposited in the Federal Treasury and the trust funds will continue to receive credit for them as they are collected. This credit will then continue to give the Treasury Department authority to issue Social Security checks, even in years when FICA taxes do fall short of benefit obligations, because in such an event the Treasury will be able to draw on the large reserve of spending authority that has accumulated to the trust fund on its ledger sheets.

However, Congress must meet its duty to balance the budget before those reserves are needed, so that there will actually be cash on hand to honor those funds. Otherwise, the Government will simply have to raise that money from future workers. That is what those who speak about the future of the Social Security Program mean when they use words like "thievery" or "raiding" to describe the relationship between Social Security and the budget deficit. The only raiding that is being done is of benefits payable to future generations of Social Security recipients, and the only theft is in the lessening of living standards of future generations of workers—those will hopefully be around in the year 2030 and beyond—your kids and grandkids and mine. To stop the plundering, we need but to balance the budget. Many seem ready to do that, but judging from the mail I receive in my office, protesting even the most modest cuts in this or that program, I wonder whether the American people are really all that concerned about the fiscal integrity of Social Security over

the long term, or whether they have grown all too comfortable with living far beyond the Nation's means.

Mr. HARKIN, Mr. President, I rise in support of the Heinz amendment related to taking Social Security out of the unified budget and Gramm-Rudman-Hollings calculations.

I am looking for a sound means which I can recommend to provide at once security against the several disturbing factors in life—especially those which relate to unemployment and old age.

With those words, President Franklin Delano Roosevelt began the greatest and most successful program in our Nation's history, Social Security.

No single function of Government affects as many Americans as profoundly as Social Security does. Nearly 40 million retirees, disabled workers, their spouses, and children including over 518,000 Iowans, receive a Social Security check every month, and over 140 million Americans are insured in the event of death or disability. Social Security is the primary source of income for 70 percent of older Americans, and it is virtually the sole source of income for almost one in three older persons.

Mr. President, Social Security is a precious compact between the Government and the people. Yet, doubts have been raised about this compact because each day nearly \$200 million in Social Security funds are used to pay for things other than Social Security benefits, including bloated and outdated defense programs. In addition, Americans' trust in Social Security is being exploited to cover the true size of our Federal deficit. This year, the true deficit would be \$66.6 billion higher if the surplus which Social Security is running was not being counted in the Gramm-Rudman calculations.

Mr. President, Social Security did not cause the deficit. And Social Security should not continue to be used as a scapegoat to solve or mask the deficit. That is why we need to take prompt actions to protect Social Security and its beneficiaries by taking Social Security off budget. If we don't, next year another \$74 billion in Social Security funds will be used for purposes they were not intended.

Mr. President, we need to take a number of steps to strengthen and improve Social Security. This amendment should lead to a good first step and as such I urge my colleagues to support it. Older and disabled Americans deserve no less.

Mr. President, in conclusion, I want to also pay tribute to our distinguished colleague from New York, Senator MOYNIHAN, for his leadership in bringing this important issue to the forefront of national attention. He has done the Nation a great service.

VOTE ON AMENDMENT NO. 2024

The PRESIDING OFFICER. Under the previous order, the question now occurs on the amendment. The question is on agreeing to amendment No. 2024 offered by the Senator from Pennsylvania [Mr. HEINZ] to amendment No. 2023. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from New Hampshire [Mr. HUMPHREY] and the Senator from Delaware [Mr. ROTH] are necessarily absent.

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 117 Leg.]

YEAS—96

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

NAYS—2

Armstrong	Wallop
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NOT VOTING—2

Humphrey	Roth
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So the amendment (No. 2024) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. KERRY). Under the previous order, the yeas and nays on amendment No. 2023 are vitiated.

The question is on agreeing to amendment No. 2023, as amended.

The amendment (No. 2023), as amended, was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2025

Mr. CRANSTON. Mr. President, I send an amendment to the desk on behalf of Senator INOUE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. INOUE, proposes an amendment numbered 2025.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place insert:

Section 109 of the Housing and Community Development Act of 1974 (42 U.S.C. 5309) is amended by adding at the end the following new subsection:

"(d) The provisions of this section and section 104(b)(2) which relate to discrimination on the basis of race shall not apply to the provision of assistance by grantees under this title to the Hawaiian Home Lands."

Mr. CRANSTON. Mr. President, for the information of Senators and their staffs, we will proceed to act upon the Inoue amendment immediately after we reconvene at 2:15. Following that, Senator GRAHAM of Florida has two amendments that he will be prepared to bring up. Other Senators with whom I spoke during this rollcall have indicated they will be ready on various amendments.

I urge all Senators and staff involved to try to get Senators to bring amendments to the floor this afternoon and early evening so we can dispose of as much of the business on this measure as possible. Senator MITCHELL hopes we can complete action on this bill without too great a time-consuming process. That should be possible provided negotiations with the administration work out on this measure.

I now yield the floor.

Mr. DOLE. Mr. President, is my leader time reserved?

The PRESIDING OFFICER. That is correct; the Senator has 10 minutes.

LTV CORP. DECISION

Mr. DOLE. Mr. President, yesterday the Supreme Court ruled 8 to 1 in Pension Benefit Guaranty Corporation versus the LTV Corporation that the PBGC may require LTV to reassume liability for more than \$2 billion in employee pension plan obligations that the company had stopped funding for some 100,000 workers and retirees.

I applaud this decision, for it sends a strong and clear message to employers that they can not escape their own plan funding obligations by declaring bankruptcy, shifting billions of dollars of liability to the Government, and

then going back into business and setting up new plans.

This case began 3 years ago when in 1987, LTV Corp.—having already declared bankruptcy—informed the PBGC that it could not and would not continue to fund its plans which had unfunded obligations of over \$2 billion. The PBGC, in order to protect the retirement incomes of LTV's workers, terminated the plans and assumed paying the guaranteed benefits.

LTV then established new so-called Follow-On pension plans for its union employees and retirees which were virtually identical to the terminated plans under which the PBGC was paying the unfunded obligations.

The simple result of this situation was that LTV was continuing benefits to its workers as if no plan termination had occurred while shifting over \$2 billion in unfunded pension costs to the Federal Government.

Mr. President, now that the Supreme Court has spoken, companies should be forewarned that the law requires them to fulfill their pension funding responsibilities and that such obligations can not be avoided by seeking protection under bankruptcy laws and then pretending as if nothing has happened. \$2.5 billion in unfunded liabilities to workers and retirees is a big deal and the Federal Government is not going to be the deep pocket bailing out billions and billions of dollars of liabilities when the employers who ran up those liabilities are able to pay them off themselves. We have seen and had enough of these kinds of problems with the savings and loan crisis.

This decision reaffirms that the PBGC is a safety net for the 40 million workers and retirees who rely on it and should not be viewed as the personal bank account of those seeking to subsidize unfunded pension liabilities. Retirees, the Federal Government and the American taxpayer can now rest a lot easier.

MISSILE DEFENSES: MEETING THE THREAT

Mr. DOLE. Mr. President, in March, I brought to the attention of my colleagues comments made by the President, during his trip to Lawrence Livermore Laboratory in California, on the subject of strategic defense. At the time, the President said, "in the 1990's, strategic defense makes much more sense than ever before. * * *

Yesterday, our distinguished colleague and ranking member on the Senate Armed Services Committee, Senator WARNER, makes a similar case in an editorial in the New York Times. His article, entitled, "We Still Need Missile Defenses," insightfully and thoroughly examines the need for missile defenses.

Citing the potential for political and military instability in the Soviet Union, Senator WARNER notes that strategic missile defenses enhance stability and deterrence by protecting our retaliatory forces, thus denying an attacker any certainty of achieving his objectives.

Moreover, he points out that defenses provide a hedge against cheating on arms control treaties.

But, Senator WARNER does not limit his analysis to the United States-Soviet strategic relationship. He broadens the discussion by reminding us that there are many countries that now possess missiles that threaten the interests of not only the United States, but those of our friends, as well. As he points out, missile defenses in the United States and within the borders of our allies would greatly deter the use of ballistic missiles.

Mr. President, I commend Senator WARNER for his penetrating analysis and forward-looking thinking on U.S. defense and national security matters. It seems to me that many in this body focus only on dollar levels. Few are thinking about future threats to our security and how to meet them. Nevertheless, Senator WARNER continues to demonstrate leadership on defense matters. I hope that all of my colleagues will read and seriously consider the case thoughtfully made by Senator WARNER.

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

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

[From the New York Times, June 18, 1990]

WE STILL NEED MISSILE DEFENSES

(By John Warner)

WASHINGTON.—Have the dramatic changes in Eastern Europe and the Soviet Union undermined the need for continued research on ballistic missile defenses? Absolutely not. If anything, the case for some type of missile defenses is more compelling today than at any time since the advent of nuclear weapons and ballistic missiles.

We must remain prepared to deal with political and military instability. The Soviet Union is increasingly fraught with nationalist and ethnic unrest, and its economy cannot fulfill the basic needs of the people. Mr. Gorbachev's viability is questioned because of the seemingly indomitable problems facing his nation.

The Soviet Union still possesses a formidable military capability. Most notable is its strategic offensive and defensive nuclear force modernization program. Soviet ballistic missile defense around Moscow—the world's only such system—are being upgraded.

Consequently, our nuclear deterrent must remain, in both perception and reality, uncontested to any foreign power. And we must consider the enormous benefits of a strategic missile defense.

Even as arms control negotiations move toward reducing the overall levels of strategic delivery systems, our existing strategic

defenses—such as air defenses, early-warning and surveillance and intelligence—are clearly seen by other countries as stabilizing and unthreatening. Missile defenses will enhance this stability by assuring that our perhaps more vulnerable retaliatory forces are protected and by denying an attacker any certainty of achieving his objectives.

They also provide a hedge against cheating on arms control treaties. Indeed, effective missile defenses actually promote strategic arms control objectives by reducing the military value of multiple-warhead missiles. They also provide incentives for the Soviet Union to move to a less threatening force of single-warhead, land-based missiles.

In addition, there are many countries that now possess missiles that threaten the interests of the U.S. and its friends. Many of these missiles are capable of reaching allies like Israel and can be equipped with chemical or biological warheads, and soon even nuclear weapons.

Today, the number of developing countries possessing ballistic missiles with a range of less than 1,000 miles—such as Iraq and Syria—has increased substantially. William Webster, Director of the Central Intelligence Agency, recently informed Congress that, by the year 2000, at least six third-world countries will have ballistic missiles with ranges of up to 1,800 miles, and three of them may develop ballistic missiles with a range of 3,400 miles.

Missile defenses in the U.S. and within the borders of our allies would greatly deter long-range ballistic missile use. Tactical ballistic missile defenses deployed by our allies would enhance deterrence and stability.

On a recent trip to California, I had a firsthand look at the Strategic Defense Initiative. The question is no longer whether the country has the technical ability to build cost-effective missile defenses; it is clear we do. Rather, we must now ask what role missile defenses will have in our national strategy.

As in the air defense debate in England during the 1930's, we must now ask: Does America want to be defended, and if so, with what systems? For England, the outcome of that debate was pivotal. It was England's advanced air defense systems that saved it in the summer of 1940.

It is worth remembering the words of Winston Churchill at the peak of the air defense debate: "I think it would be a great mistake to neglect the scientific side of purely defensive action against aircraft attack. Certainly, nothing is more necessary, not only to this country, but to all peace-loving . . . powers in the world . . . than that the good old earth should acquire some means of destroying the sky marauder."

Today, the marauder is ballistic missiles. I am convinced that we must now, more than ever before, plan for the inclusion of missile defenses in our national security strategy.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business, and that I be recognized to address the Senate for not to exceed 15 minutes.

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

THE BILL OF RIGHTS

Mr. MITCHELL. Mr. President, last year, I supported and voted for a law to protect the flag. I believed then and believe now that this was the appropriate response to a flag burning that occurred in 1984.

Last week, by the narrow one-vote margin of 5 to 4, the Supreme Court ruled that the law violates the freedom of speech provision of the first amendment to the Constitution.

I disagree with the five Justices who formed the majority in this case. I think they were wrong. I agree with the four who voted to uphold the constitutionality of the law. But, under our system, once the Supreme Court has ruled, that ruling is the law of the land. So even though I disagree with the Court's ruling, I accept it.

The question now is whether we should override the Court's decision by amending the Constitution.

I oppose and condemn the burning of the flag. I find it offensive and obnoxious. I am proud to be an American, proud of our flag. But I do not support changing the Constitution. We can support the American flag without changing the American Constitution.

The first 10 amendments to the Constitution have come to be known as the Bill of Rights. They were adopted as part of the Constitution because the States insisted that before a new and powerful Federal Government could be created, there had to be clear and controlling limits on the power of that Federal Government against individual citizens.

The Bill of Rights secures the liberty of the individual by limiting the power of Government.

Across the whole sweep of human history, there is no better, clearer, more concise, more eloquent or effective statement of the right of citizens to be free of the dictates of Government than the American Bill of Rights.

For 200 years it has protected the liberties of generations of Americans. During that time, the Bill of Rights has never been changed or amended. Not once. Ever. The Bill of Rights stands today, word for word, exactly as it did when adopted 200 years ago.

Of the 10 amendments which make up the Bill of Rights, none is more important than the first. In this debate, its relevant words are few, direct, and clear.

Congress shall make no law . . . abridging the freedom of speech. . . .

Let me repeat those words:

Congress shall make no law . . . abridging the right of freedom of speech. . . .

Never in 200 years has the first amendment been changed or amended. As a result, never in 200 years has Congress been able to make a law abridging the freedom of speech.

Now we are asked to change that, for the first time. We are asked to give Congress and the States the power to do that which, for 200 years, the Bill of Rights has prevented them from doing.

We are asked to permit Congress, or any State, to make a law that would abridge freedom of speech, as defined by the Supreme Court.

Even though, as I have already said, I disagree with the Court, I do not believe we should amend the Bill of Rights. I do not believe we should ever, under any circumstances, for any reason, amend the Bill of Rights. The Bill of Rights is so effective in protecting individual liberty of Americans precisely because of its unchanging nature. Once that is unraveled, its effectiveness will be forever diminished.

If the Constitution is amended to prohibit the burning of a flag, where do we stop?

The principal supporter of this amendment is President Bush. I ask the President to answer this question for the American people:

If someone burns the Constitution, would President Bush propose an amendment to the Constitution to prohibit that? If not, does that mean he has less respect for the Constitution than he does for the flag?

If his answer is yes, then where does he draw the line? How about the Declaration of Independence?

The point is that once the Bill of Rights is changed or amended, no line can be drawn. That is why it should not be changed or amended.

We Americans revere the flag. We also revere the Constitution and Bill of Rights. We need not choose between them.

For a free people, the fight against an enemy army demands sacrifice and courage. That is difficult and demanding. It is also difficult and demanding in time of peace to live up to our own high ideals.

It is not difficult for Americans or anyone else to tolerate differences and eccentricities. They are all around us. But defending the freedom of those who would deny it to others—that is difficult.

Perhaps that is why no other nation today tries, or has ever tried, to live by a standard as high and as demanding as the American Bill of Rights. Every nation has a government. Every nation has a flag. Only the United States of America has a Bill of Rights.

We Americans do try to live by the Bill of Rights. We have chosen not to take the easy way out. We have chosen not to try to silence those who are wrong, but rather to challenge them with the truth.

That way has served us well. It has preserved our liberties for two centuries.

We will celebrate the 200th anniversary of the Bill of Rights next year. We will remind ourselves, and the world, that the greatest protector of liberty is the truth.

We have religious liberty in America because we reject any government-sanctioned religion. We believe each American will find God by his or her own path, through his or her own church.

We have political liberty in America because we reject any government-imposed political doctrine. We believe each American will find and defend his or her own political views.

We have personal freedom in America because we reject any government-dictated patriotism. We believe each American will freely discover in his or her own heart the love of country and pride in our Nation that has made so many Americans willing to defend it at the cost of blood and life itself for two centuries.

Our Founding Fathers had more confidence in their fellow Americans and more faith in their children than some of our current leaders. They knew better than to have the Government dictate what politics are right or wrong.

For 200 years, the Bill of Rights has protected the liberties of Americans through economic turmoil, civil war, political strife, social upheaval, and international tension. Despite the worst that fate and our enemies have hurled at us, we have never found it necessary to change the fundamental principles on which our Government was founded and by which our freedom is secured.

Principles which have stood that test of time should not be discarded or tampered with.

It will be a sad, tragic irony if a few obnoxious publicity seekers, who appear to hate America, achieve their victory by stampeding those who love America to take the unwise action of changing the Bill of Rights for the first time in American history. I love America and the American flag and the American Bill of Rights too much to let that happen without a fight.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

APPLAUDING THE MAJORITY LEADER

Mr. CRANSTON. I applaud the majority leader on a superb statement on what America is all about and what the Bill of Rights and the Constitution are all about. This is exactly the sort of leadership we counted upon receiving from GEORGE MITCHELL when we elected him majority leader of the Senate. I am proud that we did so, and I am very proud that he made that

very thoughtful and very profound statement.

The flag stands for the Constitution and the Bill of Rights. It is getting things upside down to defend the flag and undermine the Bill of Rights, as the Dole amendment would do. I have talked to every Member of the Senate who is either against the amendment or is uncertain, and I am increasingly confident that the leadership provided by GEORGE MITCHELL will prevail and that the Dole amendment will be defeated. It is certainly what should happen in the Senate and in this country.

THE CITADEL'S 1990 BATTLING BULLDOGS

Mr. HOLLINGS. Mr. President, The Citadel's baseball Bulldogs are a team traditionally noted for their high spirits and low budgets. At the outset of this year's college season, the sports pundits picked The Citadel to finish a humble seventh in the Southern Conference.

As it turned out, the pundits went to sleep, and the Bulldogs dared to dream. They dreamed their way through a 26-game winning streak and the Southern Conference championship. They dreamed their way to the Atlantic Regional championship in Miami. And, earlier this month, they dreamed their way into the College World Series in Omaha—the only military school ever to make it to the final eight.

Of course, what got The Citadel's team to Omaha was not dreaming but determination and grit—plus superb coaching by Chal Port. Southerners say that what matters is not the size of the dog in the fight but the size of the fight in the dog. These particular 'Dogs kicked and scrapped and fought with an inspired abandon. Their reverie was cut short by Louisiana State in the College World Series, but the dream lives.

We will never forget the skill and heart and pride of the 1990 Citadel Bulldogs. Probably LSU's Coach Skip Bertman put it best when he said of the Bulldogs, "They're America's team—touched by Abner Doubleday himself. A real field of dreams."

Mr. President, I salute The Citadel Bulldogs for their tremendous season, and I request that the team roster be printed in the RECORD followed by an article "Who'd a thunk it?" from the Charleston News and Courier.

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

1990 THE CITADEL BULLDOGS

- No.—Name, Position, Hometown.
 1—Phillip Tobin, SS, Charleston, S.C.
 2—Larry Hutto, C, Hampton, S.C.
 3—Dan McDonnell, 2B, Port Chester, N.Y.
 4—Jason Rychlick, OF, Spartanburg, S.C.
 6—Tony Skole, 3B, Roswell, Ga.
 7—Mike Branham, OF, Charleston, S.C.

- 8—Derrick Rogers, C, Hertford, N.C.
 9—Gettys Glaze, P, Charleston, S.C.
 10—Anthony Jenkins, OF, Ladson, S.C.
 11—Chris Coker, 1B, Bamberg, S.C.
 12—Scott Elvington, INF, Spartanburg, S.C.
 13—Mike Black, OF, Matthews, N.C.
 14—Richard Shirer, P, Orangeburg, S.C.
 15—Hank Kraft, P, Chesapeake, Va.
 16—Kevin McGarvey, P, St. Simons Island, Ga.
 18—Cornell Caldwell, OF, Charlotte, N.C.
 19—Vic Correll, INF, Nashville, Ga.
 20—Bart Mays, INF, P, Collinsville, Va.
 21—Steve Basch, P, Lansing, Mich.
 22—Brad Stowell, P, Jacksonville, Fla.
 23—Billy Baker, P, 1B, Charleston, S.C.
 24—Ken Britt, P, OF, Blythewood, S.C.
 Eddie Graham, MGR, Austin, TX.
 30—Chal Port—Head Coach.
 17—Tom Hatley—Assistant Coach.
 5—Ken Creehan—Assistant Coach.

WHO'D A THUNK IT—IMPROBABLE CAST CARRIES CITADEL TO GLORY

(By Ken Burger)

In the beginning, back in January, when they gathered to practice in warmup suits and on some days could see their breath as they zipped the ball around the infield and the aluminum bats were cold to the touch, nobody gave it much thought.

Nor did early February send any signs. The season started as most do, lost somewhere between the end of football and the crescendo of basketball. They were winning a few games, there even appeared to be a pattern. But nobody really gave it much thought.

In fact no one, not even their coach, thought the 1990 Citadel baseball team would be much different from those that had come before. They were picked to finish sixth in the eight-member Southern Conference where only seven schools play baseball.

So who'd a thunk it? That this band of unlikely heroes would somehow put it all together and battle their way to the College World Series. Certainly not the media. Certainly not coach Chal Port, who gave his usual preseason assessment of rebuilding. Probably not even the players, a group of 35 cadets with only seven seniors on the roster, almost all of whom are from South Carolina or neighboring towns in Georgia and North Carolina.

They would go through their season, do their best, enjoy the camaraderie and be able to tell their sons about playing baseball at The Citadel many years from now.

Nobody knew. Really. Nobody knew. It wasn't until late February, maybe early March, when their headlines starting getting a little larger, moving to the front page of the sports section. Bulldogs win 10th straight. Bulldogs win 12th straight. Bulldogs extend win streak.

Soon the television stations were showing up at College Park to get snippets of the moment for the evening news. Win streaks are fun to follow. They give people something to talk about over lunch. How 'bout those Bulldogs?

And then the streak got serious. As they approached the school record, still winning, the pressure started building. Seventeen. Eighteen. Nineteen straight. The school record was 22 straight. Now people were paying attention.

And they broke it, eventually winning 26 straight before losing to Kent State. The ride was over. The TV cameras didn't come back for a while. The team went into a mild

slump, apparently returning to reality. Everybody could relax.

But the slump didn't last. The Bulldogs started winning again, this time with a little less hoopla. And by the end of the season they won the Southern Conference regular-season title going away. No contest. Interesting. And to make things more interesting, the conference tournament was coming to Charleston for the first time. The pressure was on again.

By this time, however, the warm spring breezes of April found a Citadel team that had genuinely come into its own. They were loose. They were having fun. They had nothing to lose. And they didn't.

They dominated the tournament, won four straight, and earned the right to travel to Miami for the Atlantic Regional. Everybody thought it would be a nice trip for the boys who had played so hard. Nobody thought they had a chance.

But they did it again. Against unbelievable odds, they beat North Carolina State, East Carolina and the dreaded Miami Hurricanes twice to steal the regional crown and a trip to Omaha, Nebr., for the College World Series.

So who'd a thunk it?

Nobody was more surprised by this time than Port, a veteran of 26 years of coaching Citadel baseball teams. He had seen teams with more potential go south. He had seen some with less do well. But he had never had a group like this.

By now the city of Charleston and the Palmetto State were getting a little giddy about this club. The Citadel, yes. The Citadel was in the College World Series. What a trip. What a story. Everybody thought it was great. Nobody thought they had a chance.

And when they arrived in the Midwest, they didn't. Not really. The other teams were loaded. Real contenders. The Bulldogs were just an aberration, a novelty. The only military school to ever make it to the final eight. Everybody talked about how they had to march and what great manners the boys had and how Port was one of the funniest, most entertaining coaches around.

They lost their first game to Louisiana State, 8-2. People thought, that's OK, at least they made it this far. Nobody expected them to do anything anyway. One more loss and they're gone. They made a good showing. Got on ESPN.

Then they played the game of their lives. Trailing Cal State-Fullerton 4-1 going into the seventh inning, they rallied. Port did some of his magic coaching and strained every ounce of talent and ability out of his team. They won, 9-7, in a 12-inning drama that few will forget.

So they had done it. They had at least won a game in Omaha, proving they belonged, that they weren't a fluke. One more loss and they'd be coming home.

It came the next night, against LSU, again. This time it was 6-1, a loss relayed back to the fans by radio because ESPN couldn't show it live due to its major-league obligations. It was probably better that way. Hearing it was less painful than watching it.

And at 4:07 p.m. the next day, they touched down in Charleston. The end of a long odyssey. The season that couldn't have been, had been. They became and remain the most unlikely and humble of heroes.

For through their efforts they gave us all something to cheer for, and gave themselves something to remember forever. It was one of those things that wasn't supposed to happen, but it did. And those are the best kind.

Who'd a thunk it?

CONTINUING CONFLICT ON CYPRUS

Mr. KENNEDY. Mr. President, it is regrettable that while so many conflicts around the world are being peacefully resolved, the nation of Cyprus remains divided as Turkish troops continue to occupy the northern part of the island, as they have since the invasion of 1974.

Earlier this month, I had the opportunity to meet with the Secretary General of the United Nations, Javier Perez de Cuellar, and the newly elected Prime Minister of Greece, Constantine Mitsotakis—two statesmen who share a strong commitment to the peaceful resolution of the situation on Cyprus.

The Secretary General is continuing his tireless efforts on behalf of Cyprus, despite the Turkish Cypriots' insistence on obstructing the path to peace. Earlier this year, the leader of the Turkish Cypriots, Rauf Denktash, demanded that the Secretary General and President Vassiliou recognize his Northern Republic of Cyprus. As a result, the talks which the Secretary General had planned for late February broke down before they began. During his recent visit, the Secretary General said that he will soon resume his efforts to bring the two sides together, and it is my hope that this time his efforts will be successful.

I also believe it is imperative that President Bush and Secretary Baker make Cyprus a higher priority for the administration as part of the ongoing effort to resolve the stalemate.

In addition, I was encouraged by Prime Minister Mitsotakis' commitment to a peaceful resolution of the conflict. During our recent meeting, he spoke of his desire to improve relations with Turkey. But he is concerned, as many of us are, that despite the good faith efforts of the Secretary General and President Vassiliou, the situation remains unresolved.

It is my hope that the Turkish Government will use this opportunity to improve relations with Greece and help resolve this conflict, so that the people of Cyprus can begin a healing process that will permit future generations on Cyprus to live in peace and prosperity.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,921st day that Terry Anderson has been held in captivity in Beirut.

AN ECONO-POLITICAL SATIRE AFTER THE STYLE OF WILLIAM SHAKESPEARE

Mr. BYRD. Mr. President, parody and satire are among the cleverest and most challenging forms of humor.

For this week's issue of Business Week, however, Alan S. Blinder, the Gordon S. Rentschler Memorial Professor of Economics at Princeton University, has composed a satirical parody that combines elements of classical Shakespearean forms with contemporary issues in an unusually brilliant, insightful, and amusing fashion.

I would like to share this piece from the June 18, 1990, issue of Business Week with our colleagues. Therefore, I ask unanimous consent that it be printed in the RECORD.

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

[From Business Week, June 18, 1990]

O! THAT THIS TOO, TOO SOLID DEFICIT
WOULD MELT!

(By Alan S. Blinder)

A few nights ago, George Bush was heard wandering through the White House in the wee hours, brooding.

To tax or not to tax—that is the question.
Whether 'tis nobler in the mind to suffer
The slings and arrows of outrageous political misfortune

Or to face up to a sea of deficits,
And by taxation end them.

To tax, to spend no more,
And by a rosy scenario to say we end
The structural deficit and the thousand natural shocks

The budget is heir to. 'Tis a consummation
Devoutly to be wished.

To tax, to spend, the peace dividend
Perchance to dream.

Aye, there's the rub.
For in that dream of peace what budget surpluses may come

When we have whittled down the Pentagon's coin

Must give us pause. There's the hope
That may avert calamity in my term.

For who would bear the whips and scorns of
dying S&Ls,

The infrastructure's crumble,
The Democrats' obscene gloating,

The pangs of high interest rates,
The insolence of reporters,

And the insults that such a man of merit
must endure

When he himself might his exit take with a
fair Boskin?

Who would bear such burdens, To grunt
and sweat before Congress,

But that the dread of raising taxes in an
election year,

That electoral abyss from which no politician
returns,

Paralyzes the will,

And makes us rather bear the deficits we
have

Than fly to perils we know not of?

Pollsters do make cowards of us all.

Thus the vision thing is sicklied o'er with
the pale cast of doubt.

And events of great pitch and moment Pass
us by in East Europe and at home As
we brood upon this thought

And lose the capacity to act.

Soft you now! The fair Darman! Keeper of the budget.
Reader of the lips.

DARMAN. My lord, I have a T-word for you that Congress has long longed to deliver. I pray you now receive it.

BUSH. No. I never gave you license.

DARMAN. My honored lord, you know right well you did. And when thou disavowed sweet Sununu's words, it egged those evil legislators on.

BUSH. Ha! Are you honest? Are you fair?

DARMAN. What means your lordship?

BUSH. That if you be honest and fair, your honesty would not be so questioned in the Congress.

DARMAN. Would my revenue projections have won your heart were they more modest? Would my interest-rate assumptions have brought you cheer were they less bold?

BUSH. Not likely, good Darman. Alas, we stayed the clock, but now time gives our budget disproof. You read my lips.

DARMAN. Indeed, my lord, you made me.

BUSH. You should not have believed me, for virtuous hope cannot innoculate a budget from outrageous reality. I do not scorn the T-word now.

DARMAN. I was the more deceived.

BUSH. Get thee to Capitol Hill. Bring me back great Gramm, righteous Rudman, and hardy Hollings. I am myself an honest man, but my budget is accused of such things that dear Dole and duped Dukakis didst suffer at the polls. I am proud, revengeful, and with more budget schemes at my beck than I have accounting gimmicks to give them shape. The people know we are errant knaves all. They believe none of us. So go thy way to the Hill and bring to trio here. We'll have Gramm-Rudman III before the dawn.

(Darman returns an hour later with Gramm, Rudman, and Hollings.)

GRH. Double, double, toil and trouble, Fire burn, and cauldron bubble. Eye of Newt and toe of foal, Wing of Quayle and tongue of Dole. Silvered in the moon's eclipse, Right-wing Turks and well-read lips.

BUSH (startled). Who goes there?

DARMAN. 'Tis the trio, sir, from the Hill.

BUSH. Good men all. Twice before your magic pens have the budget crisis staved, with lofty aims and loopholes well hid. Wilt thou cook up one more brew to get me through 1992?

GRAMM AND RUDMAN. Aye!

HOLLINGS. Nay!

BUSH. Partisan fiend! Return this last to the Hill, there to slave 'til Democrats this White House regain—if 'ere they do! I'll repair with great Gramm and righteous Rudman and labor 'til morrow. At dawn's first light, we'll see who has the upper hand.

THE CONFLICT IN KASHMIR

Mr. WILSON. Mr. President, recent tensions in the State of Jammu and Kashmir have once again brought India and Pakistan to the threshold of war. Riots have broken out, curfews have been imposed, and death tolls continue to mount on both sides. While the leaders of India and Pakistan have both indicated a desire to end the violence, peace in this region seems ever more remote.

The tiny State of Jammu and Kashmir, bounded on the west by Afghani-

stan and Pakistan, and on the east by China, remains the seat of a conflict regional in its dimensions but potentially international in scope. Since 1947, disputes over Jammu and Kashmir have already caused two wars between India and Pakistan. But another Indo-Pakistani battle could escalate into a world tragedy because both countries now possess lethal technological weapons.

It is highly unfortunate that this issue has rekindled animosities between two democratically elected governments in the strategic southern cone of Asia.

Continued violence and stalemate in Jammu and Kashmir can only undermine the stability of each nation—one trying to solve its own internal ethnic disputes, and the other struggling to move out from under the shadow of dictatorship.

Although recent history would discourage us from hoping for a peaceful resolution of the Jammu and Kashmir problem, the United States cannot afford to sacrifice hope or consign the innocent civilians of this region to a fate of protracted war.

Our diplomats must seize upon the glimmers of hope that have emerged and try to transform them into enduring commitments between India and Pakistan.

Both sides have already stated that they do not want war if they can avoid it.

Both sides have already proposed democratic solutions for Jammu and Kashmir that while different in form, are similar in principle.

Both sides have already denounced extremists who would murder their way into power.

And most importantly, Mr. President, both sides have compelling interests in achieving a settlement of this crisis without taking up arms against each other.

America, in this case, must become the radical defender and ambassador of peace. We cannot impose specific solutions from afar or mettle in affairs that only the Indians, Pakistanis, and Kashmiris themselves can ultimately settle. Yet America's moral and political responsibilities compel our Nation—which has assisted in restoring stability and prosperity to tormented regions all over the world—to do nothing less for the people of Jammu and Kashmir.

The PRESIDING OFFICER. The Chair reminds the Senate that under the previous order the Senate was due to recess.

EXTENSION OF MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the period for morning business be extended so that Senator DeCONCINI

may address the Senate for 3 minutes. And does the Senator from Oklahoma wish to address the Senate?

Mr. NICKLES. Yes.

Mr. MITCHELL. And that Senator NICKLES address the Senate for 5 minutes, and that following the completion of their remarks, the Senate stand in recess.

Mr. DeCONCINI addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DeCONCINI. I thank the Chair.

(The remarks of Mr. DeCONCINI pertaining to the submission of Senate Concurrent Resolution 139 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

THE FLAG AMENDMENT

Mr. NICKLES. Mr. President, I wish to respond to the majority leader. He made a forceful and thoughtful statement in opposition to Senator DOLE's constitutional amendment dealing with protecting the flag. I want to respond in just a couple of short minutes.

One, I do think I hear strong opposition to Senator DOLE's amendment, both by Senator CRANSTON of California, and the majority leader, Senator MITCHELL, but I have a real feeling that the problem deals not so much with the constitutional amendment; the problem deals with the Supreme Court ruling. I think that was a mistake. By a 5-to-4 decision, the Supreme Court threw out over 200 years of tradition and history that we have in this country. By a 5-4 decision, the Supreme Court totally ignored the 10th amendment to the Constitution, in my opinion, which is part of the sacred Bill of Rights.

As a matter of fact, in my opinion, I think the 10th amendment is probably the most ignored amendment to the Constitution. Certainly, the first amendment is very important: freedom of religion, freedom of the press, freedom of assembly, freedom of speech. For 200 years, our forefathers did not interpret that amendment to protect a person and say, well, yes, you have the freedom to burn the flag, the freedom to grab spray paint and paint the walls on the national monuments or on the Nation's Capitol. There are some restrictions. I do not see those actions as being speech.

I do not think our forefathers would envision the first amendment being interpreted so broadly as to protect such actions.

Finally, I call the attention of my colleagues to the 10th amendment. It says the powers not delegated to the

United States by the Constitution, nor prohibited by the States are reserved to the States respectively, or to the people, to the people, to the States and to the people. Forty-eight States have laws restricting burning or desecrating the flag, which the Supreme Court ignored. They had thrown that out. The Supreme Court by a 5 to 4 decision made a mistake. That needs to be overturned.

I also tell my colleagues that it is my preference that the Supreme Court would change their mind. They overruled the State statutes prohibiting desecration of the flag. So we passed a national law, and they overruled that as well, by the same 5 to 4 decision.

So what is our recourse? Our only recourse now is a constitutional amendment. My preference would be that the Supreme Court would reverse itself. That would probably only happen when we have the change in the makeup or membership of the Supreme Court, I hope that happens. I hope that we can have a more realistic Supreme Court that will read not only the first amendment, but also read the 10th amendment and read the other rights: "All other rights and powers not delegated by the Constitution to the Federal Government are reserved to the States and to the people," and that certainly includes protecting our national flag. Let us allow the States to make these kinds of decisions.

They have done it well. Was the national liberty in jeopardy for 200 years when the States were protecting the flag? I think not. I think five members of the Supreme Court made a serious mistake. I think we need to address that mistake. The only recourse for the time being is to change the Constitution and pass a constitutional amendment. My ultimate hope is that we change the makeup and membership of the Supreme Court which will happen and they will reverse this ruling.

Mr. President, I yield the floor.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:49 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANFORD].

The PRESIDING OFFICER. As a Senator from the State of North Carolina, I suggest the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. INOUE. Mr. President, what is the pending business?

AMENDMENT NO. 2025

The PRESIDING OFFICER. The pending business is amendment No. 2025 by Mr. CRANSTON for Mr. INOUE to the National Affordable Housing Act.

Mr. INOUE. Mr. President, I am pleased to advise my colleagues that this matter has been cleared by both managers and it is scheduled to become part of the management technical amendments package. Accordingly, I ask for its immediate consideration.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2025) was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2026

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 2026.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

"In determining the Performance Funding System utility subsidy for public housing agencies, the Secretary shall include a cooling degree day adjustment factor. The method by which a cooling degree day adjustment factor is included shall be identical to the method by which the heating degree day adjustment factor is included."

Mr. GRAHAM. Mr. President, one of the provisions in the current public housing authority responsibility of the Department of HUD is to provide those PHA's with an annual operating subsidy. This is intended to be the difference between what the authority

collects in terms of rents and the cost of operating the property.

Part of the formula for calculating that differential relates to utility costs. For some time, the formula utilized by the Department has recognized the unusual occurrences of severe winter days, freeze conditions, by authorizing a heating degree adjustment factor which essentially allows for an adjustment for the additional costs which a public housing authority would undertake because of unusually severe winter type conditions. There is, however, no commensurate recognition of the severity that may occur during the times of drought and extreme heat which we have had in the last few years.

We have all seen scenes of these persons, particularly elderly persons and the very young, who have been dramatically adversely affected as a result of that. That also has an adverse effect in terms of the economics of operating many of the public housing authority properties.

So the amendment that I have submitted would direct HUD to develop an appropriate cooling degree day adjustment factor in the same way that we currently have a heating degree day adjustment factor. It would recognize a legitimate cost which is borne by public housing authorities in virtually every area of the country which has been subject to the severe heat of recent years. I believe it would bring both economic rationality and fairness in terms of the Federal Government meeting its obligation on an equal basis to public housing authorities in America.

I urge the favorable consideration of the amendment.

Mr. D'AMATO. Mr. President, will the Senator yield for a question?

Mr. GRAHAM. Yes.

Mr. D'AMATO. My inclination is to accept the amendment. I am going to ask if my distinguished colleague would not give us an opportunity to check what the cost impact would be. But possibly he could answer that. Does the Senator have any idea of what the implication in terms of costs would be?

Mr. GRAHAM. The answer is "No." The reason for that is because this is essentially a grant of authority directive to the Secretary to develop a formula for the definition and the application of the cooling days adjustment. And so you would have to know what the Secretary's construct was before you could then calculate what its economic impact would be. If you did as I believe was done when the heating factor was introduced, and that is if you did not increase the total amount of funds, it would be a matter of redistributing within an existing formula that attempts to assess costs to public housing authorities for their utility

bills across on a national basis. It would add another factor in to the formula through which the funds were allocated and distributed.

But I cannot answer the question. I think it is obviously a legitimate but unanswerable question until the Secretary devises his particular means of implementing the directive.

Mr. D'AMATO. If the amendment were to be passed, would the Secretary be required to then, after he conducts his analysis to implement this cooling days program, would that be mandated?

Mr. GRAHAM. The amendment would require, determining the performance funding system, which is the system under which the operating subsidies are paid, the Secretary shall include a cooling degree day adjustment factor; and that that factor shall be identical to the method by which the heating degree day adjustment factor is currently included. That is in essence what the amendment says.

Mr. D'AMATO. It would seem to me, given the fact that we do this as it relates to heating, certainly as it relates to the additional cost, the burden that obviously does occur, that we are really talking about a reallocation of funds within the system without there being additional funds.

I would ask the Senator if he would not, before we move on to his other amendment, lay this aside. I do not think that I am going to object—and I possibly could accept it—but I would like to have an opportunity to check with the administration to see if they do have any objection to it.

Mr. CRANSTON. Mr. President, I will just add that the amendment is acceptable from my point of view. If it can be worked out to the satisfaction of Senator D'AMATO, then we accept it.

Mr. GRAHAM. Mr. President, I ask unanimous consent to lay this amendment aside pending the consideration of the next amendment.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. WALLOP. Mr. President, I ask unanimous consent that the pending business, which I believe to be the amendment of the Senator from Florida, be set aside.

The PRESIDING OFFICER. That amendment has been laid aside.

AMENDMENT NO. 2027

(Purpose: To modernize United States circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution)

Mr. WALLOP. 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 Wyoming [Mr. WALLOP] proposes an amendment numbered 2027.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end, add the following:

SECTION 1. DENOMINATIONS, SPECIFICATIONS, AND DESIGN OF COINS.

Subsection (d)(1) of section 5112 of title 31, United States Code, is amended by striking the fourth sentence.

SEC. 2. DESIGN CHANGES REQUIRED FOR CERTAIN COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) The design on the reverse side of the half dollar, quarter dollar, dime coin, 5-cent coin and one-cent coin shall be selected for redesigning. One or more coins may be selected for redesign at the same time, but the first redesigned coin shall have a design commemorating the two hundredth anniversary of the United States Constitution for a period of 2 years after issuance. After than 2-year period, the bicentennial coin shall have its design changed in accordance with the provisions of this subsection. Such selection, and the minting and issuance of the first selected coin shall be made not later than 1 year after the date of the enactment of this paragraph. All such redesigned coins shall conform with the inscription requirements set forth in paragraph (1) of this subsection."

SEC. 3. DESIGN ON OBERVERSE SIDE OF COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) Subject to paragraph (2), the design on the obverse side of the half dollar, quarter dollar, dime coin, 5-cent coin, and one-cent coin shall contain the likenesses of those currently displayed and shall be considered for redesign. All such coin obverse redesigns shall conform with the inscription requirements set forth in paragraph (1) of this subsection."

SEC. 4. SELECTION OF DESIGNS.

The design changes for each coin authorized by the amendments made by this Act shall take place at the discretion of the Secretary and shall be done at the rate of one or more coins per year, to be phased in over 6 years after the date of the enactment of this Act. In selecting new designs, the Secretary shall consider, among other factors, thematic representations of the following constitutional concepts: freedom of speech and assembly; freedom of the press; right to due process of law; right to a trial by jury; right to equal protection under the law; right to vote; themes from the Bill of Rights; and separation of powers, including the independence of the judiciary. The designs shall be selected by the Secretary

upon consultation with the United States Commission on Fine Arts.

SEC. 5. REDUCTION OF THE NATIONAL DEBT.

Subsection (a)(1) of section 5132 of title 31, United States Code, is amended by inserting after the third sentence the following: "Any profits received from the sale of uncirculated and proof sets of coins shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt."

Mr. WALLOP. Mr. President, to my knowledge, both the distinguished chairman of the committee and the ranking member have agreed to this amendment. It is essentially the same language as a bill which has twice previously passed the Senate in this session. The bill is S. 428, which would redesign U.S. circulating coins to include on the reverse side the theme of the bicentennial of the Constitution. Sixty-seven Senators have cosponsored the bill; 278 Members of the House of Representatives have joined as sponsors.

The bill has been held up in the committee in the House for reasons which today remain unclear. It has been delayed despite the high public approval and proven economic benefit of the bill. Analysis indicated the coin's design would yield a net profit to the U.S. Government of as much as \$1 billion, moneys which can be used to reduce the national debt.

It is a common practice among nations to redesign their coins. The United States has changed coin designs 33 times before in our Nation's history. However, we have not redesigned our coins for a quarter of a century. The theme of the redesign is important: the Constitution. I urge the managers of the housing bill to accept the amendment.

Mr. CRANSTON. Mr. President, since this measure has passed the Senate unanimously five times and since it will bring in revenues swiftly that are so desperately needed, this side is perfectly willing and delighted to accept the amendment.

Mr. D'AMATO. Mr. President, I certainly have no objection, and I concur with the observations of my distinguished colleague from California.

The PRESIDING OFFICER. Is there further debate?

Mr. WALLOP. Mr. President, I just add that the distinguished Senator from California has been, numerous times, either the sponsor or cosponsor of this. We have worked on it together for a long time. Both of us would like to see this money come to the taxpayers at no expense to the Government.

Mr. CRANSTON. I thank the Senator from Wyoming for his leadership in this issue and for his recognition of my efforts in this same direction.

Mr. WALLOP. I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2027) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. WALLOP. Is the Senator from Florida prepared to retake the floor?

Mr. GRAHAM. Momentarily.

Mr. WALLOP. I yield the floor.

Mr. GRAHAM. Mr. President, in a moment I will be submitting another amendment, but before doing so, I have an explanation. During the committee consideration of this legislation, an amendment was offered which now appears on page 481, beginning at line 14, of the printed text, which relates to expedited financing construction. Essentially, the amendment would allow the Secretary to provide for adjustments in waivers for certain cost limitations relative to section 202 housing. This is housing for the elderly.

I was concerned about this amendment when it was offered in committee because of its potential effect for other 202 housing projects; that is, if we authorized costs that were above the norm for some projects and if the pool of funds available for section 202 was limited, the consequence would be that other projects that were being constructed within the standards would be adversely affected.

There have been some discussions over the last few days among various interested parties.

AMENDMENT NO. 2028

Mr. GRAHAM. I send an amendment to the desk, which I hope will resolve this issue, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is laid aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 2028.

On page 481, line 15, strike "shall" and insert the following: "may, subject to the availability of appropriations for contract amendments for the purposes of this subsection."

Mr. GRAHAM. Mr. President, what this amendment intends to do is to recognize the validity that the Secretary should have some increased discretion relative to high-cost projects, but that those projects should be funded through appropriations specifically for contract amendments. This has been, apparently, the traditional way in which such extensions beyond the standard cost limits were authorized and funded; that is, specific authority to the Secretary for a waiver

with the funding to come through a special account denominated "Contract Amendments" for the purpose of funding those costs which went beyond normal cost standards.

Mr. President, I urge the adoption of this amendment.

Mr. D'AMATO. Mr. President, the Senator from New York has discussed this with other colleagues submitting legislation that would block grant the 202 Program. The 202 Program is a program that constructs housing for the elderly and the handicapped. It is a program that in most areas is in great demand and in great need. It is a program that in high-cost areas has developed a huge backlog. I do not have the figures in front of me now, but it is well over 20,000 units in the pipeline.

By the way, the program has steadily eroded to 12,000 to 10,000 to 7,500, and this year they propose 3,800 units for the entire Nation for our senior citizens, whom we venerate, whom we talk about, whom we say we want to help. This is a program that communities fight for. They want it. Twenty-plus thousand units held up in the pipeline. That is enough for 3, 4, 5 years, and, under the present budget, for 7 years.

Oh, we announce the grants. We have ribbon-cutting ceremonies, great fanfare, and nothing happens. Nothing happens. The community-based organization, whether it be Catholic charities, whether it be the Federation of Jewish philanthropies, et cetera, then runs into an incredible backlog. What happens? They say you cannot develop a community room. So you build 100 units, and there is no community room. People cannot come together.

We are talking about basic necessities for it so people are going to have some amenities, not just be stacked away. This is how this pipeline has clogged. If it were a human being they would be dead, their arteries would have atrophied, finished, over. Yet, we keep making these releases. Oh, we are building housing in New York, in Florida, in Pennsylvania, Illinois. When we check these areas, we will find many of them have not gotten but a small percentage of the grants that were actually awarded and announced.

Congressmen sent out the releases, "Housing coming to this area," "that area." Senators sent out the press releases. And you find out 6 years later, 7 years later the project has not been started.

Now, what we attempted to do was to give to the Secretary of Housing an opportunity to cut through some of the so-called redtape, to see to it that the housing would be constructed. That was the purpose of the amendment.

Of course, the same people who said let us block grant it so those local communities that want it, they can build the housing and, if they want to enrich it with other moneys from community development, from the HOPE Program or from the HOP Program, why they can do this, oh, no. I can tell you what. They went out and ginned up and they called up all the special interest groups to call up and say Senator D'AMATO is going to stop the 202 Program. Let us have it out on the floor. I am not stopping the 202 Program. The program is dead now. The artery has clogged. Only a small fraction gets through. If that is the way you want it, let us let the people know.

By the same token I am told, well, Senator, if you make this a block grant program, then they are going to slowly diminish the block grant program because they always do that, and there will be no housing for senior citizens.

I am asking my colleagues today, where is your voice in opposition to reducing the program which is a miserly one now, that has about 7,500 units for the entire Nation, 8,000, and they are cutting it to 3,700. I have not heard anybody say anything.

One the one hand, you say do not block grant it because the administration will kill that program. On the other hand, right in front of us, they are reducing it by more than 50 percent. And it does not even work. The artery is plugged, totally plugged. Incredible.

I am not going to oppose this amendment. I just want it to be said that when you say, on the one hand, that we are going to fix the artery, we are going to unplug it, we are going to push those housing units out, we want to help our senior citizens, that is not what has been done. When you oppose block granting, it is so that we give to the local communities and villages the opportunity to use that without having to come here on bended knee to ask the bureaucrats to help them, without having to go in and get the special interest guys who go over there and who know somebody and get them to unplug it or use political influence. They, say, oh, no. No, because if you do that, then they are going to kill the program.

So you do not want block granting because somehow you say that is going to reduce the funding levels. The funding levels are being reduced dramatically anyway, and the pipeline is totally clogged, and you cannot even get the Roto Rooter guy in there to unplug it. I tell you, it does not make much sense, and I hate to tell you, as we proceed with this bill, that we are not really going to be doing the people's business if this is the way we are going to continue.

Now, I do not know the purpose of the amendment. It is not to cost other people more money. I do not know. I really do not know. I thought we were going to unplug this line.

I would like to ask my distinguished friend and colleague from Florida, how does this help unplug the line?

Mr. GRAHAM. I have some good news. The good news is in a memo I received this morning from representatives of the Housing and Urban Development. I will just read a paragraph of the memo which they gave me on this amendment.

They say:

However, the bulk of the pipeline to which the D'Amato amendment would be applicable, while in high cost areas, have sufficiently high fair market rents to enable the projects to proceed. Therefore, increasing the fair market rents is not needed.

And they go on the make the point that the Department's opinion is that it has made good progress in terms of unplugging the pipeline, and that at this juncture they do not see the requirement to raise the fair market rents as a significant prescription to the malady as it currently exists. Therefore, the suggestion that where there is a specific case in which the necessity for increasing either limitations of cost on construction or the limitations on the fair market rent, that they should be handled as a discrete matter including a specific contract amendment appropriation to fund that differential.

I might say, to give the Senator further solace on this day, the Department's memo states:

Recently, due to cost problems in the New York City area, the Department issued instructions to the field offices which indicated that headquarters would permit increases up to 260 percent of the norm. Indications are from the field office that this should be sufficient to resolve cost problems on cases currently in the pipeline.

Mr. D'AMATO. I am prepared to accept the Senator's amendment, but I think it is worthy of note as it relates to what has taken place with this program, and I would hope we are not looking to take moneys from other areas but we are looking to see to the program which has a miniscule amount of housing in comparison to the demonstrated need—not only the need but in terms of the communities that are ready and willing to accept it and to build it. It is probably the finest program that continues to deteriorate as it relates to two matters.

No. 1, the manner in which it is administered and the fact that the administration, year after year, has cut back on the number of units. Again, I do not mean to be repetitious, but it seems to me that those who argue against the community development block grant formulas which could give great flexibility to the local communities argue on very weak ground, on the ground that to do so would eventually

lead to the program's elimination, when the program is being melted down in front of our eyes. It is being eliminated in front of us.

So I will accept the amendment of the Senator. I do not hold out much hope for the high cost areas, to be quite candid, but if this language will make the Senator feel better as it relates to a certain area, I will accept it.

Mr. CRANSTON. Mr. President, I support the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2078) was agreed to.

Mr. GRAHAM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2026

Mr. GRAHAM. Mr. President, I believe that under the previous order, we now revert to the amendment that I previously offered and was laid aside.

The PRESIDING OFFICER. That is correct. The question is on agreeing to amendment No. 2026. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Housing Authority of the city of St. Petersburg, signed by Mr. Edward White, Jr., executive director.

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

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

THE HOUSING AUTHORITY OF THE
CITY OF ST. PETERSBURG, FL.

April 19, 1990.

HON. BOB GRAHAM,
U.S. Senate, 241 Dirksen Senate Office
Building, Washington, DC.

DEAR SENATOR GRAHAM: Thank you for the time you spent with me and other members of the Florida Association of Housing and Redevelopment Officials last month in Washington. We all enjoyed meeting you and having the opportunity to share our concerns pertaining to PHA operating problems and pending housing legislation.

One of the matters about which you have expressed particular concern and had asked for more detailed information involved certain inequities in the method(s) HUD uses to adjust and to reconcile actual PHA utility consumption to projected utility consumption at the end of each PHA fiscal year.

The referenced HUD methods for year-end reconciliation strongly disfavor PHA's located in warmer climates. PHA's project future utility consumption during their annual budget process by using a three (3) year rolling base period of actual consumption. The amount of PFS utility subsidy is determined by factoring current utility rates into the projection of utility consumption.

However, real PHA utility consumption related to heat may deviate from the projection based upon annual variations in tem-

peratures (severity of winters). HUD annually provides a heating degree day based adjustment factor for PHA's to apply to allowable actual heat related utility consumption to avoid PHA windfalls when actual heat related consumption is less than the projected consumption level because of abnormally mild winters. Conversely, HUD will provide additional subsidy if actual heat related consumption was higher than had been forecast because of an abnormally cold winter.

A significant inequity can occur when a PHA heats and cools with the same utility. This is especially so when the year-end adjustment is negative to reflect a mild winter but the PHA also had experienced unusually high consumption of the same utility related to cooling because of a severely hot summer.

The HUD utility reconciliation method does not recognize the dual use of a single utility for both cooling and heating and has no process to adjust for cooling degree days.

In response to a previous congressional inquiry about the referenced inequity, HUD reasoned that use of a cooling degree day adjustment factor would involve significant technical problems which are not as extensive as those encountered for heating degree day adjustment factors. According to HUD, the problem of isolating cooling costs is inherently complex because most PHA-owned air conditioning systems use electricity which is not generally separately metered and includes household lighting and cooling, and possibly other electrically powered uses.

HUD's reasoning is specious at best. Any electrically heated building also uses electricity for household lights, cooking and sometimes for hot water production. Similarly, natural gas is often used for heating and for hot water production.

HUD requires PHA's to apply the heating degree day adjustment factor whether the utility involved is used just for heat or not. Obviously, the fact that PHA units which are air conditioned by a utility which is also used for household lighting should present no greater problem in a cooling degree adjustment factor than is presently the case of the heating degree day factor.

Moreover, the Housing Authority of the City of St. Petersburg has prepared a method to estimate use of electricity for cooling purposes based upon a comparison of heating and cooling degree days which equitably approximates the relative use of the utility for heating and cooling. The data used for these calculations was obtained from the National Weather Service, the same source used by HUD to obtain heating degree day data.

Unlike most areas of the country, Sunbelt PHA's, particularly in Florida and south Texas, use electricity more to power cooling systems than to heat. It is grossly unfair to adjust allowable consumption downwards in a Sunbelt PHA because of a mild winter when in fact the affected utility was used primarily for cooling and was thus unaffected by the mild winter.

In the above referenced HUD response, it was claimed that there is no data available to measure the extent to which a cooling degree day adjustment factor is needed to ensure reasonable equity.

In fact, the St. Petersburg PHA provided data which graphically demonstrated that the present utility reconciliation method which does not take into account cooling degree days unfairly penalized St. Petersburg in the amount of \$46,000 in our fiscal

year-end March 31, 1989, quite a substantial loss for an authority of our size.

The HUD response further states that PHA's in warmer climates have only a limited proportion of their units equipped with air conditioning equipment. Thus, the absence of a cooling degree day adjustment would be offset by the small proportion of units affected.

HUD's claim is wholly erroneous. The percent of St. Petersburg PHA-owned low rent public housing units which is air conditioned is 32% of the total. The percent of PHA-owned low rent public housing units which are air conditioned is actually considerably higher when you factor out the number of units where utilities are purchased by the residents, and thus not affected by the year-end adjustment factor. Of the units where the PHA purchase utilities, the percent air conditioned is 65%.

Both the data base and the methodology to devise a cooling degree day adjustment factor in order to provide equity to Sunbelt-based PHA's is available. HUD should either immediately promulgate rules for a cooling degree day adjustment or waive the year-end utility reconciliation for PHA's who use the same utility for heating and cooling.

I have drafted a suggested form letter for you to use to enlist the support of other members of the Sunbelt Caucus.

Sincerely,

EDWARD WHITE, JR.

The PRESIDING OFFICER. Is there further debate on the amendment 2026.

Mr. D'AMATO. Again, I am going to ask my distinguished colleague if he would not withhold, because I do want to have an opportunity to check with the administration. I am willing to accept it, but I would like to ascertain if they have any serious, strenuous objection. If they do, depending upon who raises it, then I might even go along with the Senator on it. Did the Senator get that?

Mr. GRAHAM. The Senator heard those encouraging remarks.

Mr. D'AMATO. It seems to me, if we can, it makes sense that air-conditioning today should be considered as a cost element. I am ready to accept it, but I just do not want them to indicate they did not have an opportunity to seriously object. But, barring any serious objection, I am ready to accept it.

Mr. GRAHAM. I would like to underscore this is not just an air-conditioning amendment, although that is one factor during a severe heat period. It also relates to the fact people use other utilities, refrigerators, lights.

There is an additional whole array of items that function with the type of severe heat that this Nation has been experiencing in recent summers. It ought to be recognized.

Mr. D'AMATO. Mr. President, I agree with the Senator. Personally, my own preference would be to be supportive. I do not anticipate any difficulty in disposing of it in a very few minutes.

Mr. GRAHAM. I have no objection to laying this aside subject to the consideration of the next amendment.

The PRESIDING OFFICER. Without objection, the amendment is laid aside.

ORDER OF PROCEDURE

Mr. CRANSTON. Mr. President, I would like the attention of the Senator from New York. I am about to propound a unanimous-consent agreement just so Senators know what is happening to expedite business.

I ask unanimous consent that we proceed in the following order for the next few rounds on this bill. First, an amendment by the Senator from Connecticut, Senator LIEBERMAN; then Senator ALAN DIXON will have an opportunity to speak to the bill briefly; then two amendments by the Presiding Officer at the moment, Senator SANFORD; and, then an amendment by Senator WIRTH; that we go in that order.

Before we reach the end of that line, I hope we can agree on further amendments which will include some Republican amendments which will later be offered.

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

Mr. LIEBERMAN. Mr. President, I rise to support the bill and to commend our colleagues in taking the leadership in bringing it before us.

America's housing shortage is a crisis that affects virtually every region of our country. Hundreds of thousands, perhaps even millions, of our fellow Americans neither own nor rent shelter. Many must use emergency shelter spending 13 months there on the average at tremendous cost to the American taxpayers. Others double or triple up with relatives or friends.

Those are the unseen homeless who put further stress on their already heavily burdened lives. Young families trying to get a fresh start in the world find that the American dream of home ownership is fast becoming a nightmare of astronomical housing costs and unachievable downpayments.

This National Affordable Housing Act which has been so ably crafted by my colleague from California, Senator CRANSTON, my colleague and neighbor from New York, Senator D'AMATO, and their colleagues on the Banking Committee helps turn the American dream into reality for millions of our fellow Americans. It is a worthy and reasonable bill that will help State and local governments respond to the housing crunch within their borders in a fast and cost effective way. It moves Government back into the business of helping to give Americans a roof over their heads.

Even advocates of a limited role for Government in the life of our Nation cannot fairly deny that providing shelter is a basic task of Government.

I am honored that the National Affordable Housing Act, this bill before us now, contains two concepts that

were included in legislation that I introduced last April.

One provision of the legislation of course makes security deposit grant programs eligible for Federal housing funds. This is a proposal that I based on a similar program that was pioneered in the State of Connecticut. The program in Connecticut recognizes that many people who live in emergency shelters, or who are doubled up with relatives and friends in inadequate housing, actually have jobs and can afford to make monthly payments.

What they cannot afford to do is to cope with the security deposit and the first month's rent that most landlords naturally require before they allow a tenant to move in. A security deposit grant program allows the Government to provide the landlord with that security deposit and first month's rent.

It helps the homeless make the leap from emergency shelters into rental housing. It is a cost-effective response to the problem of homelessness because the Government, if Connecticut's experience is a guide, will actually get back most of the money it invests in security deposits and first months' rent from the landlords after the tenants move on to other housing.

It also helps reduce the astronomical amount of money that taxpayers are offering into emergency housing programs. I know we have all heard horror stories about the Government paying a \$2,000 a month tab to a so-called welfare hotel operator per room.

For the cost of less than 1 month's rent in such an emergency shelter, the Government is going to get that back at the end of the lease. We can help many families move into their own apartments where they can pay the rent instead of the taxpayer paying it every month.

In the first 2 years of this programs' operation in Connecticut, I am pleased to report that more than 2,000 homeless families actually became renters, thanks to the security deposit grant program. By helping to channel funds to such programs around the Nation this bill will help many, many thousands more to make that big move into a place of their own.

The second feature of this legislation which I have been proud to work with the committee on is its focus on rehabilitation of existing buildings for housing. I can tell you, Mr. President, that in my own State of Connecticut, in cities like Bridgeport, New Haven, Hartford, there exists many dozens of buildings that are empty and in various stages of disrepair. Those buildings are a blight on their neighborhoods, they are eyesores, they are health hazards, they are breeding grounds for crime, and drug abuse.

But abandoned buildings also represent an opportunity. This bill recognizes that opportunity. It is an opportunity to provide housing for the homeless and those who live in inadequate shelters in apartments.

The National Affordable Housing Act requires the recipients of Federal housing funds to give priority to rehabilitation of existing buildings where feasible. I think by emphasizing the rehabilitation of buildings that already exist this bill will minimize the construction of massive new housing projects, projects that take a lot of time and money to build. Renovating existing structures is clearly quicker and cheaper, and it can provide the spark for the rehabilitation of whole neighborhoods.

Mr. President, I am proud to be a cosponsor of this legislation. I urge my colleagues to support it.

AMENDMENT NO. 2029

(Purpose: To create a consortium consisting of members from the public and private sector to develop and promote the use of new, cost-saving building technologies, and for other purposes)

Mr. LIEBERMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. LIEBERMAN] proposes an amendment numbered 2029.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new title:

TITLE —FEDERAL GOVERNMENT CO-OPERATIVE PROGRAM WITH THE ADVANCED BUILDING CONSORTIUM

SEC. . SHORT TITLE.

This title may be cited as the "Advanced Building Consortium Act".

SEC. . FINDINGS.

The Congress finds that—

(1) there is a growing shortage of affordable housing for newly formed households, low- and moderate-income families and the homeless;

(2) one significant reason for this critical shortage is the high cost of constructing new housing or renovating existing buildings;

(3) recent technological advances could be applied to the design, construction, maintenance and operations of buildings which could significantly reduce costs;

(4) the unique characteristics of the building industry, which is highly diversified and composed primarily of small businesses that are continually confronted with a wide variety of financial, technical and regulatory uncertainties, make it difficult for those responsible for the design, construction, installation, operation, maintenance and financing of buildings to assume additional uncertainties and risks which they associate with innovative building technologies;

(5) the Federal Government has a responsibility, as the owner and operator of the Nation's largest inventory of buildings in every geographical region, to seek reductions in the costs of constructing and operating buildings;

(6) the Federal Government has expended hundreds of millions dollars in support of research and development of technologies that could be applied to buildings, but the results of that research are not applied to the Federal Government's buildings because the current procurement system makes it difficult for new building technologies to compete successfully with conventional technologies;

(7) the building industry, which has historically accounted for a significant portion of the gross national product, is now confronted with increasing foreign competition that threatens domestic companies in important market sectors, with corresponding substantial losses in employment;

(8) current institutional constraints impose high costs and require as much as 20 years to obtain the necessary market acceptance of new building technologies and therefore inhibit the private sector of the economy from investing in such worthwhile endeavors;

(9) the development of a cooperative program between the Federal Government and a responsible entity representing leaders of the building industry who are concerned with improving the above described conditions and capable of providing expertise and leadership to provide for the introduction, use and evaluation of cost-saving technological innovations in new and existing buildings owned and operated by the Federal Government, could facilitate the introduction and the early use of such cost saving innovative building technologies by Federal, State and local public agencies and by the private sector of the economy;

(10) while a new cooperative program of the Federal Government and the building industry is needed to facilitate introduction of technological innovations, various private organizations and institutions, private industry, labor, and Federal and other governmental agencies and other entities are presently engaged in building research, technology development, testing and evaluations and information dissemination and these capabilities should be effectively utilized wherever possible and appropriate in the implementation of this Act; and

(11) an authoritative nongovernmental instrumentality needs to be created by the Federal Government to address the problems and issues described in this section, with the advice and assistance of the various sectors of the building community, including labor and management, technical experts in building science and technology and State and local governments.

SEC. . CONSORTIUM AUTHORIZATION.

(a) ESTABLISHMENT.—There is established, for the purposes described in section ., an appropriate nonprofit, nongovernmental instrument to be known as the Advanced Buildings Consortium (hereafter referred to as the "Consortium"), which shall not be an agency or establishment of the United States Government. The Consortium shall be subject to the provisions of this title and, to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act.

(b) DIRECTORS.—The Consortium shall have a Board of Directors (hereafter referred to as the "Board") consisting of not less than 15 nor more than 21 members who

shall be appointed by the Secretary of Housing and Urban Development, in consultation with cooperating Federal agencies, from among senior executives representing the various segments of the building community of the various regions of the country with extensive experience in building industries, including (1) representatives of the building industry, product manufacturers, and experts in health, fire and safety, and (2) members representative of the public interest highly experienced in building technologies, including architects, professional engineers and representatives of consumer organizations. No Federal official shall be a member of the Board. Members of the Board shall not participate in any deliberations of the Board affecting technologies or related matters where they hold a financial interest or membership in, or employment by, or receive other compensation from, any company, association, or other group associated with the manufacture, distribution, installation, or maintenance of the building products, equipment, systems, subsystems, or other construction materials and techniques associated with the building technology under consideration or with the conventional technology for which the new technology may be a substitute.

(c) NO STOCK.—The Consortium shall have no power to issue any shares of stock or to declare or pay any dividends. No part of the income or assets of the Consortium shall inure to the benefit of any director, officer, employee or other individual except as salary or reasonable compensation for services.

(d) POLITICAL CONTRIBUTIONS.—The Consortium shall not contribute to or otherwise support any political party or candidate for elective public office.

SEC. . CONSORTIUM FUNCTIONS AND RESPONSIBILITIES

(a) IN GENERAL.—The Consortium shall conduct research involving, and take actions to facilitate and promote the use of, new, cost-saving building technologies. In carrying out its activities, the Consortium shall—

(1) select and evaluate new building technologies, including energy cost savings technologies, that conform to recognized performance criteria and meet test standards for maintenance of life, safety, health, and public welfare when used in occupied buildings;

(2) conduct needed investigations in direct support of paragraph (1);

(3) conduct economic analyses of proposed new technologies when produced and installed in buildings at volumes associated with comparable conventional technologies;

(4) in collaboration with cooperating Federal agencies, advise building designers, installers, subcontractors, contractors and supervising officials responsible for buildings in the appropriate design and use of the innovative building technology incorporated in federally owned or operated buildings;

(5) in collaboration with cooperating Federal agencies, monitor and evaluate the performance of new building technologies for at least 1 year after installation and building occupancy; and

(6) assemble and disseminate technical data and other information directly related to activities described in paragraphs (1) through (5) of this subsection.

(b) DELEGATION AND MONITORING.—The Consortium, in exercising its functions and responsibilities described in subsection (a) of this section, shall—

(1) assign and delegate to the maximum extent possible, responsibility for conducting each of the activities described in subsection (a) to private organizations, institutions, agencies, and Federal and other governmental entities that have a demonstrated capacity to exercise or contribute to the exercise of such responsibility.

(2) monitor the performance achieved through assignment and delegation, and

(3) when deemed necessary, reassign and delegate such responsibility.

(c) **CONSISTENCY WITH OTHER LAW.**—The Consortium, in exercising its functions and responsibilities under subsections (a) and (b) of this section, shall—

(1) assure to the extent possible that its actions and recommendations are consistent with nationally recognized performance criteria, standards, and other technical provisions of Federal, State, and local building codes and regulations and conform with generally accepted community and environmental standards; and

(2) consult with the Department of Justice and other agencies of Government to the extent necessary to insure that the national interest is protected and promoted in the exercise of its functions and responsibilities.

SEC. . FEDERAL PARTICIPATION.

(a) **COOPERATIVE PROGRAM.**—The Secretary of Housing and Urban Development, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Energy, and the Administrator of General Services, and other departments, agencies and establishments of the Federal Government having responsibility for more than 1,000 buildings or for operating buildings at an annual cost of at least \$1,000,000 shall participate in a cooperative program with the Consortium to develop and implement programs to incorporate one or more of the recommended new technologies in a new or existing building within each department. The initial selection of the new technology and the specific building project in which the new technology will be incorporated shall be determined jointly by the cooperating Federal agency and the consortium within 1 year after the date of enactment of this Act. The technology selected shall be appropriate to the building selected, and its intended uses, and shall offer maximum opportunity to demonstrate cost savings.

(b) **REQUIRED ASSURANCES.**—Upon agreement between the Federal agency and the Consortium with respect to the selection of the appropriate technology and the schedule of necessary work, the Consortium shall—

(1) provide the Federal agency with a 5-year guarantee from the technology manufacturer that all necessary corrections to the technology will be made in the design, installation, and maintenance of the technology and that all malfunctions will be repaired without delay and that the technology manufacturer will be responsible for removal of the technology in the event of its failure to perform as required;

(2) provide the Federal agency and its officials responsible for constructing or renovating the buildings utilizing the new technology, as well as the designers, installers, subcontractors and contractors responsible for the design, construction or renovation of the buildings utilizing the new technology with the technical information necessary to assure the most appropriate use of the new technology;

(3) in collaboration with the Federal agency, monitor and evaluate the performance of the new technology; and

(4) prepare reports to be made available to public agencies at all levels of government, to the industry and to the public on the performance of the new technology.

(c) **PROCUREMENT WAIVER.**—Each Federal agency participating in this program is authorized to waive the applicability of procurement laws or regulations and deem the Consortium to be a sole source of the agreed-upon new technology for the selected building or facility. Competitive bidding for all other work in the selected building or facility shall conform with Federal building procurement regulations.

(d) **SET-ASIDE.**—Each Federal agency participating in this cooperative program shall set aside special funds in its annual appropriated building construction and renovation budget, in an amount not exceeding \$1,000,000 in any fiscal year to provide for the costs of testing, monitoring, and evaluating the new technologies employed in this program.

(e) **ANNUAL REPORT.**—Each participating Federal agency shall report annual to the Congress or its efforts to implement the purpose of this Act.

SEC. . AUTHORIZATION.

There are authorized to be appropriated to the Consortium an amount not to exceed \$500,000 for each of the first 2 years of the Consortium's operation. Such funds shall remain available to the Consortium until expended.

SEC. . ANNUAL REPORT.

The Consortium shall submit an annual report for the preceding year to the President for transmittal to the Congress within 60 days of its receipt. The report shall be a comprehensive and detailed report of the Consortium's operations, activities, financial condition, and accomplishments under this title and of the extent of the cooperation received from participating Federal agencies, and may include recommendations as the Consortium deems appropriate.

Mr. **LIEBERMAN.** Mr. President, this amendment would create a new public-private sector cooperative program called the Advanced Building Consortium which would be designed to facilitate the development and employment of new technologies in building construction.

The goal of this program would be to advance building techniques that will result in cheaper, safer, and more energy efficient structures. The fragmented nature of the building industry in America today inhibits construction innovations.

I have heard this from people who spend their lives and earn their livelihoods in the construction industry. It can take 15 to 20 years for a new building product or technology to gain general market acceptance long after it has been proven safe and reliable. That means the way in which we build homes and offices today has been woefully little changed from the way we built it in the sixties, despite the tremendous advances in science, engineering, computers, and other fields that can have some impact on the construction industry.

This Advanced Building Consortium which I am proposing would be composed of leaders in the construction industry, product manufacturers, contractors, engineers, and architects appointed by the Secretary of Housing and Urban Development. They would work to discover and renew building technologies.

The consortium would then recommend the most promising of these innovations to the Federal Government for use in Federal buildings and other structures built with Federal funds including military housing and housing for the homeless.

I think the American economy would benefit because new building technologies can be tested and brought to wide acceptance and usage through the construction industry with the aid of these Federal pilot projects. The American taxpayer would benefit because structures built with their tax dollars would be built in a more cost effective and energy efficient manner without the need for them to pay for the cost of developing such technologies.

Mr. President, last year I introduced a bill, S. 1479, which supports the search for new ways to lower building costs. Today I am offering this provision as an amendment to S. 566, the National Affordable Housing Act because by lowering construction and energy costs we make housing more affordable to the Federal Government and to individual consumers.

This amendment would create a Federal-private sector cooperative programs, the Advanced Building Consortium, which would facilitate the introduction and employment of new technologies in building construction. In a nutshell, the industry consortium would recommend new technologies to the Federal Government and then monitor the performance of these new cost and energy saving products in the laboratory of a Federal building.

The fragmented nature of the building industry has always been a great disincentive to innovation in construction. No single company accounts for more than 1 percent of new construction nationally. Construction companies are thinly capitalized and, therefore, unable to develop or finance new products. It often takes 10 to 20 years for a new building product to gain general market acceptance, even when a product is proven safe, reliable, and beneficial. The smoke detector waited 14 years before achieving a level of general acceptance.

Architects, builders, and engineers are reluctant to use new products because of high liability insurance costs and the prohibitive price of any new technology which is not yet in full production. Contractors are also reluctant to take on the risk of a new technology.

Due to this institutional aversion to change, building technologies have remained, for the most part, at the same level as immediately following the Second World War. Although energy costs have soared and the building sector now consumes 62 percent of the Nation's \$150 billion annual electric bill, construction technology has not been updated to keep energy costs down. Unless we encourage the new technologies in construction, greater energy efficiency and lower costs remain an impossibility.

This amendment would spur development of new building and housing technologies. The amendment enables the leaders of the construction industry—product manufacturers, contractors, engineers, and architects—who have the strongest interest in innovative products to form a consortium to develop new ideas. This independent consortium will recommend the most promising innovations to the Government for use in both existing and new buildings. If they are workable and cost saving, the new products in Federal buildings will provide the public and the construction industry with the information they need.

Using Federal buildings as a test ground sharply reduces the amount of development time necessary to bring new technologies to market. The Government, taxpayers and future home buyers will benefit from the development and testing of these new products. The Federal Government will be able to utilize new products without bearing the development costs. Federal buildings and housing will enjoy lower operating costs when the products prove successful, and consumers will benefit from having the new cost effective technologies on the market.

The Federal Government is no stranger to research and development projects for building technology. It has spent tens of millions without industry assistance in research without practical application. Sadly, the fruits of these tests, papers, reports have resulted in only a modest level of innovation. The people who would use the innovations want actual results not a paper report produced in a laboratory. The advanced building consortium would ensure that new technologies are used in actual construction and then reviewed for widespread use with industry's cooperation. The result would be a proven product rather than a report.

If the advanced building consortium is implemented, new cost-saving and energy efficient technologies can be introduced into Government buildings. Within a short period of time, the successful results of these pilot programs will be disseminated to all other areas of the building and construction industry. Use of the technologies in private construction would have the stamp of approval of experience in Federal

buildings. I believe this amendment is an important component in legislation designed to make housing more affordable.

Mr. President, I understand that both Senator CRANSTON and Senator D'AMATO have had an opportunity to review this amendment. I have reason to believe that they are both prepared to accept it. I certainly encourage them to do so, and thank them for the interest and cooperation.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, Senator LIEBERMAN has been very active in the development of the housing bill which is now before us in the Senate. I commend him for his efforts. I commend him for the insights he has offered on homelessness, low-income housing preservation, and housing affordability.

The amendment was part of a bill, S. 1479, which he introduced several months ago. Connecticut, like my State of California, has seen home prices escalate out of the reach of many low- and moderate-income families, especially young families just starting out.

This amendment would create an independent consortium to facilitate the development and adoption of energy-efficiency and cost-saving housing technologies. I support the amendment offered by my colleague from Connecticut.

Mr. D'AMATO. Mr. President, I support the amendment offered by Senator LIEBERMAN from Connecticut. I commend him. It makes sense, and it is sound. If we can build and bring these kinds of consortium to fruition, it is going to make our housing dollars for those who need housing go much further. We accept the amendment. I commend the Senator from Connecticut for his thoughtfulness.

The PRESIDING OFFICER. Is there further debate?

Mr. LIEBERMAN. I thank the Senators for their support, and I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 2029) was agreed to.

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

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized.

Mr. DIXON. Mr. President, as an original cosponsor of S. 566, the National Affordable Housing Act, I rise

today to urge my colleagues in the Senate to support this bill.

First, Mr. President, may I commend the chairman of the Housing Subcommittee, the distinguished senior Senator from California, Senator CRANSTON, and the ranking minority member, my friend from New York State, Senator D'AMATO, for their outstanding leadership in producing a significant housing bill.

This has been a 3-year bipartisan effort which reflects our adoption of proposals and suggestions from the private and public sectors, including State and local officials, assisted housing residents and advocates, and many other individuals, groups and organizations that have an interest in housing programs.

From time to time, I have addressed this body on the critical housing needs of this country. However, I continue to be concerned about the miserable failure of our assisted housing programs, and the adverse impact it has on low- and moderate-income individuals and families.

Since 1981, federally assisted housing programs have been slashed by more than 80 percent. As a result, today, many areas of the country are experiencing an acute shortage of available and affordable decent housing.

The number of low-income families seeking affordable housing currently outstrips the supply available to them. Many low-income families have been forced into housing well beyond their means.

Mr. President, we can not afford to turn our backs on these less fortunate individuals and families. I am committed to the goals of providing affordable housing, homeownership, jobs, and opportunities for all Americans. These are major components of the American dream.

Among other provisions, S. 566 establishes a permanent solution to the housing prepayment problem, with emphasis on preserving the low-income character of housing units. As you know, prior to enactment of the 1987 housing authorization bill, HUD's 221(d)(3) and 236 programs allowed owners of federally insured low- and moderate-income housing units to prepay their 40-year mortgage loans after 20 years. Experts estimate that because of this dilemma, within the next 15 years, nearly 250,000 multi-family units could be lost.

However, S. 566 removes the temporary extension in the 1987 law and establishes a standard value for the property. Additionally, S. 566 provides options to property owners so that they may extend the low-income use of their housing units, transfer the housing to existing residents or other qualified purchasers, or prepay and

convert the housing to market rentals or condominiums.

I wish to also highlight the provision in the bill which extends FHA-insured mortgages for 2 years at \$124,875. As we continue to negotiate with HUD on reforming FHA to actuarial soundness, I hope that a compromise can be reached on which we can all agree.

Under the administration's initiative, Homeownership and Opportunity for People Everywhere [HOPE] Grant Program, S. 566 permits low-income families to become owners of properties held by Federal, State, and local agencies. Additionally, S. 566 provides grants to help residents in FHA distressed and foreclosed multifamily buildings to purchase and maintain their properties.

As sponsor of the resident management of public housing provision in the 1987 housing bill, I believe that public housing homeownership and resident management give low-income persons a greater stake in their housing, and a greater sense of responsibility for their lives. Where public housing units are managed by residents, there have been improvements in the overall living conditions in the units, as well as decreases in the incidence of vandalism, maintenance costs, and rent delinquency. In addition, public assistance caseloads have decreased.

Other significant features of S. 566 include:

First, the creation of a Housing Opportunity Partnerships [HOP] Program where States and localities would be responsible for developing their own housing strategy, and for selecting and adapting appropriate ways to expand their supply of affordable housing;

Second, revision of housing programs for the elderly, disabled, homeless, and low-income families with children to include supportive services;

Third, assistance to the Farmers Home Administration for rural housing homeownership;

Fourth, reauthorization of the Community Development Block Grants Program; and

Fifth, authorization of an increase of \$3.1 billion in budget authority over the fiscal year 1991 baseline.

Although, as a compromise, I support consolidating the Public Housing Development Program into the HOP Program, I continue to be troubled by it. Low-income constituents tend to be less politically active, therefore, they are less likely to receive funds in a competitive grant program.

As you are aware, the Public Housing Development Program has provided housing for our poorest citizens. Funds are used for the development, acquisition, and reconstruction of low-income housing. This program is desperately needed in our increasingly tight rental markets where the housing certificate and voucher programs

are unsuccessful in providing shelter to families who need it. I am hopeful that the House-Senate conference committee will take a careful look at this provision.

I am deeply concerned about the size of the Federal budget deficit and will do all in my power to see that it is reduced. I am equally concerned about the disproportionate share of cuts that have been made in HUD-assisted programs since 1981.

However, I believe that the \$3.1 billion in budget authority that is proposed in S. 566 is fiscally responsible and program sound. I also believe that the bill gives affordable housing the priority it deserves on our national agenda.

Mr. President, I support S. 566, and I call on my colleagues to approve it.

May I finally say, once again, I warmly congratulate my colleagues, the distinguished senior Senator from California, and my friend from New York State.

Few people outside this room know how much time and energy these two men have devoted to this cause over a period of years. I am on the committee that is jurisdictional. I suppose that these two Senators have spoken to me several hundred times about various changes in this bill. They have worked assiduously for years in the service of their constituencies and the people of America to give us an affordable housing bill. I think these two Senators deserve the accolades and the warmest personal regards of their colleagues and the folks of America for this excellent work product.

I thank you, Mr. President, and my distinguished colleagues from California and New York State for the pleasure of working with them on this legislation and congratulate them heartily on a job well done.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I thank the Senator from Illinois very, very much for his hard work and contributions to this measure and for his remarks just now in support of it and for his remarks about the efforts that I and Senator D'AMATO have made as chairman and ranking minority member of this committee. I am very grateful and look forward to working with Senator DIXON as we complete action on this bill. We have a few hurdles yet to surmount.

May I ask the Senator from North Carolina if he is ready for his amendment?

Mr. SANFORD. Mr. President, I am afraid we have not quite completed the negotiations with the staff and I will have to suggest the absence of a quorum.

Mr. CRANSTON. Withholding that, since the Senator is not quite ready, I ask unanimous consent that we may proceed ahead of the two Sanford

amendments with a package amendment that has been worked out by the minority and majority staff of the committee.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, before we proceed, I, too, congratulate Senator DIXON, our colleague from Illinois, for his work on this bill and many provisions in this legislation, particularly as it relates to tenant management, giving people an opportunity to provide good sound management so there is a decent standard of living, so there is safety and soundness in the housing programs instead of just shoveling out hundreds of millions of dollars and not getting the tenants involved so they can help provide for their own security and needs. He meant it, felt it, and made it a part of the legislative package. I think he should be commended for it, not just in the legislation, but it is over a history of time that Senator DIXON has been concerned in this area.

Certainly as someone whose family lived in a project, I certainly appreciate that. I think for people who live in these projects, and many have deteriorated, it is only when we empower the tenants to do a better job and give them power and opportunity that we have hope to make a difference.

I congratulate the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, the amendment that I now offer for consideration contains several provisions that have been suggested to me and to Senator D'AMATO by several of our colleagues.

As managers of the bill, we have considered each of these provisions and believe that they will enhance the bill now before us. In order to facilitate the process here today, and we are now moving along quite expeditiously with a lot of cooperation from Senators, we are offering these amendments as one package amendment. I will briefly describe the provisions included in this committee amendment.

The first amendment would authorize the use of HOP technical assistance funds for the promotion of employer assisted housing. The prohibitively high cost of homes in many regions with thriving economies has made it increasingly difficult for some employers to attract a constant labor supply. Rather than relocating, many businesses have found it necessary to assist their employees in obtaining affordable housing. Senator LAUNTEBERG has been active in promoting this idea and we include it at his request.

The second amendment would direct HUD to extend existing congregate housing services contracts for up to 3

years and renew such contracts upon determination of continuing need. HUD's obligations would be subject to the availability of appropriations. This is included at the request of Senator MITCHELL, our majority leader, and Senator COHEN.

The third amendment, included at the request of Senator DODD, would allow funding for homeless prevention activities to be unrestricted. The bill currently places a 30-percent limit on such activities. Some communities have found that this limitation hampers their ability to best address the needs of their locality. The amendment would also allow staff costs to be included as an operational expense for emergency shelters.

The fourth amendment would clarify that lower matching requirements would apply to community-based nonprofit organizations that are unaffiliated with national nonprofits. This is included at the request of Senator GRAHAM of Florida.

The fifth amendment would extend HUD's home equity conversion mortgages demonstration project to 1993. This was also included at the request of Senator GRAHAM.

The sixth amendment, suggested by Senator RIEGLE, chairman of the parent Banking Committee of the Housing Subcommittee, would require participating jurisdictions to establish an outreach program to encourage the inclusion of minorities and women in HOP contracting activities. It would require HUD to report on the implementation of this provision within 6 months after promulgation of regulations and, thereafter, on an annual basis.

The seventh amendment, submitted by Senator KERRY of Massachusetts, would require that the Secretary study the actuarial soundness of implementing a program to project increases in an area's average home price and determine downpayments accordingly. This will test out the effectiveness of a very innovative idea proposed in legislation introduced by my colleague from Massachusetts.

The eighth amendment, submitted by Senator KOHL, would direct the Farmers Home Administration to pay interest on escrow accounts in States where other mortgage lenders are required to do so.

The ninth amendment, submitted by Senator PACKWOOD, would hold harmless the amount of funding that is determined through the allocation formula for a metropolitan city that annexes an urban county.

I believe these are all sound amendments that will enhance the bill. I hope they will be accepted promptly by our colleagues without any controversy, and none would seem to be in store.

AMENDMENT NO. 2030

(Purpose: To permit and promote employer-assisted housing programs)

Mr. CRANSTON. Mr. President, I send to the desk this amendment now as one amendment to be considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON] proposes an amendment numbered 2030 en bloc.

Mr. CRANSTON. 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:

On page 309, line 6, strike "and".

On page 309, line 12, strike the period and insert "; and".

On page 309, between lines 12 and 13, insert the following:

(8) facilitate the establishment and efficient operation of employer-assisted housing programs through research technical assistance and demonstration projects.

On page 486, line 7, strike out "this paragraph" and insert "subparagraph (A)".

On page 486, line 8, after the period, insert the following: "Assistance under subparagraph (B) shall be for a period of not to exceed 3 years and may be renewed, subject to the availability of appropriations, upon a determination of continuing need."

On page 526, beginning with "(A) on line 1, strike all through "(B)" on line 4.

On page 556, line 9, strike "(other than staff)".

On page 472, line 15, before "The" insert the following:

"(A) MANDATORY WAIVER.—The Secretary shall reduce or waive the matching requirement specified under paragraph (1) for individual organizations that are not affiliated with national nonprofit organizations.

"(B) DISCRETIONARY WAIVER.—

On page 258, line 11, after "by" insert the following: "striking '1991' and inserting '1993', and by".

On page 303, between lines 9 and 10, insert the following:

SEC. . EQUAL OPPORTUNITY.

(a) SOLICITATION OF CONTRACTS.—Each participating jurisdiction shall prescribe procedures acceptable to the Secretary to establish and oversee a minority outreach program within each such jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction.

(b) REPORT TO CONGRESS.—

(1) IN GENERAL.—Before the end of the 130-day period beginning on the date regulations are promulgated under this title, the Secretary shall submit to the Congress a

report containing a description of the actions taken by each participating jurisdiction pursuant to subsection (a) and such recommendations for administrative and legislative action as the Department may determine to be appropriate to carry out the purposes of such subsection.

(2) REPORT.—The Secretary shall include in each annual report required under section 383 a description of the actions taken by each participating jurisdiction pursuant to subsection (a) and such recommendations for administrative and legislative action as may be appropriate to carry out the purposes of such subsection.

At the appropriate place in the original bill insert the following section:

The Secretary shall undertake a study to determine the actuarial soundness of implementing a program to guarantee downpayments for first-time homebuyers based on a system of downpayment savings accounts and payment schedules that require monthly or other periodic payments over a specified period of time in an amount equal to a specified percentage of the value of housing at the time of purchase in a specified housing market area or census tract.

At the end of title VIII, add the following:

SEC. . ESCROW ACCOUNTS.

Section 501(e) of the Housing Act of 1949 is amended by inserting after the third sentence the following: "The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds."

At the end of title IX, add the following:

SEC. . ALLOCATION FORMULA IN CASES OF ANNEXATION.

(a) IN GENERAL.—Section 102(a)(12) of the Housing and Community Development Act of 1974 is amended by inserting at the end thereof the following: "Where the boundaries for a metropolitan city or urban county used for the 1980 Census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 Census in the boundaries used for the 1980 Census over the population based on the 1980 Census in the current boundaries."

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to the extent approved in appropriations acts to the first allocation of assistance under section 106 that is made after the date of enactment of this section and to each allocation thereafter for a period not exceed three years after the date of annexation.

The PRESIDING OFFICER. Is there further debate?

Mr. KOHL. Mr. President, I would like to thank the managers of this bill, Senator CRANSTON and Senator D'AMATO, for their willingness to include an amendment of mine in the leadership package. Let me take just a moment to explain my amendment.

This amendment makes a small but important change to the Farmers Home Administration's section 502 program—the single family home ownership program. It requires the Farmers Home Administration [FmHA] to pay interest on escrow accounts under the section 502 program in those States that require escrow funds to be

interest bearing. The cost of the amendment is minimal, estimated by FmHA to be less than \$200,000 annually.

In 1987, Congress required FmHA to set up escrow accounts for single family housing borrowers in order to assure the annual payment of taxes and insurance. Participation is required by all eligible single family housing borrowers, regardless of whether borrowers have been prompt in their tax and insurance payments. While no FmHA escrow account has yet been established, FmHA has indicated that it lacks the authority to pay interest on escrow accounts at such time as the escrow program is implemented.

While the use of escrow accounts is common within the mortgage industry, many States require that these escrow accounts pay interest. Wisconsin law, for example, stipulates a 5.25-percent interest rate on escrow funds. Twelve other States have similar requirements: California, New York, Iowa, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, Oregon, Rhode Island, and Utah all require some rate of interest on escrow funds.

This amendment simply assures FmHA single family housing borrowers the same rate of interest on escrow accounts that other borrowers in their State are assured from other lending institutions. FmHA would not be required to pay interest in those States that do not require escrow accounts to be interest-bearing.

Mr. President, my amendment is an effort to provide equitable treatment for FmHA single family housing borrowers, especially for those who have been prompt in paying their tax and insurance payments and who should not be penalized by having to contribute to a non-interest-bearing escrow fund. I know of no opposition to the amendment, and I want to thank again the managers of this bill for accepting this amendment.

Mr. COHEN. Mr. President, I rise in support of the committee's leadership package of amendments, particularly as it affects the Congregate Housing Services Program. The committee has agreed to the recommendation by Senator MITCHELL and me to continue this extremely worthwhile program for 3 years, and allow continued renewal of existing contracts as appropriations allow after that. I want to thank Senator CRANSTON and Senator D'AMATO for accepting our recommendation, and I can tell them that there are many relieved elderly citizens in Maine as a result of their attention to this matter.

The Congregate Housing Services Program has been a relatively small but extremely successful program over the years, and it has resulted in the ability of many elderly residents to

live in dignity and with a sense of pride. By providing limited nursing care, meals, personal care attendants, maid service and other services at specific sites, the CHS Program has been successful at achieving its goal of allowing many elderly to live outside a nursing home, which can often be costly and inappropriate.

The Congregate Housing Services Program operates at 60 sites nationwide. There are three sites in Maine that depend on the CHSP: the Methodist Conference Home in Rockland, the Old Town Housing Authority, and the Brunswick Housing Authority. The residents of these housing units have been extremely concerned about the future of this program, which they have come to depend upon in their daily lives. While it may be difficult for us to imagine, we must put ourselves in the place of these individuals, whose only choice would be to go to a nursing home if the Congregate Housing Services Program were eliminated. They do not need to do this, and they certainly do not want to do this. The relatively inexpensive CHSP Program has allowed them to live in a less costly setting, so it is one of the few programs that spends a bit of money in order to avoid very large expenditures.

The proposal to fold CHSP into the block grant that is incorporated in S. 566 is understandable on the part of the committee, but its impact on the effectiveness of the program would have been devastating. The administrators of CHSP at Rockland, Old Town, and Brunswick feared that the block grant approach would result in a less reliable program, if it was funded at all by the State or local governments. Because of the pressure on those entities to address pressing housing problems, it was feared that a small program like CHSP would be overlooked.

I believe that the amendment included in the committee's leadership package today will address the concerns expressed by the program's administrators and beneficiaries in Maine. Again, I thank the committee chairman and ranking member for listening to these concerns expressed by the program's administrators and beneficiaries in Maine. Again, I thank the committee chairman and ranking member for listening to these concerns and taking action on them.

Mr. D'AMATO. Mr. President, these amendments have been reviewed by staff. We find no objection. As a matter of fact, we find that a significant number enter into areas as it relates to housing and housing opportunities which will enhance the operation. So we are certainly supportive and have no objection.

The PRESIDING OFFICER. Is there further debate? Hearing none, the question is on agreeing to the

amendment of the Senator from California.

The amendment (No. 2030) was agreed to.

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

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. CRANSTON. Mr. President, Senator SANFORD is still not quite ready with his amendment. I ask unanimous consent that we may have 5 minutes of morning business in which Senator LEVIN and perhaps other Senators may speak.

The PRESIDING OFFICER. Without objection, it so ordered.

The Chair recognizes the Senator from Michigan [Mr. LEVIN].

Mr. LEVIN. I thank the Chair and the Senator from California and the Senator from New York.

(The remarks of Mr. LEVIN pertaining to the introduction of Senate Joint Resolution 336 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. WIRTH. Mr. President, I believe that I am next in line for offering an amendment under the previous unanimous-consent request.

FITZWATER BLAMES S&L CRISIS ON DEMOCRATS

Mr. WIRTH. Mr. President, I wanted to, however, just take a couple of minutes before then to respond to what I thought was a quite remarkable press conference held today by the White House Press Secretary, Mr. Marlin Fitzwater. Today, Mr. Fitzwater said that much of the blame for the Nation's savings and loan crisis lies with Democrats and dared us to make it a campaign issue in November.

"I just want to put them on notice that this plays both ways, and we're ready to play," Fitzwater said of the Nation's greatest financial disaster since the Depression.

"Take a look at all of them," he said. "They want to make this a political issue, we'll be glad to do it. There are a lot of battles that can be fought on this turf, and we're ready."

Getting down into his three-point stance, Marlin Fitzwater sets the tone for public debate on the most serious

financial crisis that this Nation has faced in its history of financial crises that many of us on the floor of the U.S. Senate have attempted to bring to the attention of the administration, obviously without any success, because nothing is going on. Mr. President, you know that and I know that and the American people know that while hundreds of billions of dollars are being spent to right the ship, too many of the people who have benefited are still on their yachts and nobody is going to jail.

Mr. Fitzwater said, "We're talking about a decade of negligence and mismanagement that has to be corrected."

The question is, Mr. President, who ran the Government during this decade of mismanagement and negligence?

The question is, Mr. President, Who ran the Government during this "decade of mismanagement and negligence?" I do not remember that the Democrats won the election in 1980, Mr. President. I do not remember we won the election in 1984 and 1988.

"A decade of mismanagement," Mr. President, has been going on, no question about it. The only valid thing that Mr. Fitzwater has said in this whole transcript of his remarks this morning was that there has been a decade of mismanagement. That is absolutely the case.

What we are trying to do is to point out the facts of the situation. And the facts of the situation, in terms of mismanagement, are very, very clear. Let me, again, just recite a few of the concerns we have had, Mr. President; absolutely legitimate concerns.

In October 1988, the House Government Operations Committee found that insider misconduct caused or contributed to more than three-quarters of all thrift failures. Insider misconduct caused or contributed to it.

The General Accounting Office, last June, issued a report that examined 26 thrift failures and compared them to a sample of 26 solvent thrifts. The idea was to get a side-by-side; thrifts that had worked; thrifts that had gone down the chute.

In looking at the ones that had gone down the chute, gone insolvent, belly up, they found actions that appeared to be fraud and insider abuse. Investigations or legal action had been initiated against 25 or 26—investigations, legal action—what is going on?

Mr. Fitzwater says to us "We're talking about a decade of negligence and mismanagement that has to be corrected." This is what we are pointing to, this decade of mismanagement and neglect.

The President's own Attorney General, apparently, now in trouble with the President, recently talked about an "epidemic of fraud" in the savings and loan industry. Does the epidemic

of fraud come from the 1970's or the 1960's or the 1950's or from Mr. Fitzwater's "decade of negligence and mismanagement?"

The Attorney General said at least 25 to 30 percent of thrift failures can be attributed to criminal activity. The officials at the Resolution Trust Corporation said that 60 percent of the institutions that it seized have been victimized by serious criminal activity. An "epidemic of fraud," "serious criminal activity," what is going on?

What we attempted to do, Mr. President, and this is the point we have been making, we attempted to give the administration the ability to go after fraud. Put some people in jail. Put them behind bars. Have their ill-gotten gains returned to the taxpayers. The administration, however, told us they cannot spend the money. They cannot go out and hire the needed assistance U.S. attorneys, the FBI agents, accountants to do the job, even though the evidence was overwhelming they should be doing so.

The Federal Bureau of Investigation, the FBI, told us they have received more than 20,000 referrals involving fraud and other criminal activity in the financial services industry, and that the Bureau has been unable to examine them; 20,000 referrals involving fraud. They do not have the staff to go after them. More than 1,000 of those cases are major, involving losses of more than \$100,000.

As of February 1990, the Bureau also had more than 9,000 pending bank and S&L fraud and embezzlement cases, some 3,000 of which, said the Bureau, were major. Three thousand pending fraud and embezzlement cases, that were major, Mr. President. And more than 900 of them involved losses greater than \$1 million.

If more than 900 of the pending cases involve losses of more than \$1 million, that at least is almost \$1 billion of cases they know about. But the administration says they do not have the resources, cannot spend the money and go after it.

Even J. Timothy Ryan, the new Director of the Office of Thrift Supervision who came through here on a very controversial appointment—a number of people felt there were a lot of politics involved in that appointment but he was confirmed, that came and went—recently told me that bank and thrift regulators were sending the Department of Justice an additional 8,000 referrals a month regarding civil and criminal violations and that there were 80,000 referrals pending.

The point we are making, Mr. President, is let us get after this business. I cannot go to a gathering, I cannot go to a county fair, I cannot walk down the street, I cannot fly on an airplane without somebody coming up to me—and everybody has had this same reaction—and saying: What in the world is

going on? Why are those people not going to jail? What are you doing about it?

And we say, well, we are the Congress. There is an administration whose job it is to run the Government. And this administration, I also say to some of them when they follow with a second or third question, has been running this Government for 10 years. What has been going on?

Mr. Fitzwater says we are talking about a "decade of negligence and mismanagement that has to be corrected." He was absolutely right. I am going to start using that line. "High White House official said there has been a decade of mismanagement and negligence that has to be corrected." Absolutely correct.

Now, the suggestion is that we are making this a political issue. Come on. We are just trying to lay out the facts and the figures and have people understand what is going on. The facts and the figures, Mr. President, speak for themselves. And the facts and the figures speak loud and clear at the White House right now.

Why do you suppose there is an economic summit going on? There is not an economic summit because George Bush woke up one morning and stopped reading his own lips. There is an economic summit going on because we are in an incredibly deep financial crisis, Mr. President. We are in a deep financial crisis, in part caused by the irresponsible economic policies of this last "decade of negligence and mismanagement." But also from the fact that we have a S&L crisis that is mounting up and mounting up and mounting up.

That is why the summit is going on. That is why the President is deeply worried, because this negligence and mismanagement is coming back to bite. The chickens are coming home to roost, and it is about time.

A final note I would like to make, Mr. President. It might be we are going to be told that what we should have done in the securities industry was operate the securities industry the way we operated the savings and loan industry: Deregulate the industry, and then take all the resources away from supervising it. A double penalty: Deregulate the industry and then take all the resources away from supervising it. It is a double negative. That is what they did in the S&L industry over this "decade of negligence and mismanagement."

Thank goodness we did not do it in the securities industry, which is precisely what the administration wanted to do. They came to us, Mr. President, in the early 1980's, with this agenda of deregulate. At all costs, deregulate. Get the Government off our back.

They had that same agenda for the Securities and Exchange Commission.

We were told by the then chairman of the SEC, Mr. President, we can do more with less. That was the euphemism of the time that said deregulate, take away resources. They asked us to deregulate a large part of the securities industry. We refused to do it.

I ask you to think, Mr. President, for a minute, what would have happened if we had done that with the securities industry? It is one of the last places where we have some handle on these extraordinarily important and very fragile financial institutions which are so terrible important to our economy and to our ability to compete around the world. I hoped, Mr. President, we would stop; we would get away from the kind of discussions we had today.

This reminds me, I remember once the same person who is talking about, accurately, this "decade of fraud of mismanagement," described Mr. Gorbachev as a "drugstore cowboy." Do you remember that?

It is time for us to be moving along with a very serious commitment to governing, Mr. President; a very serious commitment to managing the economy; a very serious commitment to doing the job we were elected to do and not run away from all that, Mr. President.

I know this is the housing bill we are on, but the opportunity was taken to take some very significant shots at Democrats and take some very significant shots at a number of us in the U.S. Senate who have been concerned about this. I thought it was important to once again put the facts of the situation out.

We tried to put the facts of the situation out, Mr. President, when we had the dire emergency supplemental up.

The dire emergency supplemental, my colleagues will remember, had funding in it for Nicaragua and funding in it for Panama. I was looking at that. We are always sort of curious: What is a dire emergency supplemental? What does it tell us?

In the dire emergency supplemental, there were funds for Panama. So one asks: How are we going to spend these empty-ump number of dollars in Panama? We send in the Stealth fighters, the night fighters, we destroy Panama and now we are building it back up again. What is the justification for this?

There was \$30 million to promote tourism for Panama. The Senator from Illinois and I were talking about that. That looked a little curious to me to spend \$30 million for tourism in Panama. I happen to know we spent \$14 million to promote tourism in the whole of the United States, and we were going to spend \$30 million, a little country, to promote tourism in Panama.

That says to me that is going to be a boondoggle; that money is going to disappear and slide away someplace

else. What I attempted to do was get the Senate to pass an amendment to transfer that \$30 million of promotion of tourism in Panama over to enforce the S&L crisis. The administration says they cannot spend the money. We gave it to them once, let us do it again.

They raised a point of order on that which is the old dodge. If you do not want to deal with the question, you raise a point of order. Unfortunately, the point of order prevailed. Imagine, Mr. President, here we are in the United States Senate spending money to promote tourism in Panama and raising a point of order and refusing to enforce the law surrounding the S&L crisis.

Taxpayers out there are wondering: What are you all doing? I think there are some legitimate questions they are asking. I hope we can get some good answers, and I hope we can get the administration to give us some good answers as well.

So, Mr. President, as I say, I have an amendment.

Mr. President, as part of the record, I wish to include a letter dated August 4, 1986, from Mr. Lawrence Taggart, of Taggart Financial, to Hon. Donald Regan, then Chief of Staff of the White House.

Mr. Taggart points out that "My father and I have been politically active both in the Deukmejian administration in California and the Reagan administration in Washington." He said, "Having worked for the past 15 years within the industry and serving as the former commissioner of Savings and Loan of the State of California, I believe I am properly credentialed to bring to your attention the items addressed in this letter." He is very critical of any kind of hard administration of the S&L's, and he says, "These actions being done"—this is the actions by a Mr. Gray—"to the industry by the current chief regulator of the Federal Home Loan Bank Board are likely to have a very adverse impact on the ability of our party to raise needed campaign funds in the upcoming elections. Many who have been very supportive of the administration are involved with savings and loan associations which are either being closed by the Federal Home Loan Bank Board, or threatened with closure, without any serious consideration as to the consequences."

Another example of what has been going on, Mr. President.

I ask unanimous consent to have this letter printed in the RECORD.

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

AUGUST 4, 1986.

HON. DONALD REGAN,
Chief of Staff, White House, Washington,
DC.

DEAR HONORABLE REGAN: I am writing because of a genuine concern for the thrift industry in this country, and the fact that a

number of actions have been taken recently which will cause irreparable harm to savings and loan associations. Additionally, these actions being done to the industry by the current chief regulator of the Federal Home Loan Bank Board are likely to have a very adverse impact on the ability of our Party to raise needed campaign funds in the upcoming elections. Many who have been very supportive of the Administration are involved with savings and loan associations which are either being closed by the FHLBB, or threatened with closure, without any serious consideration as to the consequences in the communities and states in which they are located.

Having worked for the past fifteen years within the industry and serving as the former Commissioner of Savings and Loans for the State of California, I believe I am properly credentialed to bring to your attention the items addressed in this letter. I have been encouraged by many thrift executives to write you with the desire that someone close to the Administration is made fully aware of certain actions recently emanating from the Federal Home Loan Bank Board.

BUSINESS ATTITUDE

My father and I have been politically active both in the Deukmejian Administration in California and the Reagan Administration in Washington, D.C. We have been very supportive because both administrations have been quite protective in fostering new business enterprises and promoting the precepts of free enterprise wherever possible.

The attitude of the FHLBB and Chairman Gray has been contrary to that of the Reagan Administration. While I was Commissioner of Savings & Loans in California (18 months ago), the Department of Savings and Loan found itself processing 210 applications for new savings and loan charters, which were encouraged by both the Legislature and the Administration in California. However, few of these applications ever received FSLIC insurance because of an attitude by Chairman Gray that new charters represented unacceptable risks and that there were already too many associations. Individuals were willing to commit millions of dollars to obtain charters and to promote home lending, but were wholly frustrated in their attempts because of inordinate processing delays at the FHLBB and countless denials predicated on frivolous grounds. These persons have now lost many millions of dollars in organizational expenses and most have relented to Gray's refusal to grant approval for new charters.

I, too, have had an application pending for a new charter together with 23 other shareholders. However, as I have been told by members of his staff, his strong personal bias toward me—which grew out of the fact that I expressed differences of opinions while Commissioner—has caused him to refuse to issue an approval or denial. Anyone in his position, with such a strong personal bias, should "step-aside" and allow his staff and other Board members to decide the fate of a pending application. This particular application has been awaiting a decision in final form for nearly one year.

While I can cite tens of dozens of other examples, the attitude of the FHLBB toward the industry it regulates is most likely apparent in the fact that although there were approximately 6,500 thrift associations 10-15 years ago, there are only 3,200 today, and nothing is being done to

foster or encourage new entrants into the industry—rather, processing of new applications has become non-existent and regulations have been promulgated which makes it extremely difficult for new associations to survive. It was always my understanding that the Reagan Administration has been wholly supportive of free enterprise and has encouraged entrepreneurs through deregulation to establish new businesses, and yet, this same attitude has not at all been apparent at the FHLBB. Instead, they have frustrated and discouraged those who desire to contribute substantial capital and become involved in the savings and loan industry.

COMPOSITION OF BANK BOARD

Currently, the Bank Board is authorized to have three members. Two members have submitted their resignations and the posts are waiting the appointment of two, new individuals.

It is difficult to emphasize just how important these two vacant seats are to the savings and loan industry. Chairman Gray is very strong in his opinions and assertions, and it now appears more appropriate than ever to fill these vacancies as soon as possible with two individuals who are both knowledgeable about the real problems which plague the industry today, and who have the "backbone" to stand up to a strong-willed Chairman if differences should arise. It is my understanding that two individuals have been proposed who would appear to be very capable and knowledgeable candidates, and would support the President's position of free enterprise and entrepreneurship.

The number of members on the Bank Board is too small and the industry problems too great to allow the major decisions to be made by virtually one individual. There is a very real and pressing need to achieve some semblance of balance on the Bank Board, to preclude or minimize the irreparable harm that may result from one person's overzealous attitude under the guise of attempting to protect the industry.

There are many executives within the industry who would advocate a larger Board to minimize the possibility of a monarchist agency, similar to the situation which exists today. These persons would recommend either a five or seven person board.

REGULATORY ENVIRONMENT

When Chairman Gray and I assumed our respective posts early in 1983, there had been a concerted effort both at the State level and in Congress to deregulate the thrift industry and free it from the shackles of burdensome and over-reaching, redundant regulations. However, before associations really had an opportunity to adjust to this new found freedom and deregulated environment, the FHLBB began to change its policy, most likely because of problems experienced with a few associations. It did not take long before a number of new regulations were introduced and promulgated restricting many of the activities that associations were becoming engaged in to develop additional sources of profit and capital and which they have become encouraged to do in order to recover out of the severe economic slump experienced in the early '80s. Fearing the widespread use of nontraditional activities, and forecasting substantial anticipated losses incurred by many because a few had experienced problems, Chairman Gray sought to dramatically restrict associations from further engaging in speculative activities, even though a return to more traditional forms of lending would substantial-

ly reduce the potential to keep associations profitable.

In the past several years, Chairman Gray has continually referred to the fact that he intended to regulate "by the lowest common denominator;" that is, if a few associations experienced problems in a particular area, or became too speculative, he would introduce regulations to restrict all associations from the same activity. What has now resulted, is that rather than encourage healthy associations to become more profitable, their activities and abilities to make profits have been reduced to the level of the "lowest common denominator" relative to deregulated powers and authorities.

Having been close to the staff at the FHLBB, I am informed that in many instances proposed regulations, which await final approval pending the expiration of comment periods, are approved irrespective of the hundreds and thousands of comments which are received opposing the regulations from the industry executives. In fact, I have been told often the comments to proposed regulations are not even read nor considered—that it is merely an exercise in futility for those who respond out of concern.

All of the efforts and effects of the Garn-St Germain legislation which was so critical to the deregulation and survival of the thrift industry has been frustrated with the introduction of new, restrictive regulations—regulations which have been implemented without proper studies to assess the impact on the industry.

CLOSURE OF ASSOCIATIONS

In the past one and a half years, the Federal Home Loan Bank Board has caused to be closed twenty associations in California with aggregate assets of approximately twelve billion dollars. In many instances in both California and Texas, the top three to seven executives are forced to resign their posts because of intimidating threats by FHLBB supervisory agents that associations will be closed and/or taken over unless they resign immediately. And after the resignations have been secured, with no evidentiary basis in most cases that anything illegal or unlawful has been committed, the FHLBB proceeds to examine some associations with the predisposed intention of finding a sufficient number of problems assets to reduce the association to insolvency, thereby providing the "opportunity" to place the association into receivership or conservatorship.

In many of the instances where associations have been closed, the executives which have had to resign have been those with the most experience in the industry, and generally far more experience than the receiver or conservator that replaces them. In most instances, there is no prudent nor economic reason to close down or take over associations. If certain individuals are to be targeted for removal because of safety and soundness considerations, the associations they respectively manage do not have to be seized or closed. "You do not have to sink the ship just to get at the Captain." I can cite any number of examples in both Texas and California to support my statements and conclusions.

It is felt by many in the industry that the 250 extra Federal examiners on temporary duty in Texas are poised awaiting passage of the Recapitalization Bill pending approval in the Senate and House. If approved, sufficient funds will then be available to the FSLIC to proceed quickly to take over or close down associations, many of which are now being closely monitored and under

Cease and Desist Orders or Supervisory Agreements. It is then anticipated that a substantial number of these "loaned" examiners will be transferred to California to begin a pattern of strict examinations and additional closures. Additionally, it seems that those who are typically targeted for removal or take over are sole shareholder associations or those who are controlled by a few shareholders, are highly profitable and which have experienced substantial growth over the past three to five years. Passage of the proposed Recapitalization Bill will provide Chairman Gray the necessary resources to proceed ahead in this pattern of eradicating those individuals and associations he has targeted for removal.

In those cases where associations have been seized by the Federal regulators, industry executives have consistently complained of the lack of "due process" involved at the time of take-over. Special examinations are conducted in a discriminate manner, assets are appraised far below their book or fair market values, and without prior notice or forewarning, or an opportunity to question or object, association executives are informed that sufficient reserves must be established for problem loans to an extent that makes the association insolvent, and then these targeted associations are immediately seized, officers removed, and conservators assume required operational roles.

I can understand that due process may not be possible in those instances where associations may be hostile to regulatory concerns, or criminal activity is involved. However, these cases are very few in number. In the majority of seizures, management has generally been very cooperative with the regulators, and there is no evidence of criminal activity.

Once an association has been seized, it is extremely difficult to complain or object to the grounds for seizure. In most instances, because of the suddenness of the seizure, appropriate legal counsel cannot be present to object to the actions of the regulators. There are instances in which forty or fifty examiners/regulators converged upon non-hostile savings and loan associations in a show of force and in order to demonstrate to other novice examiners how a take-over is conducted. This type of regulatory activity has often brought fear, and even terror, to many innocent employees and customers.

There has been no due process—no opportunity for associations or management to object to the methods by which they are seized—no opportunity to contrast or question the evaluation methods or conclusions of value of appraisals conducted by the Federal Home Loan Bank(s). Never in the history of the thrift or banking industry has there been the number of seizures and take-overs as we have seen the past two years, and with such a total disregard for the rights of others.

DUAL SYSTEM

It is common to refer to our financial institutional system as a dual system—they are comprised primarily of banks and savings and loan associations. It is generally known that a distinction exists between Federally and State chartered thrifts, and this is referred to as a "dual system" as well.

Although State chartered thrifts (savings and loan associations) must conform to certain Federal regulations and laws (FSLIC), as well as those of the respective states in which they are situated, it is important to remember that an option does exist—owners/shareholders of associations can

elect either a Federal or a State charter. For years now there has been a delicate balance in this dual system, and states have zealously protected their respective rights and the ability to regulate their own State chartered financial institutions.

The move by the FHLBB the last two years to re-regulate the thrift industry has seriously upset this balance, as many of the powers and authorities enjoyed by various states have been preempted by overriding Federal regulations. California and Texas were two such states that permitted broad discretionary powers for savings and loan associations—the activities which were permitted enabled associations to achieve high levels of profit and recover from the severe economic slump experienced from 1980 through 1983. The broad investment powers generated a renewed interest in the savings and loan industry in these two states, and many sought to obtain new charters recognizing the opportunities which were available.

This past year, however, things have changed dramatically. These broad investment powers have been preempted by Federal law (FHLBB), and associations are no longer able to diversify their activities as they were accustomed. Many associations have been forced to consent to onerous supervisory agreements and Cease and Desist orders—measures which are dramatic in effect often predicted on trivial grounds and which seriously impair an association's ability to survive economically and remain solvent. The impact of these orders and agreements has been to severely reduce the earnings of associations to such an extent that capital eventually becomes impaired.

The sensitive balance of the dual system has now been substantially eroded because of the recent attitude of the FHLBB to take matters into their own hands and because of efforts to preempt the more favorable states' law. Whatever advantage states had has been obviated by actions of the FHLBB.

I felt compelled to bring these matters to your attention, Mr. Regan, because you have expressed personal concern regarding matters at the FHLBB. I wish to convey the feelings I have set forth in this letter as a former regulator and executive within the savings and loan industry and because of a genuine concern for the preservation of this industry. Unlike others in the industry who greatly fear reprisals from the Chairman of the FHLBB, and who are fearful of venting their anger and frustration, I am in a position to freely express myself and to bring to your attention the serious, irreparable harm that is being done to savings and loan associations across this land. If I can be of any assistance, or provide additional information in these regards, please do not hesitate to call upon me.

Sincerely yours,

LAWRENCE W. TAGGART.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. WIRTH. Parliamentary inquiry. Can the President give me a sense of where we are in procedure and recognition and what the unanimous-consent request was?

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina was to be recognized for the purpose of proposing two amendments. He asked that be with-

held because he was still negotiating those amendments.

Mr. KERREY. Can I ask the Senator from Colorado to yield?

Mr. WIRTH. I have the floor, and will be happy to yield to the distinguished Senator from Nebraska for a question.

Mr. KERREY. Mr. President, I have listened to the Senator from Colorado talk about this issue. I have listened to him talk about the savings and loan issue for over a year now. I have also taken a personal interest in this issue as a consequence of some very unsatisfactory experience that I had when I was Governor, with a similar sort of situation on a much smaller scale, with a slightly different consequence for people because, in this case, the deposits of the institution were not fully guaranteed, as it turns out. We just did not, in this case, ask the right questions. We were not as diligent in pursuit of the truth as we should have been. As a consequence, the people suffered. We did not regulate properly.

I have taken a personal and strong interest in the savings and loan issue as a consequence of that experience. In fact, in a conversation that I had with Secretary Brady over a year ago during the process of debate on the bill—I was offering an amendment that would have changed the structure of the RTC—I told Secretary Brady about that experience. My advice to the President was not to get this thing so close to him that it would look as if he were withholding information from the public.

In fact, I believe it is very significant that President Bush's spokesman in a press conference today made comments about me and other Members of Congress at the same time that he made a defense of the Attorney General. The Attorney General was asked by the Federal Bureau of Investigation to take a lie detector test. The test itself was requested in pursuit of the truthful answers relating to an incident where the executive branch leaked information about a Member of Congress.

I am saying to the Senator from Colorado that this is not just political attacking. This is more than just a Republican administration trying to go after some Democrats, although that clearly is a part of it. I see an abuse of power here. I see it as an executive versus legislative branch issue, not just as a political issue, though I am sure the President is concerned about this becoming a campaign issue in 1992.

Let me make it clear, as I said, that it is my personal experience dealing particularly with regulators that has caused me to take this interest. It is precisely because of the unsatisfactory experience, particularly the unsatisfactory answers that I got from regulators in pursuit of the truth in re-

gards a bank issue when I was Governor.

It is precisely because of this experience that I have and I will continue to take an interest in this issue. I do not believe that the President has been well advised, in fact, by not taking some advice that I and other people have tried to offer, with all due respect, for the President trying to work this thing out.

I believe, in fact, that the President has organized this bailout so that the U.S. Department of Treasury controls the flow of all information. I offer to my colleagues the example of Bill Seidman. Even Bill Seidman, who, when he provided a different version of the truth than the administration wanted, found himself in hot water as well. So it is not just Democrats; in this case, not just Members of Congress.

They have organized this bailout so as to be able to control the information. My experience in the past tells me that is a big mistake; that you should provide the maximum amount of sunshine and accountability, otherwise the people themselves will struggle with the questions that they, I think have a legitimate right to get an answer to.

The message I believe the President is sending is not just that we are going after Democrats. The message in this particular case is we are going after the entire legislative branch, not just to members of the Democratic Party, but to all Members of Congress. The message is this: I believe what the President is saying to us is simply give me a blank check; give me all the money that I need and then we will tell you perhaps if we need some more money, but that is about all we are going to give you. We will report to you every now and then, but do not press us; do not be too critical; do not step over the line. If you have some criticism, we would appreciate it if you would clear it with us first. If you get too critical in this thing, we might have some things on you; we might leak some information to the press on you as well. We might have something down in our files here on you, Senator, not just Democratic Senators, but Republican Senators as well. Maybe you wrote a letter in your past to some regulator that we will leak at just the appropriate time.

So I say to my colleagues, this should not just be seen as an issue of Democrats being angry when a President's spokesman makes inferences during a press conference. This is an issue much more important than an arrogant, sneaky maneuver by President Bush's spokesman in a press conference.

I believe it is symptomatic of something larger. I believe it is symptomat-

ic of the executive branch: It has grown too big and too far.

While they have been talking about local control, while they have been talking about States, local government having more control, they have been building a powerful Federal bureaucracy. In fact, the Resolution Trust Corporation is just a form of what appears to me to be a preferred method of governing. Any Member of the Congress who talks about health care understands that the real power lies with the health care financing administration. Any Member of Congress who understands agriculture understands that the real power lies down at USDA. Any Member of Congress who is interested in energy, or transportation, or other issues that are important to them—education, for example—understands that the real power is not on the Hill; the real power is downtown.

So, Mr. President, I would like to ask, at long last, the Senator from Colorado if he sees a similar sort of situation here? Does the Senator see this, in fact, not just as a situation where Republicans are concerned about this being a political issue for the President in 1992—that is obvious; it is obvious by the petulance displayed by the President's spokesman this morning that that is a concern. That to me is not debatable. They are concerned about 1992, and they have been watching polls on a whole variety of issues. That is not really debatable.

What concerns me here, and I was curious as to whether the Senator from Colorado, who has more experience than I have in the legislative branch, sees it the same; whether the Senator sees it as a situation where, in fact, the legislative branch is being told, "you do not really have any rights to push too far on an issue we consider to be our prerogative."

Mr. WIRTH. I think the Senator from Nebraska raises an absolutely valid point with which I agree. I have had experience myself in precisely this kind of intimidation tactic, or what I think is the Senator's suggestion that that is what it is. I think they are trying to say to us clear your statements, clear your questions before you ask them. Do not give the small potatoes speech on the Senate floor. You cannot do that unless you call the White House and clear it.

About 3 weeks or a month ago, Mr. President, there was a hearing about to be held on the Silverado Savings and Loan Institution on the House side. Silverado is in Denver, CO. As a diversionary tactic prior to doing that—the Republicans, the administration has control of all the files. They control all of this—they slid out information on David Paul. David Paul apparently was a major S&L figure in California. They attempted to paint a variety of Democratic Sena-

tors as David Paul and put out a major story that Senator TIM WIRTH was involved with David Paul, had used his airplane, had gone here and had gone there and put out a bill of particulars as to when this had happened.

Of course, the facts show that that was precisely not the case—never been on that airplane; the dates were wrong. I was in Colorado when I was supposed to be up here. It was the most preposterous and silly approach. But I suppose if you had not been around for a period of time and had not had some scar tissue—I have a lot of that politically—you would get kind of afraid and say what are these guys doing? I am going to hunker down and I am not going to say anything.

Not the case. We made it very clear. I called the ranking Republican on the other side, and they have all of this major defense up there and the staff minions are doing it on the Republican side, precisely what the Senator is suggesting is the case. And, of course, it happened again this last weekend. The Silverado hearing is occurring over there either today or tomorrow. They released another letter that I had written to Chairman Volcker in 1984 before any of this sort of thing was going on in an attempt to gain diversionary and intimidating tactics. A little bit silly. We caught them at it, right. In fact, the release, the press report on the release said documents released by Republican operatives, something to that effect. Caught in the act. It is very clumsy, and it also is a very ineffective diversion from the job that is supposed to be being done, and that is the job of presumably managing us back to some kind of economic health and not just trying to wind your way through, slide through, cut corners between now and 1992.

I believe their fundamental goal is precisely what the Senator suggests, just get reelected in 1992, damn the torpedoes, forget the truth, forget the validity of what is going on. All we are concerned about is getting reelected in 1992.

We could go on on this for a long period of time and talk about where we are headed on various policy issues, but thank goodness, Mr. President, we are going to think just about 1992 and, for example, bring up the flag. Let us wrap ourselves in the flag and maybe if we divert ourselves with these kinds of dishonest stories relating to S&L's and if we can wrap ourselves in the flag, we can fool the American people into thinking we are governing. They are not governing, and we are going to continue to point it out. In Mr. Fitzwater's own words, what we are doing right here in the U.S. Senate is talking about a decade of negligence and mismanagement. That is what it is all about, Mr. President.

Mr. KERREY. I wonder if the Senator will yield for another question.

Mr. WIRTH. I am happy to yield.

Mr. KERREY. I guess I need to make it clear that I have never stood on the floor and tried to associate President Bush with the reasons for the collapse of savings and loans. I have never given a speech and implied that his son as a consequence of being on the board of Silverado had some sort of association with the overall collapse. I have never stood here on the floor and said, "Aha, didn't you get a hundred thousand dollars yourself from Charles Keating?" I never came to the floor and said, "Weren't you the head of the deregulation task force that President Reagan put together?" I have never done any of that.

I think what is history is history. There are all kinds of processes for us to determine who is and who is not guilty in all of this. What I am concerned about is the way that currently we have not organized and what are we doing. If we just spent \$60 billion to \$80 billion of the taxpayers' money this year, it seems to me a legitimate question for a representative of the people to come to the floor and ask how is the money being spent? Has it had an impact on interest rates? Is it affecting the capacity of home buyers to buy homes? Is it doing anything at all to the economy? Are you selling them as quickly as you could? Are you taking into account the need for low-income housing? It seems to me legitimate for me to be asking questions like that.

I have no interest in going back and trying to connect the President with all sorts of things that may have happened in the past. That is not my interest. It seems legitimate for me to stand on the floor—and I ask the Senator from Colorado if he shares my feeling that we perhaps need more of it coming from Congress—and ask questions about how this is organized, questions about the impact upon interest rates, questions about the impact on home buyers, questions about the impact on communities, questions about the impact on healthy financial institutions that are out there right now competing, competing with 400 institutions that the Government of the United States now owns and is guaranteeing the deposits. It seems to me it is legitimate.

I apologize again for the long question, but it seems to me legitimate for us to be on the floor and, if anything, we need to be on the floor more and not be intimidated by what I consider a rather petulant remark by the President's spokesman. Rather than be intimidated by that remark, it seems to me we ought to be emboldened by it and come to the floor more often asking questions about how this money was spent.

If it was a program for children, a \$5-million program, let alone a \$500-

billion program for savings and loans, if it was a \$5-million program, we would be here with everything we have. If it went for children, if it went for schools, if it went for energy or the environment, if it went for anything other than this, we would be over here constantly saying we are the taxpayers' representatives and we have a right to know. It seems to me we should be here more often.

I again apologize for the length of the question and ask the Senator from Colorado as my last question if that is legitimate.

Mr. WIRTH. I thank the distinguished Senator for a question which is absolutely valid.

What I hear on a steady basis from constituents is, Where are the Democrats? Are you all standing up on this? Why are you not all telling the truth and talking about it?

Mr. President, if a tree falls in the woods and there is nobody around, does it make any noise? We can come out and raise these issues and if there is no attention given to it, it does not have any impact.

Now apparently and obviously we have some attention and it is about time. It is absolutely valid on behalf of the people that elected me and the people that are represented by the distinguished Senator from Nebraska and the people who represent all of the other constituencies on the floor of the Senate, all of our States have a right to know what is going on. They have a right to know and we have an obligation to ask, to raise these issues and continue to do so.

I have raised this issue about enforcement over and over and over again. The response that we have received from the administration consistently is, we cannot spend the money. We are doing the job. We are setting up task forces.

We are checking out the size of the task forces being referred to. Some are two people, some are four people, for what is admittedly these enormously complicated items and we are going to have an amendment later, Senators GRAHAM, DIXON, and I—we hope that it will come out on the crime bill; if not, as a freestanding bill—to go after the question of enforcing the law, bringing to bear the resources necessary to do the job. That is our responsibility, not just to do what the administration might suggest we ought to do.

Mr. KERREY. I promise this will be my last. I would like to know if I could ask one more question.

Mr. WIRTH. I will be happy to yield to the Senator for a question.

Mr. KERREY. In the one statement the Senator made with which I agree—although I will just broaden it a bit—the Senator said the people are asking, where are the Democrats? People are asking me, where is Con-

gress? As I said, I do not see this is a Republican-Democrat issue. For gosh sakes, does anybody have to be reminded what happened when the National Endowment for the Arts spent money that some Members thought was offensive? Does anybody have to be reminded that practically every time money is spent in some way that offends a Member of Congress, whether it is \$1,000 or whether it is \$1 million, that they are on the floor immediately saying it should not be spent that way?

Here you have \$500 billion and the Stanford report saying maybe it is a trillion over 40 years and the administration coming forward and saying, well, we are not going to count interest. We are not going to count the money that was spent prior to January 1989. We will leave all that off. Now instead of \$60 billion, it is \$135 billion, maybe. We are not sure.

It seems to me that not only should Democrats be on the floor but Republicans, without concern for whether or not it embarrasses the President because it seems to me, I would ask the Senator from Colorado, unless Congress becomes outraged that the taxpayers' money is being misspent, that it is being wasted, unless Congress comes to the fore with some sense of dignity, not comparable I would say to the indignity and outrage that some felt about the National Endowment for the Arts, we are going to get nothing done. All we will do is get something that might look good on TV but we will not in fact get to the bottom of it.

I ask if the Senator sees it that way, as an issue where Congress needs to become more engaged; not just Democrats, who are perhaps attacked again, as I said by a meanspirited, sort of angry little spokesperson for the President, but all of us in Congress.

Mr. WIRTH. The Senator again is correct. I did not raise the partisan issue; the partisan issue was raised by the present spokesman at the White House this morning. That was the purpose of my heading up to address the Senate to see if I might be able to correct the record, and to find once again what indeed our responsibilities are.

I would be more than happy to yield to the distinguished senior Senator from Illinois.

Mr. DIXON. Mr. President, I thank my friend, the distinguished Senator from Colorado, for his remarks. I would put this question to him.

Would he agree with this Senator and many others who have followed the thrift crisis that Bill Seidman is probably the best informed and the most responsibly motivated person in this administration with respect to finding not only a solution to the problem for the future, but a correct way to address the existing problem that is before us right now?

Mr. WIRTH. I agree with that, and in fact said to Bill Seidman directly that he has an enormous reservoir of good will because he is the one person who has been honest about this on a steady basis; absolutely nonpartisan about it, very clear, concise, and said let us get on and be aggressive; also, maybe most importantly, he shares with the distinguished senior Senator from Illinois a sense of urgency.

Mr. DIXON. Would my friend from Colorado answer this question? If my friend from Colorado were the chief executive of this country at this point in our history, with this immense problem before us, would my friend from Colorado urge Mr. Seidman to leave the administration, and show him the door at a time when this crisis is before us in the country, and he is the one single man most respected by every Democrat and every Republican on the Hill with reference to this particular concern?

Mr. WIRTH. I would keep Mr. Seidman. But is Mr. Seidman leaving?

Mr. DIXON. May I say to my friend, and, Mr. President, may I say to my friends, too, in the Senate and in the country, that the best information I have—and I think the accepted view in this town—is that Mr. Seidman has been politely shown the door by the administration, and will shortly be leaving the administration and abandoning the post he has held with great distinction in this Government.

I would suggest that the experience of almost every one of us as public people over the time that we have served in public service is that indispensable men and women in the times of great crisis ought to be kept to address the problem and find the correct solution. I know of no one in the Government, I know of no one in the country better qualified to address the existing problem, and to suggest solutions so we do not have a repeat of this problem in the near future, than Bill Seidman.

Why do I talk about the near future, Mr. President? My colleagues know that, in recent hearings, we have had testimony that the early symptoms are there for the repetition of the disease that occurred in the thrift crisis in commercial banking in this country—right now, something like \$13 billion plus in funding to protect right now a \$49 billion exposure—testimony from major people in our hearings that if we had a recession similar to the 1982 recession, that problem would go right off the chart.

At a time like this, this administration is silently inviting in many ways, and certainly, by implication, inviting Mr. Seidman to depart the administration. I think that is a great tragedy. I am concerned about it.

Mr. D'AMATO. Will my colleague yield for a question?

Mr. DIXON. I will yield for a question, though I do not know that I have the power to do that.

Mr. WIRTH. The Senator from Colorado has the floor.

On the Seidman issue, and I will be happy to yield to the distinguished Senator from New York for a question, you will remember that Bill Seidman was I believe brought to Washington initially in 1974 by Jerry Ford.

Mr. DIXON. He is a Republican, may I say; a friend, I think, of the former distinguished President.

Mr. WIRTH. He was brought to help Jerry Ford at a time of very real crisis to provide a calming influence. We know what happened. That was a time in which there was a good deal of significant healing after an enormous upheaval. Bill Seidman did a very fine job at that point, and I think he is entrusted with a similar kind of crisis today. I am sorry to hear the Senator say that he believes that he will be leaving or has been in fact given the door.

I am happy to yield to the distinguished Senator from New York.

Mr. DIXON. If I could make this further observation before my friend from Colorado gives my good friend from New York an opportunity to be heard, may I make these few points?

I agree with what my friend from Colorado has said. It is sort of implicit around here that the administration simply does not want to do much about this problem. We have the Seidman example. Here is the outstanding man in the Government leaving at a time of grave crisis. I think that is something the country ought to be concerned about.

My friend from Colorado talked about the fact that this Senator and the Senator from Colorado offered an amendment to the supplemental appropriations bill to take \$30 million from the assistance for Panama in that supplemental appropriations bill and give it to the Department of Justice to hire investigators and prosecutors; \$30 million, Mr. President. Do people here remember how much that bill involved?

First of all, for Panama and Nicaragua alone, it involved \$720 million. Many people supported that. But the entire supplemental itself—and the record will show I voted against it. It was a voice vote, but I put a statement in the RECORD about how onerous I felt that bill was. That bill contemplated \$4.5 billion of the taxpayers' money for all kinds of expenditures in the country. Not one person on the other side took exception to that expenditure. Yet on our \$30 million attempt to transfer funds for a useful purpose with reference to the thrift problem, there was a parliamentary objection on the other side, believe it or not, to that amendment when the whole bill itself, that whole supple-

mental appropriations bill, was subject to that same objection. That \$4.5 billion bill, full of a great deal of pork, went down without a burp, without an upheaval of extraordinary proportions, Mr. President.

That is an attempt to try to solve the problem. We come along with our attempt now to set up a special strike force. We are finally going to have an opportunity on the crime bill to offer that amendment—the Senator from Colorado, the Senator from Florida, this Senator and others. I expect at that time that will be opposed by the administration.

Mr. President, there are any number of good reasons to have concern about how we are moving in the degree of due diligence in which we are moving on this thrift crisis in America.

When Mr. Fitzwater makes the kind of statement he made in this press conference and suggests it is a problem caused by the Democrats, I would want to again bring to the attention of this Senate and the public generally the fact that this is referred to even by the Secretary of the Treasury, Nick Brady, as a problem of this decade. This decade is a decade in which this administration has controlled the Government, and has been responsible for what occurs in the Government.

I think it is very clear that the deregulation, the inability to regulate that industry, and to properly regulate that industry is what has led to this very serious crisis in the country.

I would say that as a minimal thing the administration ought to be doing all it can to put the crooks in jail, to pursue with great vigor the deep pockets out there, get back this money by piercing the corporate veil by looking at bank accounts, by piercing bankruptcy if necessary, and fraud and criminality will do that, and otherwise in every way possible through a motivated effort of the highest degree find this money in the country in these deep pockets, from these crooks and these thieves who have taken it from the American people, and put it back in the Treasury.

I thank my friend from Colorado for his remarks, with which I want to fully associate myself. I say one last time, it is a sad day in this town when Bill Seidman leaves his post and leaves us without his intellectual capacity and his honesty and understanding of this great problem.

Mr. WIRTH. If I might reclaim my time and ask a question, is there a replacement for Mr. Seidman?

Mr. DIXON. I do not know that of my own information, may I say to my friend from Colorado. There will, of course, be a replacement, I think, in time for Mr. Seidman. I think that the confidence he holds of the American public and the Congress and the Gov-

ernment will be lost to America. I think it is a great loss.

Mr. WIRTH. It seems to me that before setting up a situation where a person who was trusted in doing the job leaves and before you encourage him to leave, before you open the door and invite him to leave, you have somebody ready to move into that slot and people know about it. If, in fact, we have what I think is a very real crisis of confidence and a valid crisis of management, I do not know who that person is.

Mr. DIXON. I might also respond, when we talk about these problems, Mr. Seidman has suggested some of the solutions we ought to look at, solutions like looking at the deposit insurance question. Incidentally, I do not think it is his view that the \$100,000 deposit insurance level should be reduced. I think he generally feels that would have very little salutary effect now.

There is a question of risk-based deposit insurance. I hope the Senator from Colorado knows that. This Senator has been researching it for months. There is a question of the too-big-to-fail doctrine, whether we ought to have it at all any more in view of the experiences we have had in America. This Senator feels we should not.

There is a question of stronger regulation. After the industry was deregulated on the recommendation of a commission chaired by the now President, then Vice President, of the United States, it is the view of the major regulator that absolutely nothing was done to supervise these institutions after deregulation, that is to say, to see that there was safety and soundness in these institutions.

What are we doing about that now? Why is the administration not bringing us legislation to deal with the problem that its own witnesses now tell us is a growing problem in America that could be repeated, Mr. President, and that the symptoms of that dread disease are already apparent in the commercial banking industry? Where is the legislation to address that problem? This Senator is working on legislation, but I am not the President of the United States or the Secretary of the Treasury. I am working on the problem because I see it. But where is the solution to the problem that this administration, in the last decade, has permitted to occur in this country? That is the question I think my friend from Colorado and others quite properly ask.

Mr. WIRTH. I thank the distinguished Senator from Illinois for his aggressive leadership and his sense of urgency, which I think is maybe the most important variable we ought to attend to. This is a serious matter that demands serious attention, demands

serious energy, and not business as usual.

The distinguished Senator from Florida—whom I see is on the floor—and I have legislation, in fact, to examine the deposit insurance issue, how much of it there ought to be, to examine how many deposits one has, and risk-based insurance. We introduced that in 1987. We have introduced that in this Congress, and we hope that we will have success in having that become law.

I see the distinguished Senator from Florida is here.

Mr. GRAHAM. I thank my colleague from Colorado.

I have another concern in reading the transcript of the press conference this morning by Mr. Fitzwater. The concern is that there seems to be, in the essence of this conference, an example of the passivity, an essential lack of concern for this problem, emanating from the highest levels of the administration.

For example, the whole press conference started with questions about a lunch held today between the President and the Attorney General and issues of what would be the topics to be discussed, and was one of those topics to be discussed the criticism of the slow-paced prosecution of the criminal component of the S&L debacle? In the course of the question-and-answer relationship with the press, this question was asked: "There is some fairly tough talk about going after these people," that is, the criminal element within the S&L industry, "is the President getting them," the criminals, "to cover more of the costs, seizing more of their own property to defray the enormous cost to the American taxpayer of this bailout?" That is a good question. That is a question which a lot of Americans have been asking themselves, asking us, hoping that they would have a chance to ask a spokesman of the President of the United States.

What was the answer? The answer is, Mr. Fitzwater says:

The Resolution Trust Corporation is charged with taking over these thrifts, disposing with the property, getting back all the funds that they can to help pay for the depositors' losses.

That was not the question that the inquisitive reporter was asking. The inquisitive reporter did not want to get a lecture in how you sell distressed assets with an S&L. What she or he wanted to know is, how are you going to hold the individuals accountable who profited by these series of what Mr. Fitzwater would go on to call the "decade of mismanagement," how are you going to get the people who actually put the money in their pockets to disgorge and help to reduce the costs that all of us are now going to have to pay. The fact that Mr. Fitzwater either did not know or, if he knew, did

not think it was important enough to respond to that question, I think is indicative of the passivity with which this whole issue has been treated.

Mr. President, I further suggest that there is another fundamental issue, and that is the necessity for Presidential assumption of leadership on this issue. We have heard almost nothing since the initial legislation was introduced, almost a year and a half ago, on this issue from the highest levels. There has not been a call to action, nor has there been a statement to the American people that this is an issue under control, to calm yourselves, do not act in an irrational or an inappropriate manner, because we have this issue under control. What we have heard is silence.

I think it is time that the President step forth, and I suggest that he has a fairly obvious speech to be delivered. He needs to tell the American people some basic facts about just what is happening. Is this still the \$50 billion problem that he described it as being when his legislation was introduced in early 1989, or is it the \$500 billion issue that the General Accounting Office says it is, or is it the \$1 trillion issue that the Stanford University researchers think it may well be? What is the extent of the problem? The President of the United States is in the best position of any American to assess the depth of this issue, and what is the true extent of the challenge that we face?

The President needs to tell us how he thinks we ought to pay for it. Last year, the dominant concern was how to avoid having the cost assigned to anyone's responsibility. After a long debate, we finally decided to put 30 percent of the cost of last year's \$50 billion—\$30 billion out of the \$50 billion was put off budget, so that it would not be so visible, so that it would not be so painful.

I believe that we need the President to step forward to tell us today, was that a responsible decision? Or, should we revisit it? Should we not do as some very thoughtful people such as Felix Rohatyn last week suggested, pay for it now? You went to the party, you got the benefits, this particular generation of Americans; you should pay for this, not transfer it to our children and to our grandchildren.

Mr. President, I think those are legitimate questions. You, as the leader of the country, I believe could give this Nation a sense of calm and direction by speaking to those issues. We need to know some facts about what is happening relative to the criminal prosecutions.

Mr. Fitzwater said today he thinks there are maybe 1,000 cases that are currently being processed by the Department of Justice.

In response to the question on the S&L, is the President satisfied with

the pace that the Department of Justice has been pursuing prosecutions in the S&L scam, Mr. Fitzwater says:

We always like the prosecutions to go faster but this is a process that is not quick. It means chasing paper through a lot of organizations. We have some 1,000 cases, more than 1,000 cases in the works. The Attorney General is gearing up task forces all over the country.

We have information that in fact there are over 21,000 referrals of criminals cases currently pending, most of them in an inactive status before various investigatory and prosecutorial agencies. Is it 1,000 or 21,000, or as my colleague from Colorado reported last week in a conversation with the head of the Office of Thrift Supervision, it may be mounting at the rate of 8,000 to 10,000 every month as the regulatory agencies get deeper into the levels of abuse within these institutions?

I think the American people deserve to know the facts so that we, too, can understand and participate in moving our Nation through this very, very dark period of its economic and political history.

Finally, Mr. President, I suggest that the President could speak to the American people about what does this mean about your future? Does this S&L debacle say that your plans to buy a new home in the next few years are going to have to be put aside? Does this mean as a small business person that your hopes of securing financing for expansion of your business are going to have to be delayed? Does this mean that the economic future of the country is going to be placed in some doubt and, therefore, you should adopt a more defensive and protective individual, as well as societal, economic posture?

Mr. President, we received some disturbing news just this morning, a report that construction of new housing last month fell 1.4 percent to the lowest level since the 1982 recession. To what degree is that another response, another reflection, another symptom of the spreading S&L crisis?

Those are the kinds of questions that I think the President, not an uninformed petulant spokesman, should be speaking directly to the American people. With that candid talk could then come the outline where we go from here, because I agree that what the American people are interested in most now is solving this problem, not lacerating history. There will be plenty of opportunities for political and academic historians to evaluate what has happened in the past. What is critical now is what is going to happen from now through the future, that we have the ability and responsibility to provide some direction to control.

Mr. President, I would be interested in whether our distinguished colleague

from Colorado feels that that is another lesson that might be learned from a reading of the press conference held earlier today by Mr. Marlin Fitzwater.

Mr. WIRTH. Mr. President, the issue of again a lack of urgency and a lack of attention to this serious problem is raised by lack of knowledge. We are told this morning that maybe there are 1,000 cases out there. The facts of the matter are, as the distinguished Senator from Florida has pointed out, much, much more dramatic and difficult than that.

The Federal Bureau of Investigation has received more than 20,000 referrals, not 1,000. But 1,000 of those 20,000 involve losses of more than \$100,000.

As of February 1990, 4 months ago—and lots has happened since then—the FBI had more than 7,000 pending bank and S&L fraud and embezzlement cases, some 3,000 of which were major—3,000 fraud and embezzlement cases that were major—and more than 900 of those thought to involve more than \$1 million each. That is almost a billion right there.

Mr. Fitzwater pointed out and said maybe there are 1,000 cases here that we are kind of going after. Then he went on to say the Attorney General is gearing up task forces all over the country.

What is he gearing up the task forces with? The fact that we found out, after probing on this front, was that the administration—this goes to the point about the money—we said to them, "Spend this money and go after this fraud." They would not do it. The FBI was also asking for this money. The FBI asked for 224 more agents; the U.S. Attorneys Office requested 113 more assistant U.S. attorneys and 142 more support staff.

The administration now is coming around and saying maybe we will do a little bit more, but what they have done is let the FBI add 42 agents and 26 support staff. This is a faint response to the problem. The problem is mammoth; the response is a token response.

They say, can the administration use this money? Of course they can.

In recent testimony before the House Government Operations Committee's Commerce, Consumer and Monetary Affairs Subcommittee, the administration officials indicated there is a need for additional resources. These are people who are career service.

On March 14, 1990, Oliver B. Revell, Associate Deputy Director of the FBI, discussed the difference between the March 1989 request and the eventual allocation of resources to pursue financial institutions fraud and embezzlement. Mr. Revell said that these additional personnel were still needed

and that "we wouldn't have asked for them if we didn't need them."

On March 15, 1990, Assistant Attorney General Edward S.G. Dennis, Jr., testified before the same House subcommittee. Mr. Dennis' statement noted that seven FBI field offices requested additional special agents but were not allocated any new agents. Ten other FBI field divisions were described by Mr. Dennis as receiving "substantially fewer positions than requested."

The story was similar when Mr. Dennis turned to the U.S. Attorneys Offices: 11 districts requested additional assistant U.S. attorneys but did not receive any while eight districts received substantially fewer positions than they requested.

That is a very stark contrast to the Attorney General gearing up task forces all across the country.

Mr. PRYOR. Mr. President, I take this opportunity this afternoon to commend the very distinguished Senator from Colorado for bringing this matter to the attention of this body.

I also associate myself with the remarks of the Senator from Illinois, the Senator from Nebraska, and the Senator from Florida, that have preceded mine.

Mr. President, I ask unanimous consent that after my remarks appear in the RECORD that the transcript of the White House briefing given by Mr. Marlin Fitzwater be printed in the RECORD.

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

(See exhibit 1.)

Mr. PRYOR. Mr. President, that is the press conference that Mr. Fitzwater, speaking for the President of the United States, held, I assume, this morning sometime before lunch.

About 2 hours ago someone handed me a United Press International summary of this press conference that I have just made reference to, that I am placing in the RECORD.

Mr. President, I will say that when I read this news article, this United Press International summary of that discussion in that press conference, I did not know whether to laugh or to cry, but I would sense that really what I felt was—I guess I was flabbergasted, flabbergasted that the chief spokesman of the President of the United States would make statements such as he made in this particular press conference.

My next reaction was, well, maybe Mr. Fitzwater—who has been so busy the last 2 or 3 weeks defending us from the flag burners, protecting our people from the flag burners—maybe he forgot to do his homework or look at any history of the last decade which has led up to the greatest financial scandal in our country's history.

So maybe we will not say that he meant this. Maybe we will just say he did not have time to do his homework.

Mr. President, I would like to say one thing. I am part of the guilt of the S&L problem. I was a U.S. Senator during the past decade. I voted for some of the deregulation proposals asked for by the Republican administration. I am part of the guilt.

But for Marlin Fitzwater to go to the press and say that the Democrats should bear the majority of the blame for the S&L crisis is beyond my comprehension. Mr. President, I think that this body, and this Senator, are within our rights, and within my rights, to ask the President of the United States at this time if he associates himself with these allegations and accusations against the Democratic Party.

I think if President Bush would only look back, he would have to remind himself that in the FIRREA Act, signed August 8, 1989, it took the Democrats working with the President to pass that particular bailout plan. It could not have been done without Democrats. It took Democrats, Mr. President, to approve the nominee for the OTS Director's position, Mr. Timothy Ryan, a man who I thought was unqualified for the job and whom I opposed. Despite my opposition, enough Democrats did vote with Republicans to approve Mr. Ryan's nomination. It could not have been done with just Republicans. My point is Mr. President, that Democrats have publicly supported President Bush's efforts to clean up the S&L industry, yet his spokesman puts the blame for the problem on us.

Mr. President, I have accepted blame for a portion of this S&L crisis because I was a Member of this body, and the buck stops here. But if there is any grave Democratic responsibility, I think it is that we were negligent—negligent because we did not subject the regulators who were telling the Congress about the status of the S&L crisis 3 and 4 years ago, to a polygraph test.

This is where we were negligent. We should have submitted them to a polygraph test. We should have put them under oath. Because, Mr. President, in looking back, and this is a harsh accusation, they simply were not telling us the truth. We could not find out the truth. We heard rumors. There were innuendos. There were accusations. We would call people before our committees. We could not get the truth.

Looking back, Mr. President, what was happening there was an attempt, a studied attempt, to make certain that during the last 1 or 2 years of President Reagan's Presidency—and he had been a most popular President—no scandals erupted. So they kept postponing this. They kept

saying, "Well, it is not as bad as you think, Senators and Congressmen. This thing is going to go away." Or, "we are going to grow our way out of it." But, Mr. President, the truth was the S&L crisis was here. It was happening. And we were not being told the truth. Those are the facts.

And, yes, all of us have a little blame to share.

Mr. President, I think the Senator from Nebraska a few moments ago put his finger on a larger issue. I would like to talk about that for just a moment. That larger issue is the abuse of power that we may be seeing the first signs of in this particular administration. I hope it is not true, because I know President Bush. I know him as an honorable man. I went to the U.S. House of Representatives with him as a freshman Congressman in the year 1967. He is a good man. He is a decent man.

But when his spokesman, Marlin Fitzwater, goes before the press and he starts talking about individual Senators and individuals who he is trying to put the blame on—he lists for example, Senator BOB KERREY, Democrat of Nebraska—and then he says, and I quote Mr. Fitzwater, "Take a look at all of them."

An abuse of power, after just having been with the Attorney General of the United States. "Take a look at all of them." What sort of a message is that, Mr. President? Is that a message to Senator KERREY, and to Senator WIRTH, and to Senator GRAHAM, and to Senator DIXON, and to Senator PRYOR.

"If you ask any questions about this, we are going to take a look at you." Is that what we are talking about? Is that what we have come to? They say, "Well, all of these problems are going to go away. We are going to have enough money to fund this. We do not need to put it on budget." Funny money, make believe, Disneyland.

Mr. President, I have been a politician pretty well all my life. I started running for office when I was 25 and got elected when I was 26. I have usually been able to explain just about anything—a vote, a position, a statement, a misstatement, you name it. Maybe that is the gift or the art or the science of being in politics; I do not know. I do not want to get into that.

But, Mr. President, I cannot go home to my State of Arkansas. I cannot go home and explain to those people in a town hall meeting why these crooks are not in jail and why the American taxpayer is going to have to pay for their yachts, their Jaguars, their mansions, their villas, their Mercedes. I cannot explain it.

I cannot explain to those people, Mr. President, when I go back to Arkansas, why these 21,000 cases that the Senator from Colorado once again brings to our attention on the Senate floor, why

these cases are not being prosecuted. Some people say, "Well, we do not have enough money. We do not have enough prosecutors. We do not have enough courts."

Mr. President, once again, it was the Democrats, it was the Democrats in this body and in the House of Representatives that said, "Mr. President, you name what you need to go after these crooks and these scoundrels. We will give it to you. We will get it for you." They cut back on the requests.

In FIRREA last year, signed by the President on August 8, there was—I think I am correct, the Senator may want to correct me—\$75 million authorized to investigate and prosecute S&L crimes. That money has not been spent, Mr. President. Some of it has. We tried, as we stated a moment ago, to take some \$30 million out of a foreign aid program and make it available so the Justice Department could have more money, so they could hire more prosecutors.

"Well, no, we do not think we will be for that"—a lackadaisical attitude.

Mr. President, last Thursday I made a little statement on the floor about a situation in Texas, to demonstrate the mentality, which is rather laissez-faire, and says everything is going to be nice. I wanted to know what the Government liquidators were going to be doing with some of the Persian rugs out of the S&L's they closed. I would like to be able to buy a Persian rug—probably I will never be able to. I wanted to know what they were doing with the Jaguars and walnut desks and conference tables and Picassos and sculpture. I said, what did they do with these?

Well, let me tell you what happened. The GAO found out in the State of Texas, they did a little test case there, a \$3.3 million inventory was taken to a warehouse. Do you know what the taxpayers netted out of those liquidations, Mr. President? After the warehouse storage, after the inventory, the lawyers' fees, the consultants—you name it—the taxpayers netted out of that \$3.3 million only \$57,000.

Mr. President, the distinguished occupant of the chair is a very successful businessman and he knows that is not a very good deal. It is not a good deal. It is a sweetheart deal and this is a sweetheart deal. Mr. President, George Bush's chief spokesman is trying to cast that blame where it is not due.

Looking at the State of Texas, people say well, we should have had more regulators or should have done this or should have done that. Yet the thrift industry was coming up here crying to us, saying, "We do not want regulation, we want deregulation, we want free enterprise, we want to be able to wave the flag." What happened, Mr. President? We had free enterprise, all right.

For example, in the State of Texas, in 1981, there were 54 regulators. By 1987 there were 12 regulators. We turned away from the problem. We thought it was being looked after. But we could not get the facts.

Mr. President, another comment from Marlin Fitzwater in today's press briefing. A reporter by the name of "Jerry" questioned: "Marlin, you are kind of suggesting that the decade of mismanagement was chiefly Democratic. Would you care to balance it off and tell us where the Republican faults lie?"

Mr. Fitzwater: "No."

Another question. Mr. Fitzwater calls on Sara. That could be Sara McClinton, I do not know.

Mr. Fitzwater calls on Sara who says in the second part of her question: "And also, Mr. Fitzwater, I would like to ask you if any Republican has ever come forward since that \$100,000 was passed, and asked that it be changed?"

Mr. Fitzwater says, "Well, we're taking a look at all of that now."

Mr. President, there has been a lot of talk today about blame. I think it is time to stop talking about blame and do something about the problem. I think the first thing we can do about the problem is hire the number of regulators we need. We can equip them, we can give them the tools.

They say, well, we are forming task forces all over the United States. Mr. President, we do not need any more talk about task forces. We do not need any more consultants. We do not need any more studies. We need action. The American people are asking and begging for that action because our credibility is diminishing quickly—this institution's.

I conclude, Mr. President, by saying I am deeply troubled by Mr. Fitzwater's statement and I am hoping that the President of the United States, George Bush, who is a very, very decent man, will disassociate himself, before the sun sets, from these accusations.

Mr. President, I thank the distinguished Senator from Colorado.

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2032

Mr. WIRTH. Mr. President, I have original recognition to offer an amendment. Mr. President, on behalf of myself, Mr. JEFFORDS, and Mr. HEINZ, 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 Colorado [Mr. WIRTH], for himself, Mr. JEFFORDS, and Mr. HEINZ, proposes an amendment numbered 2032.

Mr. WIRTH. 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:

Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

(v) Develop a Uniform Mortgage Financing Plan for Energy Efficiency.

(1) The Secretary of Housing and Urban Development, in consultation with the Secretary of Energy, shall within two years of the passage of the National Affordable Housing Act (NAHA), promulgate a uniform plan to make housing more affordable through mortgage financing incentives for energy efficiency.

(2) To develop this plan, the Secretary shall form a task force to make recommendation on financing energy efficiency in private mortgages, through the policies of Federal agencies and federally chartered financial institutions, mortgage bankers, homebuilders, real estate brokers, private mortgage insurers, energy suppliers, and non-profit housing and energy organizations.

Mr. WIRTH. Mr. President, I offer this amendment on behalf of the distinguished Senator from Pennsylvania [Mr. HEINZ] and the distinguished junior Senator from Vermont [Mr. JEFFORDS]. The three of us, Mr. President, have the pleasure and the honor of serving as chairs and cochairs of the Alliance to Save Energy, a very important national group set up 10 years ago by Senator Percy. The first Executive Director was Carla Hills, now the U.S. Trade Representative.

The purpose of the alliance was to focus on issues of energy efficiency. The alliance had a very important conference last spring that focused on affordable housing. One of the issues that emerged in the affordable housing conference was the importance of energy efficiency.

If, Mr. President, we could develop a program that made housing more energy efficient, the people who were in that housing would have more money left over to do other things. That is pretty obvious. If we can develop a way in which the energy efficiency can be applied to those individual's mortgages, then they are ahead and we can make housing available and affordable to a lot more people.

Without question, affordable housing is a national crisis: the shame of homelessness and the squeeze on homeownership remain realities despite this Nation's tremendous wealth. Today, many of our children are finding it difficult to own a home—even with two incomes. Young people that are able to afford their first home, must make that purchase further and further away from urban centers and the workplace.

Energy efficiency is also a pressing issue—for our energy security, our

international competitiveness and for the environmental crisis that is unfolding around the world. It is clear that the Earth's atmosphere cannot benignly absorb the increasing levels of carbon dioxide released by man's burning of fossil fuels. From acid rain to global warming, we have come to understand that energy policy is the essential component of environmental policy. Indeed, environmental policy is driving energy policy and will continue to do so for the foreseeable future.

My intention today is to explore the relationship of these two issues. For more than a decade, the Alliance to Save Energy has shown that energy efficiency should be a mainstay of the affordable housing formula. In 1988, we reported that energy is the largest cost of housing after rent or mortgage payments. Their research found that energy represents about 20 percent of the typical monthly housing expense, and more than one-third of the housing budget of low-income families.

We know that energy is a big piece of the affordable housing puzzle. Our challenge lies in finding opportunities to reduce consumer expenditures on energy in order to free up resources for investments in better and more decent housing. With the proper policy mix, good energy policy can be good economic policy, good housing policy and good environmental policy. We must keep in mind that every house we build or rehabilitate today will effect these policy objectives for years to come.

Energy, in itself, is not a primary consumer good. Rather, our constituents want energy services for their homes—lights, heat and air-conditioning. The objective of energy conservation is to ensure that these services are available to consumers in the most efficient manner. Research by the Alliance, Harvard University and other expert organizations, has found that by implementing cost-effective energy efficiency measures, we can cut our national housing bill by \$25 billion annually. In the process, we can help millions of people in this country. The Alliance believes that as many as 250,000 families could become homeowners for the first time and another 2 million households, mostly low-income renters, could afford to pay their housing bills if we make homes energy efficient. In the process, we can help limit the need for new powerplants and reduce environmentally damaging emissions.

If we were to reduce energy consumption by 25 percent in the housing sector of our economy, we could save the equivalent of 400 million barrels of oil every year, preventing the emissions of millions of tons of carbon dioxide—the primary greenhouse gas.

Mr. President, working with the Banking and Urban Affairs Committee, we have taken a first step in

achieving these savings. S. 566 includes language that directs the Department of Housing and Urban Development to develop energy efficiency standards for new construction of public and assisted housing. The Federal Government pays more than \$1 billion each year for the energy bills of public housing. Much of this could be avoided with cost-effective investments.

The amendment I am now offering takes a further step—develop a uniform mortgage financing plan for energy efficiency. While Fannie Mae, Freddie Mac, FHA, and VA have made progress toward incorporating energy considerations in the mortgage underwriting process, there is no uniform, simple policy that consumers and lenders can use to ease the affordability squeeze. We need a uniform, understandable procedure for incorporating the costs of energy efficiency improvements into the mortgage and ensure that it is well known to builders, realtors and buyers alike. If we let consumers roll the cost of energy efficiency improvements into their mortgages, the savings may help more buyers to qualify for loans.

The ingredients of an energy efficient home are well known and commercially available: better insulation, radiant barriers, more efficient heat pumps and high efficiency appliances. Unfortunately, these features are not being built into many of today's homes. High initial costs and the failure of mortgage insurance procedures to account for energy efficiency are the primary impediments.

Let me give a real-world example of energy efficient affordable housing. In Dallas, TX, homes are being financed with an initial added cost of \$250 to the home for energy efficient measures which adds about \$2.50 to the monthly mortgage payment. However—and this is what is key—these homes save the owners \$35 a month in energy bills.

I think you will agree that making this kind of mortgage readily available to buyers will enhance a family's ability to own a home, as well as make important reductions in energy consumption. Overall, I think these kind of initiatives will cost very little in public or private dollars, and will give us better, more affordable housing.

I hope, Mr. President, that this amendment will be agreed to. We have discussed it with the distinguished managers of the legislation on both sides.

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

Mr. CRANSTON. I think the Senator from Colorado has offered a very fine amendment. I know he has been very active for a long time in pushing energy efficiency relating to many,

many problems in our society, including global warming on a worldwide basis, pollution all over our country, and energy efficiency is one of the ways to resolve that. It is a fine amendment and I am prepared to accept it on behalf of the majority and I believe the minority is likewise ready to do so.

Mr. DOLE. Mr. President, I am not a member of the committee but I am advised there is no objection to the amendment on this side. We are prepared to accept it.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 2032) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. WIRTH. I want to thank the distinguished manager of the bill, Senator CRANSTON. He and his staff were very helpful in developing this. This is a different way of thinking about energy and housing. I think this is an important step. I want to thank Senator CRANSTON, as well as Senator D'AMATO, on the minority side, who was also helpful with his staff. Thank you, Mr. President.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

THE S&L CRISIS

Mr. WIRTH. Mr. President, to recapitulate, illegal activity was widespread within the savings and loan industry and will cost taxpayers billions of dollars. The American people rightfully expect the Federal Government to vigorously pursue individuals whose illegal activities contributed to the industry's losses. If we are serious about sending a message of "never again" to those involved in the financial industry, we must aggressively investigate and prosecute criminal activity related to the S&L crisis. We cannot let those in the financial services industry believe the Government will cover any loss—no matter how big—and then let the perpetrators go unpunished.

There is no question that fraud and insider abuse by S&L owners and management contributed significantly to the problem we now face. The need for additional resources to investigate and prosecute criminal activity within the thrift industry is also well documented:

The Federal Bureau of Investigation has received more than 20,000 refer-

rals involving fraud and other criminal activity in the financial services industry that the Bureau has been unable to examine. More than one thousand of these cases are major involving losses of more than \$100,000.

As of February 1990, the Bureau also had more than 7,000 pending bank and S&L fraud and embezzlement cases, some 3,000 of which were major. And more than 900 pending cases and about 235 of the unaddressed referrals involve losses greater than \$1 million.

The Department of Justice caseload is growing rapidly. Mr. Timothy Ryan, the new Director of the Office of Thrift Supervision, recently informed me that bank and thrift regulators were sending the Department of Justice 8,000 referrals per month regarding civil and criminal violations and that there were now 80,000 cases pending.

Regulators will examine and close more insolvent institutions and the Department of Justice will receive thousands more referrals of possible criminal activity related to savings and loan failures, increasing the workload for Federal investigators and prosecutors.

The \$50 million requested by the administration for fiscal 1990 proved inadequate. The additional personnel provided by these funds did not meet the staffing needs identified in a 1989 FBI survey. In this survey, FBI and U.S. attorneys' offices requested 224 more FBI agents, 113 more assistant U.S. attorney positions, and 142 more support staff positions than the agencies received.

The administration's budget proposal for fiscal year 1991 does not make a specific request to target criminal activity related to the S&L crisis and instead includes some funding for this purpose within the overall request for investigating and prosecuting bank fraud. The budget would only permit the FBI to add 42 agents and 26 support staff, well short of the bureau's staffing needs.

Additional resources are needed as soon as possible because the passage of time makes investigation more difficult.

In recent testimony before the House Government Operations Committee's Commerce, Consumer and Monetary Affairs Subcommittee, administration officials indicated there is a need for additional resources to pursue financial institution crimes.

On March 14, 1990, Mr. Oliver B. Revell, Associate Deputy Director of the FBI, discussed the difference between the March 1989 request and the eventual allocation of resources to pursue financial institution fraud and embezzlement. Mr. Revell said that these additional personnel were still needed and that "we wouldn't have

asked for them if we didn't need them."

On March 15, 1990, Assistant Attorney General Edward S.G. Dennis, Jr., testified before the same House subcommittee. Mr. Dennis' statement noted that seven FBI field offices requested additional special agents but were not allocated any new agents. Ten other field divisions were described by Mr. Dennis as receiving "substantially fewer positions than requested."

The story was similar when Mr. Dennis turned to the U.S. attorneys' offices; 11 districts requested additional assistant U.S. attorneys but did not receive any while 8 districts received substantially fewer positions than they requested.

Mr. Dennis said that:

A significant reason why these shortages exist is that there is insufficient funding under FIRREA to fill all the requested positions.

Yet FIRREA authorized \$25 million more than the \$50 million the administration requested for this purpose.

By now Senators are familiar with this problem. The issue has drawn a great deal of attention in recent weeks. Although the Senate rejected my amendment to transfer funds from Panama tourism development assistance to the Department of Justice [DOJ] for investigation and prosecution of financial institution crimes, a variety of related proposals have since been introduced in both the House and Senate.

Several proposals would reorganize the Federal Government's activities in this area. These include legislation to create a Financial Services Crime Division within DOJ, authorize a special prosecutor to investigate the S&L crisis, establish local strike force in areas with the highest levels of criminal referrals, and authorize the Secret Service to join in investigating thrift crimes. Another bill directs the Attorney General to pursue the thousands of unaddressed referrals and pending cases over the next 2 years. Legislation has also been introduced that would expand investigators' subpoena authority, increase access to IRS records, prevent restitution orders from being discharged in bankruptcy, allow regulators' administrative expenses to be reimbursed from civil penalties, give the RTC priority in claims against an institution and its officers and directors, and make all types of bank fraud subject to the Racketeering Influenced and Corrupt Organizations [RICO] Act. Some of these ideas has found their way into more than one piece of legislation. Importantly, Members on both sides of the aisle in each Chamber have joined in this chorus calling for action.

Many of these initiatives deserve our serious attention and support. I ap-

plaud Senator BIDEN's plan to hold Judiciary Committee hearings to examine these various initiatives and prepare a proposal for the Senate's consideration. We may wish to consider some organizational changes. We may wish to provide law enforcement officials with some additional tools beyond those provided by FIRREA and other existing statutes. Regardless, we have given the Judiciary Committee a lengthy list of things to look at. And, Mr. President, I would not be surprised to see more proposals thrown into the hopper.

However, the most effective thing we can do at this time is give the FBI and U.S. attorneys' offices additional resources to investigate and prosecute the criminals who were active in the industry. The Department of Justice is trying hard to do its job and its personnel are effective, capable, and dedicated. If we give the FBI and the U.S. attorneys more resources, the Department will be able to make more progress against the backlog of cases. If we do not provide more resources, the many other suggestions before us will do little good.

An often overlooked element of this issue is the possibility of recovery of funds through more aggressive prosecution. In 1989, more than \$16 million were recovered as a result of 10 cases involving savings and loans. A year ago, Assistant Attorney General Carol Crawford wrote that U.S. attorneys estimated potential recoveries of \$89.6 million under S&L fraud cases investigated by their offices. And we must remember that there are many cases which have yet to reach the U.S. attorneys for action. We will get some financial return from funds invested in S&L investigation and prosecution in addition to the important message it would send to the American public and the financial services industry. Spending in this area will, at least in part, pay for itself.

FIRREA authorized \$75 million for fiscal years 1990, 1991, and 1992 to pursue the investigation and prosecution of financial institution crimes. However, the administration only requested \$50 million for 1990 and did not make a specific request for 1991. I am concerned by the lack of priority reflected by this request and the conflicting voices we hear from the administration. On the one hand, Timothy Ryan tells me of the astounding pace of criminal referrals while Oliver Revell, the Associate Deputy Director of the FBI, and Assistant Attorney General Edward Dennis discuss the need for additional personnel and resources to pursue those referrals. At the same time, the administration's budget request does not reflect that need.

Mr. President, these conflicting messages make me wonder what is going on. Is OMB overruling the Depart-

ment of Justice such as they overruled thrift regulators' requests for additional supervisors during the mid-1980's? I hope not. But I simply do not understand why the administration is not rushing to ask us to provide the Department of Justice with the resources that Department officials indicate they need. Fortunately, I have heard reports that the administration is now preparing a proposal in this area. I am encouraged by this apparent change of heart and look forward to seeing the President's recommendations.

I am also encouraged by last week's statement by my good friend, the junior Senator from South Carolina and chairman of the Subcommittee on Commerce, Justice, State, and Judiciary Appropriations. Senator HOLLINGS announced his intent to seek at least \$109.5 million for the Department of Justice's efforts to pursue S&L-related crimes. Senator HOLLINGS has held hearings on this topic and knows the problem well. I hope we will all support him as his subcommittee seeks to provide the funds necessary to go after the criminals involved in the S&L crisis.

Recently, I introduced Senate Resolution 298, a resolution calling upon the President to seek the full \$75 million authorized by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA] to pursue the investigation and prosecution of financial institution crimes. The resolution also requests that the President allocate additional resources as necessary to ensure criminal activity that contributed to losses to the Federal deposit insurance funds is investigated and prosecuted to the fullest practicable extent. I encourage Senators to cosponsor this resolution and go on record in support of full funding for the Department of Justice's efforts to attack crimes related to the savings and loan debacle.

SAVINGS AND LOAN FACTSHEET

The savings and loan [S&L] debacle is the largest financial crisis in our Nation's history. According to the Treasury Department, the cost of resolving the crisis today could be as much as \$132 billion. The General Accounting Office [GAO] calculates that the overall cost could reach \$500 billion over a 30-year period.

FRAUD AND THE S&L CRISIS

Fraud and other criminal activity contributed significantly to the savings and loan industry's losses and will cost taxpayers billions of dollars. An October 1988 report of the House Government Operations Committee found that insider misconduct caused or contributed to more than three-fourths of all thrift failures. Last June, the General Accounting Office [GAO] issued a report that examined 26 thrift failures and compared them to a sample of 26 solvent S&L's. The GAO found activi-

ties at each insolvent institution that appeared to be fraud and insider abuse. Investigations or legal action had been initiated against 25 of these 26 thrifts or against persons associated with the S&L's.

Attorney General Richard Thornburgh recently spoke of an "epidemic of fraud" in the savings and loan industry and indicated that at least 25 to 30 percent of thrift failures can be attributed to criminal activity by the institution's officers and management. Officials at the Resolution Trust Corporation [RTC] indicate that an estimated 60 percent of the institutions it has seized "have been victimized by serious criminal activity."

LARGE AND GROWING INVESTIGATION AND PROSECUTION CASELOADS

The Federal Bureau of Investigation has received more than 20,000 referrals involving fraud and other criminal activity in the financial services industry that the Bureau has been unable to examine. More than 1,000 of these cases are major and involving losses of more than \$100,000. As of February 1990, the Bureau also had more than 7,000 pending bank and S&L fraud and embezzlement cases, some 3,000 of which were major. And more than 900 of the pending cases and 234 of the unaddressed referrals involve losses greater than \$1 million. The Department of Justice caseload is growing rapidly. Mr. Timothy Ryan, the new Director of the Office of Thrift Supervision, recently indicated that bank and thrift regulators were sending the Department of Justice 8,000 referrals per month regarding civil and criminal violations and that there were now 80,000 referrals pending. Regulators will examine and close more insolvent institutions and the Department of Justice will receive thousands more referrals of possible criminal activity related to savings and loan failures, increasing the workload for Federal investigators and prosecutors.

FUNDING FOR INVESTIGATION AND PROSECUTION OF S&L CRIME

Last year the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 [FIRREA] authorized \$75 million annually for 3 years to investigate and prosecute financial institution crimes. However, the administration requested only \$50 million for the current fiscal year. These funds were used to expand staff in FBI and U.S. attorneys' offices throughout the country. The \$50 million in funding is inadequate. The additional personnel do not meet the staffing needs identified in a 1989 FBI survey. In this survey, FBI and U.S. attorneys' offices requested 224 more FBI agents, 113 more assistant U.S. attorney positions, and 142 more support staff positions than the agencies received.

The administration's budget proposal for fiscal year 1991 does not make a

specific request to target criminal activity related to the S&L crisis and instead includes some funding for this purpose within the overall request for investigating and prosecuting bank fraud. The budget would only permit the FBI to add 42 agents and 26 support staff, well short of the bureau's staffing needs. Additional resources are needed as soon as possible because the passage of time makes investigation more difficult.

In recent testimony before the House Government Operations Committee's Commerce, Consumer and Monetary Affairs Subcommittee, administration officials indicated there is a need for additional resources to pursue financial institution crimes.

On March 14, 1990, Mr. Oliver B. Revell, Associate Deputy Director of the FBI, discussed the difference between the March 1989 request and the eventual allocation of resources to pursue financial institution fraud and embezzlement. Mr. Revell said that these additional personnel were still needed and that "we wouldn't have asked for them if we didn't need them."

On March 15, 1990, Assistant Attorney General Edward S.G. Dennis, Jr. testified before the same House Subcommittee. Mr. Dennis' statement noted that the seven FBI field offices requested additional special agents but were not allocated any new agents. Ten other field divisions were described by Mr. Dennis as receiving "substantially fewer positions than requested."

The story was similar when Mr. Dennis turned to the U.S. attorneys offices: 11 districts requested additional assistant U.S. attorneys but did not receive any while 8 districts received substantially fewer positions than they requested. Mr. Dennis said that "a significant reason why these shortages exist is that there is insufficient funding under FIRREA to fill all the requested positions." That may be the case. However, FIRREA authorized \$25 million more than the \$50 million the administration requested for this purpose.

Timothy Ryan, the Director of the Office of Thrift Supervision also recently called upon Congress to provide more resources to investigate and prosecute financial institution crimes.

EXHIBIT 1

THE WHITE HOUSE,
Washington, DC.

REGULAR BRIEFING

Briefer: Marlin Fitzwater; Tuesday, June 19, 1990.

Mr. FITZWATER. All right. The President just finished the meeting with the GOP Senators, we'll go through that in a second. He's having a taping session this morning for senatorial candidates, having lunch with Attorney General Thornburgh—

Q. What's that about?

Mr. FITZWATER. Just talk about the Civil Rights Bill and other matters that pertain to the Justice Department.

Q. (Inaudible)—Thornburgh—(inaudible).

Q. Hold his hand?

Mr. FITZWATER. Pardon?

Q. Hold his hand? Isn't he pretty—

Q. Is his job on the line, Marlin?

Mr. FITZWATER. Get serious.

Q. Is that a no?

Q. That's a serious question. Is there any question about his tenure?

Mr. FITZWATER. He's an outstanding Attorney General, don't be—it's nonsense.

Q. Does he have other plans?

Mr. FITZWATER. No, get serious.

(Cross talk.)

FITZWATER [continuing]. Be serious.

Q. Marlin, not every Attorney General takes lie detector tests because people don't believe what he says. I mean this is a serious question.

Mr. FITZWATER. All right, I'll give a serious answer. The Attorney General—

Q. (Inaudible).

Mr. FITZWATER. The Attorney General is doing an outstanding job, the President wanted to have lunch with him, talk about a number of issues including the statutes of the Civil Rights Bill, the S&L prosecutions and other matters.

Q. Marlin?

Mr. FITZWATER. Yes.

Q. Just on that point, is he talking about the changes Mr. Thornburgh is making in the Justice Department, the reorganization, personnel changes?

Mr. FITZWATER. No.

Q. Marlin, on the S&L, is the President satisfied with the pace that the Justice Department has been pursuing prosecutions in the S&L scandal?

Mr. FITZWATER. Well, we'd always like the prosecutions to go faster, but this is a process that is not quick. It means chasing paper through a lot of organizations. We have some 1,000 cases, more than 1,000 cases are in the works. The Attorney General is gearing up task forces all over the country, committing more resources to the effort all the time. So we do expect results, but it's not going to be a quick and easy process. We're not talking here about guys who rob dime stores. We're talking about guys who have—who have taken savings from families through elaborate schemes and mismanagement and finagling of savings and loans, and we are going to find them, we are going to put them in jail, but it's not going to be a quick process.

Wyatt?

Q. On that, is the administration considering expanding the FBI for that purpose?

Mr. FITZWATER. We have expanded resources in all the departments; the FBI has put a lot of people onto it. I don't have numbers. I refer you to the FBI, but I know they have committed a lot of resources to it.

Q. Is there a new S&L specific package in the works?

Mr. FITZWATER. No.

John?

Q. Marlin, there is about 40 percent of these cases, the S&L cases in Texas, the President's home state. And last Sunday, Kevin Phillips wrote an article in which he said that we are paying for the 1990—in the 1990s, for what happened in the 1980s. Do you know if the President read that article?

Mr. FITZWATER. I don't know if he read the article, but I know we need to go after all these people involved in the savings and loan scandal wherever it is.

Q. Does he think that his son is not involved at all?

Mr. FITZWATER. He's not.

Wendell?

Q. This is some fairly tough talk about going after these people. Is the President supporting getting them to cover more of the costs—seizing more of their own property to defray the enormous cost to the American taxpayer of this bailout?

Mr. FITZWATER. The Resolution Trust Company is charged with taking over those thrifts, dispensing with the property, getting back all the funds that they can to help pay for the depositors' losses.

A big part of the problem here is that in the dead of night a few years ago, the Democrats pushed through raising the limits to \$100,000 per person. So there's a lot of cost to recover here. And that is our purpose, and we're going to do it. But there are enormous depositors' accounts that need to be safeguarded, and that is the legal responsibility. The Resolution Trust Company is working as rapidly as they can to do that.

Leo?

Q. Is that a political charge you just made?

Q. Marlin, usually you make the point that the President deliberately does not want to involve himself in criminal prosecutions planned or underway by the Justice Department.

Mr. FITZWATER. That's true.

Q. This seems to be an exception. Why?

Mr. FITZWATER. Well, I'm talking here about the overall prosecution of the problem, and not the specific cases. I don't know about any of the cases.

Frank?

Q. Marlin, did they discuss whether the adjustments made in the job discrimination act—well, the Civil Rights Act of 1990—make it any less necessary to veto?

Q. Can we stay on this subject?

Mr. FITZWATER. Yeah, let's stay on this subject.

Q. Well this is the Thornburgh bunch.

Mr. FITZWATER. No, let's stay on this subject.

Q. Marlin?

Mr. FITZWATER. Helen?

Q. Are you saying that the Democrats are the cause of the S&L debacle?

Mr. FITZWATER. Oh, I'm saying the Democrats have a big role in it. And take a look at Jim Wright and Tony Coelho and Mr. Kerrey and some of his Nebraska accounts and Don Riegle and DeConcini—take a look at all of them. If they want to make this a political issue, we'll be glad to do it.

Q. Marlin, is this the kickoff event?

Mr. FITZWATER. Sarah?

Q. Marlin, I checked the Federal Home Loan Bank Board office a while back, and they tell me that every constituency in the Congress has people calling them—Democratic and Republican—calling them to ask them to go easy on federal regulation. They didn't say it was one party or another; they said everybody did it. And it seemed that a lot of this was in—people was—congressmen were pushed to do this by civic leaders and chambers of commerce leaders in their own home towns, saying "Go easy on them or our people will be hurt."

And also, I'd like to ask you if any Republican has ever come forward since that \$100,000 was passed and asked that it be changed?

Mr. FITZWATER. Well, we're taking a look at all of that now. I'm sure there'll be all kinds of reexaminations of the problem. It's

a very sorry mess and one that a lot of people have suffered for and one that needs to be cleaned up.

Q. Marlin, you mentioned that the Democrats—you said they pushed through the—(inaudible)—100,000. Does this administration think \$100,000 is excessive?

Mr. FITZWATER. Well, in retrospect, we think it helped lead to a lot of the problems here. And it caused people to have more confidence than they should have; the bank regulation was not as strong as it should have been. We could go on and on, and that's why these cases are under investigation. But I don't think you hear any serious analysis of this problem that doesn't point to Freddy St. Germain and the changes that were made in the banking laws back at that point.

Q. Barring St. Germain—

Mr. FITZWATER. John?

Q. Marlin, it was a well-established Republican, Bill Seidman, who came—the first one to come forward and say that the cost of this bailout is atrociously low. We're going to have to really face this, and whether you believe these varying stories, it was Sununu and Secretary Brady who seemed to be upset that Seidman was not a team player, and he's not going to be with us long.

Mr. FITZWATER. That's just a—you're just talking about analysis of the cost, which is irrelevant to the problem. I mean, the costs keep rising, they keep going up—there's no question about that. But that's irrelevant to the problem of how we got into this mess in the first place.

We're talking about a decade of negligence and mismanagement that has to be corrected.

Gerry?

Q. Marlin, you're kind of suggesting that that decade of mismanagement was chiefly Democratic. Would you care to balance it off and tell us where the Republican faults lie?

Mr. FITZWATER. No.

Michael?

Q. Was it mismanagement of the deregulated industry that is the problem, or was it deregulation itself that was wrong?

Mr. FITZWATER. The trusts—the trusts that have gone under.

Yes, Steve?

Q. How was it that increasing the insurance limit to \$100,000 increases the incidence of questionable loans on the part of the bank managers? How does that encourage them to make—

Mr. FITZWATER. Well, I don't think I'm qualified to give you that kind of analysis, but I'll be glad to put you together with people who can.

Gene?

Q. Marlin, was there any responsibility from previous administrations cutting back on the number of regulators who oversaw the management practices?

Mr. FITZWATER. Well, there's enough—a lot of responsibility for everywhere, but I see some disturbing signs of Democrats wanting to make this political to Republicans, and I just want to put them no notice that this plays both ways and we're ready to play.

Q. Marlin?

Mr. FITZWATER. Helen.

Q. You have never been so vehement, and you've never tackled this subject before. Is this—did this come out of the leadership meeting, and have you made it—is it now going to be a big campaign issue?

Mr. FITZWATER. No, I think Senator Kerrey and others are clearly trying to

make it a campaign issue, and if they want to do it, so be it. There are a lot of battles that can be fought on this turf, and we're ready.

Q. Kerrey of Nebraska?

Mr. FITZWATER. Kerrey of Nebraska, yes.

Q. When you say, "We're ready to play," does that mean that the President himself will be heard on this issue, or is he going to leave it to spokesmen and others?

Mr. FITZWATER. Well, we'll just have to wait and see.

Okay, want to move on to the other issues? Gaylord?

Q. I've got one more question on this.

Q. When do I get a question about the lunch?

Mr. FITZWATER. Yeah, we'll get to the lunch here in a minute.

Q. I've got one more question on this.

Mr. FITZWATER. Yes?

Q. You've taken the offensive here, but are there specific steps that the Justice Department is about to take to increase the prosecutorial offensive?

Mr. FITZWATER. They've been taking a number of steps over the last several months. I'm sure Justice Department can detail those for you—increasing cases, task forces, workloads, prosecutors, all up and down the line.

Q. Marlin—

Mr. FITZWATER. John?

Q. Isn't there a problem here in trying to settle this through the Justice Department, or at least trying to prosecute a lot of these people in that there's just no law against making bad loans?

Mr. FITZWATER. That's—it is a—

Q. I mean, losing money is not a crime in a lot of places.

Mr. FITZWATER. It's a very difficult case to make, that's right. It involves investigating these loans and their management practices and seeing whether laws were broken. In some cases, it was just bad management and bad judgment. In some cases, it was cases of fraud. Now, we have grand juries hearing a lot of different cases, but there still are a lot of prosecutions that can be made. With over 1,000 cases working, you know there are going to be some.

John?

Q. Marlin, just following up Helen's question on the timing of this attack of yours, I saw B. Jay here, are you sure that wasn't a meeting here that—before the briefing with Mary Madeleine (sp) and others, maybe in the phone call with Atwater, that it's time to unleash Marlin—(reporter growls)—today on the S&L scandal?

Q. Tell us all, Marlin.

Mr. FITZWATER. No.

Q. No political meetings?

(Cross talk.)

Mr. FITZWATER. Leo?

No meeting—

Q. Hey, hey.

Mr. FITZWATER. No meeting.

Q. No separate meeting, outside?

Mr. FITZWATER. No, none.

Leo?

Q. Did you say that the administration is reviewing the viability of the \$100,000 insurance limit on deposits?

Mr. FITZWATER. No, I haven't heard that. I'm just saying I'm sure that there'll be all—there'll be all kinds of reviews of the S&L industry coming out of this. But I don't have any special review on that limit, no.

Q. In other words, there's no initiative contemplated to reduce that?

Mr. FITZWATER. I'm not aware of any at the moment.

Steve?

Q. You're satisfied with keeping the 100,000 [dollar]?

Mr. FITZWATER. I'm not aware of any change at the moment.

Q. Obviously this lashing attack is meant to show that Bush is doing a great job on trying to clean up the mess. Is it also directed perhaps at the Reagan administration and at that regulation that went on during that period that was behind a lot of this?

Q. Say yes.

Mr. FITZWATER. I direct it at the problem. The problem's a difficult one and it needs to be cleaned up.

Q. Well, Marlin, aren't you saying that the problem really lies at its source and not in its continued process?

Mr. FITZWATER. What's that mean? (Scattered laughter.)

Q. Well, you're saying that the problem lies solely at the feet of the Democrats because it—if its inception came there, not at the Republicans who continue the administration—continued it through their administration. But isn't that sort of like saying "I'll eat your cake but I'm not responsible."

Q. What's he been whispering about, Marlin?

Mr. FITZWATER. [Laughing]. I'm not sure what he's whispering about, Sarah. The problem is with us. You all know how it's being dealt with. Congress is taking a look at it. We're looking at it legally.

Q. Did this subject come up this morning at all in the congressional meeting?

Mr. FITZWATER. Just briefly, just briefly.

Q. Well, how briefly? In what respect?

Mr. FITZWATER. Tom?

Q. How did it come up, Marlin? Can you just fill us in?

Mr. FITZWATER. The Attorney General just said that he was pursuing a number of cases and mentioned the number of 1,000 cases. That's about it. And of course—

(Cross talk.)

Mr. FITZWATER. Tom?

Q. Marlin, there's a proposal by a House Republican congressman to appoint a special prosecutor to examine the S&L mess. A number of Republican members have signed on to that bill, including Newt Gingrich. Does the White House oppose it?

Mr. FITZWATER. I think our feeling is the Justice Department's the appropriate place for these investigations to go forward.

Frank? Civil rights?

Q. I want to change the subject when this is done.

Mr. FITZWATER. Okay.

Q. Yeah, I'm just a little confused. You say that—you seem to be blaming this on the Democrats, but I thought most of the deregulation occurred during the Reagan administration. And I seem to recall that then-Vice President Bush chaired a commission on deregulation in the financial institutions?

Mr. FITZWATER. I invite you to go back and look at the history of this problem. I think the names will be clear as to where they came from.

Q. Yes, but I wondered if you could point out to us where the President challenged the \$100,000 limit as chairman of that, and where he challenged the deregulation? The Republicans championed that.

Mr. FITZWATER. I'm just saying these things happened, and I invite you to go back and look at the record. It speaks for itself.

Maureen?

Q. Has anyone besides Kerrey tried to make this a campaign issue, as far as you can tell?

Mr. FITZWATER. Well, we see it in any number of places, yes.

Q. Where else do we see it, Marlin?

Mr. FITZWATER. Well, he's the only one I want to specify because he chose to go on television and make a big floor speech a couple of nights ago.

Q. Would you like to elaborate on your reference to his dealings with Nebraska banks?

Mr. FITZWATER. No. I'll let you look into that yourself.

Doug?

Q. Is the President in favor of stepped up prosecutions of S&L fraud, which is what—one thing that Thornburgh seems to be interested in?

Mr. FITZWATER. You bet.

Okay, Rita?

Q. Did you say that the administration is not asking Congress for any more money above the 50 million for more investigations and prosecutorial strength?

Mr. FITZWATER. I don't know. What do you mean? What are you talking about?

Q. Is the Administration going to ask for more money beyond what Congress has already authorized for the purpose of prosecuting and investigating the S&L thing?

Mr. FITZWATER. Well, we asked for \$50,000,000 and we asked for a supplemental which was rejected. I don't remember how much that was. And we're considering now the—of course, part of the budget compromise is—the whole billions that are necessary to pay off depositors. So, it's all part of that plan.

Frank? Okay, let's go to Frank and civil rights.

Q. Can I finish one more?

Mr. FITZWATER. One last question. John?

Q. When you start to really grapple with the budget and make decisions on that, is the administration and specifically the President ready to point to the S&L—the mishandling of the whole S&L thing, as one reason, whatever decisions he has to make on the budget, whatever that has in regard to revenue or whatever, that a larger part of that is the S&L problem and how it was mishandled?

Mr. FITZWATER. Well, the S&L payoff for the contributors is a part of the problem now, yes. I mean, and it will be—I mean there's no question about that.

Q. Is that going to justify the tax hike?

Mr. FITZWATER. We just say it's a part of the budget compromise they've got to consider.

Okay, Frank?

Q. The Thornburgh-Bush agenda does it include the changes made in the job discrimination law, the Civil Rights Act of 1990, and whether or not it's no longer a veto recommendation?

Mr. FITZWATER. The meeting this morning, including the participation of Attorney General Thornburgh, focused on a number of issues. To get to the civil rights bill and the thrust of your question, let me just introduce it by saying the President began by noting some progress in the situation in Lithuania, saying that he had expressed the sentiment of the Congress on that matter. Then they talked about campaign reform and the status of that bill. They talked about the Hatch Act, where they're executing a veto vote, override vote in the House, and then will move on to the Senate. The President expressed his support for—or his gratitude for Senate support and indicated he hoped that they sustained his veto.

Q. What reading did he get on that?

Mr. FITZWATER. They said it would be close, but they were hopeful they could be able to do it.

On the Civil Rights Bill, they had—the President raised many of the issues that he raised in his Rose garden speech before civil rights groups on what he would like to see in a civil rights bill. He said that he does not want to veto the bill; and he wants a civil rights bill he can sign; that members of the administration have been having discussions with leaders on the Hill trying to work out language that is acceptable. The President said that if the bill does compel quotas, that he will consider the veto, but that he is hopeful that that can be resolved. His message to those who say that the bill does not constitute a quota bill is let's work out the language to make sure that's the case.

Q. So it's not there yet?

Mr. FITZWATER. Not there yet.

The Attorney General had some discussion of the bill and its various provisions. He spoke certainly about the provision that changes the burden of proof—or shifts the burden of proof from the employee to the employer, indicating that that's unknown in the American system of jurisprudence, that a person must prove he's done nothing, and that we have great concerns about that provision as well. He talked about the various case laws that are behind the civil rights bill and the problems that they're having in getting the language changed.

But the consensus of everybody was that they want something they can be for; they want a civil rights bill that can be signed. And there was some indication from Senator Hatch and others involved that, while it's a very complex bill and the language is very detailed, that they will be able to work out compromise language that would satisfy our concerns.

Q. So they—

Mr. FITZWATER. They also talked about—I guess those are the main things.

Q. Marlin?

Mr. FITZWATER. Yes, uh-huh?

Q. Was there any concern expressed by Hatch or others that the Democrats were going to be pushing this bill at a time when Nelson Mandela was in the country?

Mr. FITZWATER. No.

Q. The subject didn't come up.

Mr. FITZWATER. No.

Wendell?

Q. About a month ago, the new chairman of the Civil Rights Commission, appointed by the President—

Mr. FITZWATER. Well, I think somebody mentioned that—I'm sorry, John—somebody mentioned that the bill might come up during that period, but there's no concern about it.

Wendell?

Q. Said that—said that there were no quotas, said the bill did not mandate quotas, said that—

Mr. FITZWATER. Who said that?

Q. The man the President has nominated for the chairman of the Civil Rights Commission. And said that the President's aides were mistaken, and seemed to think that he had made some headway in convincing the President of that. Have we shifted back the other way, now? Is the sense that there are quotas and the Civil Rights Commission chief is wrong?

Mr. FITZWATER. Never been any doubt in our mind that it has constituted quotas in several areas of the bill, that the remedies provision has been unfair and inequitable, and that that has been a very significant problem. We've had a veto threat on this

bill for weeks on the basis of its being—amounting to a quota bill.

Q. I can't believe what I'm hearing. Okay, Marlin.

Mr. FITZWATER. What's wrong, Anne? Why can't you believe what you're hearing?

Q. Well, because the day that Arthur Fletcher was here you described the differences as "very minimal" and said, "There was no longer veto threats, that we don't make such threats this early in the legislative process and that the President—"

Mr. FITZWATER. I said that then that the differences were minimal, that there was a veto threat on them, but that we hoped to resolve them.

Q. All right. Let's go to today.

Mr. FITZWATER. That's still the case.

Q. You said that—

Mr. FITZWATER. Minimal, compared to the whole bill. This is a bill about this thick—(indicating)—but they're serious enough that we're being urged to veto the bill if we can't resolve these.

Q. But is there a potential veto threat or not? I'm confused. You said he would consider it and then you—the time you came out when Anne mentioned, you said the Thornburgh veto threat was off and now you're saying you're being urged to veto it and the veto threat's on. I mean, I'm just confused by your use of words. Will the President veto the bill in its present form?

Mr. FITZWATER. Well, the problem is, I don't want to say that because the bill is changing and because we're in the midst of discussions. But I think you clearly get the picture that we're willing to veto this bill if it contains—if it is a quota bill. That's the bottom line.

Anne?

Q. You talk about the compromise—long way towards a compromise that you're trying to work out. Senator Hatch said he had seen no language and no proposal from the White House on a compromise. Senator Kennedy said he's seen no language and no proposal from the White House on the compromise. What—civil rights leaders say this is essentially a stall. Where's the language? What is the language? And why is it secret from the two main people involved in negotiating this?

Mr. FITZWATER. Well, I'm not sure what they're referring to. Certainly Senator Kennedy has been in on all of the discussions with Governor Sununu and Boyden Gray and the Attorney General and others. Senator Hatch, I don't believe, has been directly involved so I'm not sure what he has seen. But they both clearly are aware of our concerns and what the discussions are about.

Q. But they've seen no compromise.

Mr. FITZWATER. Maybe they're not—maybe they're talking about specific language or something, but that's got to flow out of the debate.

Q. You have no—

Q. Marlin, the question is: Do you want them to just change—

Mr. FITZWATER. I'm not willing to give out any specific words, if that's what you're asking for—words on paper.

Q. Yeah, but do they exist?

Mr. FITZWATER. They exist in terms of our discussions, yeah. We know exactly what the problems are and how they can be fixed. There are lawyers all over town.

Q. You won't tell Kennedy what they are and you won't tell Hatch they are—

Mr. FITZWATER. Kennedy's aware of the problem here. We're discussing it, trying to work it out.

Q. Frank?

Q. As I understand it—and I don't—but—(laughter)—if a business departs from the proportion of a racial balance in an area in its hiring, that it is presumed to be guilty. And this is a shifting burden thing, too, but it's out of that kind of language that they're concerned that the businessmen will set quotas. And is the President going to veto it because somebody might decide to set a quota to protect themselves from some intangible thing that he can't (capture)?

Mr. FITZWATER. Well, if the law forces that, that makes it a veto bill. That's our point. If the law has the effect of forcing people to adopt quotas, then it's a quota bill. That's our whole point.

Q. Is the President going to have a news conference in Huntsville tomorrow?

Mr. FITZWATER. Nothing very formal. He'll have a ropeline press conference, probably during the visit to the Marshall Space Flight Center.

Q. Does he have prepared remarks of any kind, or does he have something—

Mr. FITZWATER. He'll have some remarks about the space program—yeah.

Q. But it's not a formal sitdown press conference?

Mr. FITZWATER. Not a formal—no.

Q. Does he have any kind of a mikestand conference?

Q. When he arrives?

Mr. FITZWATER. Yeah, probably just a toast lectern in a mall—take some questions.

Q. Any kind of announcement that he wants to make about—

Mr. FITZWATER. No. No announcement of anything. It's nothing special. It's just the President felt it was about time to come down to the briefing room and talk to the press again, and we said, "Well, let's—why don't we do it in Huntsville?"

The PRESS. Why?

Q. Why, Marlin?

Mr. FITZWATER. Oh, it'll make an interesting day—give you all good stories to write and fill up the press plane—things like that. (Laughter.)

(Cross talk.)

Q. What time? Marlin, what time in Huntsville?

Q. Marlin, did you talk about—did the budget—did anybody talk about the budget at the meeting this morning?

Mr. FITZWATER. No, the budget wasn't discussed.

Q. I have another question for you which is that the Democrats have been saying for weeks that the President has to prepare public opinion for the possibility that revenue has to be raised. And they're also saying that they're going to sit there with their arms folded and wait for the President to go first. What's he going to do?

Mr. FITZWATER. Well, I don't think they will. I think they are operating in good faith, and I think they'll discuss various options and proposals and they'll flow back and forth. And when they get a final agreement, then we'll all go to the country and talk about the problem and explain what the compromise is.

Q. Marlin, you're sure—so you're just not—you're not going to—prepared to say here the President has something to present tomorrow to go first. That's not true?

Mr. FITZWATER. They've all agreed that's not the way they're going to do it. It's not going to be, this is our—our side, our presentation and your presentation, and you knock down this and we'll knock down that. That's not the way they're going to proceed. They're going to talk about various ideas, and proposals will come on the table, but

there's not going to be a yours and ours and theirs.

Q. Marlin, does Mary McGrory have an exclusive—

Q. (Inaudible.)

Mr. FITZWATER. Well, they'll work that out.

Sarah, I'm sorry.

Q. Does Mary McGrory have an exclusive interview with the President? She just went in.

Mr. FITZWATER. No.

Wendell?

Q. Senators Cohen and Gramm said that the White House says the 10:00 meeting is breaking up. Is there a budget, internal budget meeting going on?

Mr. FITZWATER. No, there are some 28 members who are running for office in this election who are coming in to have videotapes made, and they were among that group.

John?

Q. On the family leave, is that veto going to come any day, or is it still—

Mr. FITZWATER. We haven't received the bill yet, but it'll—whenever—after we receive the bill.

Q. A follow-up on that, in that tape of September 1988, when the President talked about it during the campaign, I didn't hear him suggest or imply that if it was mandated, he would be opposed to it. Who did he think was going to, you know, favor these leaves? That the companies were going to do it themselves, that business was going to police itself?

Mr. FITZWATER. Exactly.

Q. Who would do it if the government didn't do it?

Mr. FITZWATER. Exactly. Most companies—or many companies do, and he was urging voluntary participation.

Q. But the weird thing about it was that the word "voluntary" was not in there, Marlin.

Mr. FITZWATER. Neither was "mandatory." It was silent on that point. All he said was he thought women should not be forced out of their jobs because of having children. He believed it then, he believes that now. He repeats that same words today, he just doesn't believe it should be federally mandated. But he does believe companies should provide those benefits.

Yes?

Q. Marlin, he raised it in that speech, that it was—that was being done at a lot of companies around the country, and if there's been no redress of that since.

Mr. FITZWATER. He believes that companies should provide those benefits. He just doesn't believe they should be federally mandated.

Wyatt?

Q. You, at this podium some months ago, basically made the point that you all thought the cure in this parental leave was worse than the harm. You said that it would—you were afraid, the administration was afraid it would drive people out of work if you mandated—

Mr. FITZWATER. That's one of the big problems, is job losses, yes.

Q. Marlin, on what do you base that conclusion?

Mr. FITZWATER. On two extensive conclusions. One is that there are studies that tend to show that mandated federal benefits force employers to make decisions not to hire. And secondly, the experience that we've seen in Western Europe and even—and in Eastern Europe, certainly—is that the more rigidities you build into the em-

ployment system, the more difficult it is to hire people and create new jobs. When we saw the rapid expansion of employment in the United States in the late 1980's you did not see that in places like Great Britain, Italy and France. And their conclusion—one of the major conclusions was that they had so many rigidities in their employment benefits system, and we don't want that to happen here. We think it very definitely is a jobs question.

Leo?

Q. On OCS, still possible this week?

Mr. FITZWATER. Any day. Nick?

Q. Yes—

Q. How about today?

Mr. FITZWATER. Not today.

Q. Former Japanese Foreign Minister Abe is coming to meet with President Bush on Thursday. He said last week that US-Japanese relations are in danger of breaking down due to the growing acrimony as you approach the final report on SII. Is the President concerned about these kinds of comments, and—

Mr. FITZWATER. Well, we don't believe that's the case. We have good relations with Japan. The President and the Prime Minister have good relations. Our two countries are both large economic powers. I don't think there's any danger of that breaking down.

We're working towards the final—final report. We want to keep the pressure on. A lot of participants are commenting one way or another, but there is no danger in United States-Japan relations falling apart.

Q. Would you say that you would hope to have that final report ready for Kaifu and Bush to sign when they meet prior to the Houston summit?

Mr. FITZWATER. No. It will be ready whenever it's supposed to be ready.

Helen?

Q. Hatch said something about—in connection with the letter to Shamir—there was a lot going on behind the scenes. Do you know what he was referring to, or did something come up at the meeting?

Mr. FITZWATER. I don't know. As Knight-Ridder reported, the President did send a letter to Mr. Shamir congratulating him on the formation of his government. He talked about Israel's security and well-being remaining an important concern to the United States and went on—I guess you've all reported all this, you don't need to hear it again.

Q. No, I'd like to hear it.

Mr. FITZWATER. Okay. Said he looked forward to working with Mr. Shamir on enhancing the freedom of Soviet Jews. He reiterated his view that Israel's settlement activity constitutes a significant obstacle to peace. He reiterated his strong support for the Israeli government's May 14, 1989, initiative as the most realistic way forward in the peace process. And, as Prime Minister Shamir said yesterday, that President Bush also asked him for his views on the peace process and how they would like to proceed.

Pascal?

Q. What are these suggestions about?

Mr. FITZWATER. What suggestions?

Q. President Bush made suggestions to Prime Minister Shamir. (They/he?) said that in the interview. Could you give any details of what those are?

Mr. FITZWATER. No detail, really, just to the effect of continuing the peace process, of pursuing the various proposals that Secretary Baker had been working on in the recent months before the fall of the last government.

Gene?

Q. Marlin, Hatch outside said that the President had indicated there were, quote, "Some substantive reasons to hope for success" in the Middle East peace process. To what is he alluding?

Mr. FITZWATER. Well, I don't know. I mean, you have to ask him. My—if I were asked that question, I guess I would point to, one, that we now have a government so at least we have an entity to work with. The President's letter is one of committing the United States to the peace process and we are hopeful that we can—we can engage the Shamir government in pursuing that. But what he had in mind, I have no idea.

Pat?

Q. What time is this press conference tomorrow?

Mr. FITZWATER. There's no specific time. It's just—be just during the tour of the Marshall Space Flight Center which is generally late morning, I think—early afternoon.

Charles?

Q. Just to tie up a loose end on the civil rights—John's question about the timing with Mandela. Would you consider it dysfunctional if the Democrats brought it up or would you consider it political?

Mr. FITZWATER. No, they can bring it up at any time.

Pascal?

Q. Could you at least give us a list of the pre-briefs for the two summits—NATO and Houston—if there will be pre-briefs next week?

Mr. FITZWATER. We'll try and publish something for you.

Q. (Inaudible.)

Mr. FITZWATER. Try and do it this afternoon, yeah.

The PRESS. Thank you.

Mr. FITZWATER. Okay.

Mr. JEFFORDS. Mr. President, I rise in strong support of the pending amendment and commend the Senator from Colorado for offering this provision to require the Department of Housing and Urban Development to develop guidelines for States to develop a uniform mortgage financing plan for energy efficiency.

Mr. President, several States, including Vermont already have such programs. Vermont's program, "Energy Rated Homes of Vermont," is a great success. It is supported by bankers, realtors, homebuilders, fuel dealers, and housing advocates. Those concerned with energy and environment issues are impressed because this program results in energy savings and therefore minimizes problems associated with energy production.

Under the Vermont program, trained appraisers gather information to complete an energy audit of homes energy requirements. Similar to the EPA mileage ratings for cars, this system compares the energy efficiency of one home to another, regardless of age or style. Energy efficiency is rated on a scale of 1 to 5, with a 5-star home being the most efficient.

The rating system provides participating lenders a tool to incorporate energy efficiency in the underwriting process. If the home already rates 4 stars, or if a buyer plans to bring the home up to this level, the buyer may

qualify to receive a larger loan and cover the cost of completing the energy work.

In effect, lenders stretch the allowable debt-to-income ratios for homes rated 4 or 5 stars.

The program is based on a simple premise: A homeowner will be better able to afford a mortgage payment if his monthly utility payments will be predictably and consistently lower.

Mr. President, energy efficiency is one of this country's best opportunities to reduce energy consumption, decrease pollution of many sorts, and increase productivity. It is widely known that the United States uses about twice as much energy per unit of gross national product as do our biggest trade competitors. This excessive energy use causes all sorts of problems that have traditionally been addressed by end-of-the-pipe solutions.

The recent clean air debate demonstrated the importance of reducing the demand for energy instead of seeking to increase the production of energy.

While several States have already developed energy efficient programs on their own, these same States generally support the promulgation of a uniform, national system. Additionally, States without such programs will be better able to adopt this system that produces many winners and has no losers.

I urge my colleagues to approve this important amendment.

UNANIMOUS-CONSENT AGREEMENT—VETO MESSAGE TO ACCOMPANY H.R. 20

Mr. CRANSTON. Mr. President, I have a unanimous-consent request that I believe has been cleared on both sides of the aisle.

I ask unanimous consent that when the Senate receives from the House the veto message to accompany H.R. 20, the Hatch Act reform bill, that it be considered as having been read and spread on the Journal.

I further ask unanimous consent that at 9:30 a.m., on Thursday, June 21, the Senate turn to the veto message, and that there be 2 hours on the message, to be equally divided between Senator GLENN and ROTH, and that at 11:30 a.m., on Thursday, the Senate proceed to vote, without any intervening action, on the question: Shall the bill pass, the objections of the President of the United States to the contrary, notwithstanding?

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

Mr. DOLE. Mr. President, do I have any leader time remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

ENOUGH BLAME TO GO AROUND

Mr. DOLE. Mr. President, I was not present during all the discussion of Mr. Fitzwater's remarks. But I say my colleagues cannot have it both ways; they cannot go around attacking President Bush as the savings and loan President. I notice the Senator from Arkansas talk about the bipartisan support for Mr. Ryan, but not with his vote or the vote of others who spoke on the S&L matter. I just suggest, as I understand Mr. Fitzwater did: There is probably enough blame to go around. So if we talk about President Bush being the savings and loan President, I am going to make a statement on the floor in a couple of days about the savings and loan Congress so we can all talk about where the blame lies.

I think in the final analysis, it probably lies everywhere. But to suggest somehow there is an abuse of power because the President of the United States, through his spokesman and press officer, raises some questions after he has been attacked by Democrats for the last several days and several weeks, as the President invented the S&L crisis, I think certainly is illogical.

I applaud Mr. Fitzwater and I hope he keeps it up. The President of the United States does not have to take it lying down just because some Member of Congress attacks and somebody else attacks; it does not mean the President of the United States is helpless or hapless. He does not have to take it lying down.

I am pleased the spokesman, Mr. Fitzwater, has indicated the President understands political attack when he sees it and that they are going to meet these attacks head on. So I applaud Mr. Fitzwater.

This was a matter discussed this morning in a leadership meeting. We will be making some comments. We raised the same question with the Attorney General that was raised here on the floor about the need to move ahead on some of the prosecutions. There are a number of cases out there already; a thousand cases pending. It is not that nothing happens. But I suggest that it does take a while to find all these prosecutors. It takes a while to organize a Senate office when you are a new Senator.

I guess when it all unfolds, we will find enough blame for everyone; all of us; including everyone.

Mr. President, I ask unanimous consent to print in the RECORD an article by Jeffrey Birnbaum on the S&L crisis.

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

[From the Wall Street Journal, June 14, 1990]

DEMOCRATS DON KID GLOVES IN S&L MESS TO AVOID SCRUTINY OF THEIR OWN HANDS

(By Jeffrey H. Birnbaum)

WASHINGTON.—The Democratic Party is suffering a severe case of unfulfilled expectations over the savings-and-loan debacle.

Many Democrats believe they should be bashing President Bush and the Republicans for causing the mishandling of the nation's biggest financial scandal. "It's the biggest issue I can see for us against Bush," says Rep. Dan Glickman (D., Kan.).

The issue resonates with the voters. "I have not done a town meeting where this hasn't been a major focus of attention," says Rep. Thomas Downey (D., N.Y.). "I am astonished by the level of interest, but more horrified by the level of anger. This is a political issue of the very first magnitude and it's going to bite somebody hard."

But, so far the Democrats have remained mostly passive in what seems to be a ready-made issue for them. When Treasury Secretary Nicholas Brady went before the Senate Banking Committee recently to concede that his agency had grossly underestimated the cost of the thrift-rescue plan, Bush administration aides were astounded—and relieved—to find questioning by the panel's Democrats so tame.

The reason? In the public mind the Democrats are at least as culpable in the S&L mess as the Republicans. Four of the "Keating Five" Senators under investigation for intervening on behalf of S&L kingpin Charles Keating are Democrats including the chairman of the Senate Banking Committee, Donald Riegel of Michigan. And former House Speaker James Wright and former House Banking Committee Chairman Ferdinand St Germain both were ruined politically after allegations of close ties with thrift executives.

"I don't believe that either party is totally without sin on the issue, says Rep. Thomas Carper (D., Del.).

As a result, Republicans doubt the \$100 billion-plus crisis will rub off on them exclusively. "A thumbnail sketch of the history on the S&L crisis has a veritable rogues gallery of Democratic leaders in it, says John Buckley, a Republican strategist.

Instead, incumbents of either stripe may well be victims of the S&L fallout. "It is best as an outsider-vs-insider issue, as opposed to a Democrat-vs-Republican issue," says Harrison Hickman, a Democratic consultant.

"It's bad for everybody," agrees Sen. John Breaux (D., La.), chairman of the Senate Democrats campaign committee. "It's bad for incumbents."

"It's going to be a very salient issue in the fall, predicts Roger Stone, a Republican consultant. "Incumbents beware!"

In particular, the S&L bailout is expected to play a role in the re-election contests that year of Democratic Rep. Frank Annunzio of Illinois, a senior member of the House Banking Committee, and of GOP Rep. Charles Pashayan of California, who accepted and then later returned a campaign contribution from a group run by Mr. Keating.

Still, a growing number of Democrats believe their party should try to use the thrift crisis against the Republicans. Sen. Bill Bradley of New Jersey, Sen. Bob Kerrey of Nebraska, and Gov. Mario Cuomo of New York make criticism of the S&L bailout part of their stump speeches. Last week at New York State's Democratic Party convention in Albany, Gov. Cuomo excoriated the Re-

publicans for allowing thrift executives to "do what they want to do." The result, he said, was that "they stole everything in sight. They fouled up everything in sight and now you're paying for it."

Other Democrats are taking this same line of attack. The S&L situation "is going to be one of the most important issues of the campaign," says Rep. Vic Fazio (D-Calif.). "If there's a political price to be paid, and there will be," he adds. "I don't think those bills are going to come due for Democrats."

There is some reason for Democrats to be sanguine that they can direct voter anger at the GOP. Many of them say that the thrift industry's basic problems stem from the Reagan administration's emphasis on deregulation and its unwillingness to budget an adequate number of government auditors. In addition, they note that Mr. Bush was at the center of the issue: as vice president he headed Mr. Reagan's task force on deregulation.

What's more, the most recent setbacks in the bailout—especially its ever-escalating cost—are easily laid at the feet of the Bush administration, Democrats say. "Responsibility for what happened in the past is somewhat shared," says Rep. Barney Frank, (D., Mass.). "But since last year's bailout bill passed they have done a very poor job of administering it. . . . It's been a real screw-up."

Few believe the S&L problem is much better now than when the president won the legislation he sought last year to clean up the mess. And Democrats have begun to target their barbs at what they see as shortcomings of that enterprise. These include the Justice Department's slowness in prosecuting thrift executives and the Treasury's long-delayed sale of confiscated assets.

Some congressional Democrats warn that the Bush administration's request for more bailout money will be rejected unless the deposit-insurance system is overhauled in a populist way, including placing lower limits on the amount of deposits that are federally insured. This would serve to put a Democratic stamp on the solution. What's more, Democratic-led efforts are under way in both the Senate and the House to force the administration to spend more than it wants to prosecute savings-and-loan criminals.

"This is worse than Watergate," asserts Rep. Annunzio of the House Banking Committee. His subcommittee on financial institutions, which already has grilled the president's son Neil about his directorship of a failed Colorado thrift, has scheduled other hearings for later this year.

But it isn't clear that the Democrats can succeed in fulfilling their political aspirations with the issue. "The problem we have as Democrats," concludes Rep. Bruce Vento (D., Minn.), "is that a few Democrats stuck their noses in where they didn't belong."

Mr. KERREY. Will the Republican leader yield?

Mr. DOLE. I will yield when I finish.

FLAG AMENDMENT

Mr. DOLE. Mr. President, after listening to the distinguished majority leader, Senator MITCHELL, and the distinguished majority whip, Senator CRANSTON, I am tempted to say that the Senate needs a refresher course in basic civics.

The preamble to the Constitution starts off with these three simple, but important, words, "We, the people."

The Constitution does not begin, "We, the Congress."

According to a recent Gallup poll commissioned by the American Legion, 71 percent of all Americans support the flag amendment. And according to a recent Time magazine poll, 68 percent of the American people believe that Old Glory deserves one type of protection only—and that is constitutional protection.

Mr. President, these poll results may vary a bit, but the lesson for us in Congress is crystal clear: At least two-thirds of the American people support a constitutional amendment to prohibit flag desecration. It is probably even higher than that because there are 5, 6, or 7 percent undecided. At least two-thirds of the Congress should get behind the American people by supporting the amendment as well.

The distinguished majority leader says that "the flag amendment would change the Bill of Rights for the first time in history."

That is good rhetoric, and if I am on the other side, it is a good statement. But—as the Senator from Alabama, Senator HEFLIN, has pointed out before—it ignores history, and it is simply not true.

The 13th, 14th, and 15th amendments to the Constitution amended—changed—the Bill of Rights by giving the freed slaves the right to vote, the right to engage in political activity, the right to speak freely.

These amendments certainly changed the Bill of Rights.

I also find it ironic that the leadership on the other side are now wrapping themselves around the first amendment when, in fact, they voted for the so-called Flag Protection Act last October.

In a desperate effort to achieve something called content neutrality, this statute prohibited more conduct, more speech, than a proposed constitutional amendment.

But there was not a whimper—not one word—about the first amendment last October, or about the prudence of amending the Bill of Rights through a statute.

I find it even more ironic that during the 100th Congress, both Senators MITCHELL and CRANSTON voted to invoke cloture on a constitutional amendment allowing Congress and the States to restrict our most important form of speech—political speech. This amendment—Senate Joint Resolution 282—was designed to overturn the Supreme Court's Buckley versus Valeo decision and to allow campaign spending limits.

Without question, Senate Joint Resolution 282 is as much of an amendment to the Bill of Rights as the flag amendment, Senate Joint Resolution 332.

But maybe campaign spending limits are somehow more important than protecting the flag of the United States of America.

The majority leader also suggests that—by protecting the flag—we will somehow open a Pandora's box—that there are other national symbols—no different from the flag—that would also clamor for constitutional protection.

Mr. President, I also went to law school, and I know all about sleight-of-hand slippery-slope arguments like this one. I never bought those arguments in law school. And I do not buy the one advanced today by the majority leader.

Do we pledge allegiance to the Constitution, or to the Presidential seal, or to any other national symbol?

Of course not.

June 14, Flag Day, is a national holiday, but do we have a national holiday honoring the constitution, or the Presidential seal, or any other national symbol?

No, we do not.

The "Star Spangled Banner," our national anthem, honors the resiliency of Old Glory. But does our national anthem honor the Constitution, or the Presidential Seal, or any other national symbol?

No, it does not.

Forty-eight of the fifty States have enacted statutes prohibiting the desecration of the flag. In fact, they have been getting along pretty well for all these years when we prohibited burning of the flag or desecration of the flag.

Have the States and Congress passed laws prohibiting the desecration of the Constitution, or the Presidential seal, or any other national symbol?

No, they haven't.

So, as you can see, the flag stands alone. It stands alone as the unique symbol of our ideals, our hopes, our aspirations as a united people.

No doubt about it, amending the Constitution is serious business. That is why the framers intentionally made the process a long and difficult one, two-thirds of Congress and 38 States.

But amending the Constitution is also squarely in the American tradition. And, in fact, one-fourth of all amendments adopted since the Bill of Rights were drafted to overturn specific Supreme Court decisions that the American people simply did not like.

In case you have not noticed, the American people do not like the Texas versus Johnson decision. They do not like the United States versus Eichman decision either.

The American people want to say "no" to the fragile five-Justice majority on the Supreme Court. Keep in mind, this was 5 to 4. One Justice difference would have made it the other way around.

So, Mr. President, Congress should not deny the American people this precious opportunity.

It is time for us in Congress to get the wax out of our ears and listen to the American people for a change.

I yield to the Senator from Nebraska.

Mr. KERREY. I thank the Republican leader. I want to make a comment as well on the flag issue. Last week in debate, I went a little over the top myself with an emotional response. I want to make it clear that I have a great deal of admiration for the Republican leader, long before I ever arrived here. I watched you not only in service of your country here, but I like the way that you operate. It seems to me what I have observed, at least from a distance, and we are at some distance not only because of the fact we are across the aisle from one another, but we are a generation apart, but I admire the way you stand up in what you believe in. I admire the fact at times you ignore the polls. You are not afraid to stand and say this is what we ought to be doing in the Middle East; this is what we ought to be doing in America in 1985. As Governor, I had strong support of the action you took then because I thought it was courageous and correct. I make it clear, we disagree on the flag amendment but it is not personal. It is just a genuine and legitimate disagreement.

Similarly, the question that I had relating to the S&L situation, I am fully prepared to accept any criticism that the administration wants to make of a position that I take.

I am trying to in fact engage in a debate about what ought to be done, about proper insight. I am concerned, though, when the response in particular from Mr. Fitzwater appeared not to be on substance but appeared to be mostly political. In this particular case, he said maybe I ought to check Senator KERRY's background, see if there is anything there. I am respectfully and genuinely asking the Republican leader what he thinks a political attack is. At what point do I cross the line from legitimately and genuinely expressing my concern about the way it is organized, about the way we are directing the resources inside, about the policy of the S&L's, about the bailout itself, at what point have I crossed the line from engaging in simple concern about the policy and being unfair with political accusations?

Mr. DOLE. I think my time may have expired, but if I may ask for 5 minutes as if in morning business.

The PRESIDING OFFICER (Mr. BINGAMAN). The Senator may proceed for 5 minutes.

Mr. DOLE. Again, let me make it clear so we understand, I have great respect for the Senator from Nebraska. We differ on some of the issues,

but I think fundamentally we are in agreement on maybe more than we disagree on. I would go back to the flag for just a moment because I have watched the Senator from Nebraska on television charging that the Republican leader and the President were laughing and waving the flag at a White House meeting. The truth is, as one of the ABC correspondents pointed out, we were laughing because that was the President's birthday and when all the reporters walked in they had on these little funny hats. The Senator from Nebraska was not there. He said we were laughing about the flag. I thought that was a little unfair. But had the Senator been there and had the Senator seen what was going on with these reporters' silly little hats, he might have been laughing, too. So I want to correct the record on that because I think there may be a mistaken belief by some that somehow President Bush and Senator DOLE were down there waving the flag and laughing about the whole issue, which the Senator found to be—I cannot remember the word, but it was not kind. But I would also point out that the Wall Street Journal piece on Flag Day says, "Democrats Don Kid Gloves on the S&L Mess to Avoid Scrutiny of Their Own Hands."

So I just point out that there is plenty of blame to go around. To stand up on the floor and attack the President may be good sport, but on this side we are going to defend our President. If he has made a mistake in handling the S&L problem, we will raise it, as we raised this morning with the Attorney General. We need to move more quickly. I said so before because I can see this becoming a political issue. It should not become a political issue, but let us face it, these matters can become political issues.

So I just say to the Senator from Nebraska, I am certainly willing to work together with anybody in a constructive way to try to find an answer to some of the problems. I am not going to let Members of the other party get up and bash the President or bash his press officer without at least some response when I do not think President Bush has the responsibility for this. It was President Bush who sent a bill up here in the first month he was President to deal with the S&L crisis. We can find a lot of examples, and I will point out some in a speech I will make in the next few days. Since the Senator from Nebraska has referred to President Bush as the savings and loan President, I am going to make a speech on the S&L Congress. So we will have it both ways.

Mr. KERREY. I thank the Republican leader for the answer, and I look forward to the speech. I will try to be here when the Senator gives it.

Mr. DOLE. It will not be that good, but I will give it.

Mr. KERREY. I thank the Senator.

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. KERRY. Mr. President, I rise at this point to say a few words about the National Affordable Housing Act which is the pending legislation, and I will do so mindful of the fact that we are in between amendments. But I did want to do this on the first day that we are really in the middle of grappling with the amendments as the bill comes to the floor and as we set out on what I think is a most important journey with respect to the entire effort regarding housing in this country.

Yesterday we began that effort. Today we get into the real mix of some amendments even as we continue negotiations with the administration on some parts of this legislation.

But I would like to express my support for this bill. I have some minor reservations here and there about portions of it. But Senator CRANSTON, the distinguished Senator from California, who chairs the subcommittee on which I am privileged to serve, and who as a member of the Banking Committee has really done an extraordinary job, I think deserves enormous credit for the fact that this bill is here at this moment in time. This has not been a short-term passion of Senator CRANSTON. He has pushed this bill. He has worked diligently with almost every single group across the country in an effort to reach out to them and to listen. There have been commissions, there have been task forces, there have been outside advisers, and he has really done an extraordinary job of building a coalition of some of the most difficult constituencies because of the interests that are at stake and the tensions that have traditionally existed between those constituencies. It is to his credit that this bill has taken the shape it has, along with the work of Senator D'AMATO and other Members of the minority who have helped us to arrive at this moment.

We use the word "landmark" legislation of the Senate from time to time, and sometimes perhaps inappropriately, but I think it is entirely appropriate to consider this landmark legislation. One of the reasons it is landmark legislation is that it represents the first time in more than 10 years that we have attempted to define our priorities on the Senate floor regarding national housing policy and to reaffirm our commitment that has been stated from administration to administration from the late 1940's until the beginning of the 1980's, that it was the commitment of this country to provide

decent and affordable housing for all Americans.

Over the last decade we have seen the development of an extraordinary crisis in housing, a really unique crisis, and the problem of affordability has intensified. Federal support for housing has been devastated year to year by budget cuts, by policy neglect, by systematic mismanagement, and by outright fraud and abuse.

Taken alone, these different restraints on a housing program have each and of themselves raised a high level of concern. But when you realize that these symptoms resulted in extraordinary human cost then the price of our neglect becomes even more dear.

It is axiomatic to point to the fact that this is one of the richest, if not the very richest, country on the face of this planet. That has permitted an awful lot of people in this country to be able to take certain principles for granted. Certainly one of those principles has been the traditional American concern for those less fortunate, for those who are not able to share as easily the American dream.

Despite the virtues—and there are many—there is something drastically wrong when the National Academy of Sciences can report that an estimated 100,000 of our children are on the streets and roads of America looking for shelter each night like stray animals, and when another 6 million Americans are at extreme risk because their rents are so disproportionate to their ability to pay. There is also something dramatically wrong when, in a country which has prided itself on its ability to have its citizens achieve the dream of homeownership, young couples today are finding it increasingly difficult and often impossible to reach that dream, to share the purchase of a home.

There is also something dramatically wrong when we look and see that between 1973 and 1983 the United States permanently lost some 4.5 million affordable rental units through demolition or through structural conversion, when we realize that we stand to lose 2 million more federally assisted affordable housing units in the decade to come.

We cannot afford that loss. The country cannot afford it. Our spirit cannot afford it and we certainly cannot afford it in the misery that will mean for countless Americans who will continue to be counted among our homeless or among those who cannot afford to share in the dream itself.

It is no wonder, considering that history of these last 10 years, the history of avoidance of choices and the history of willful neglect, that we now have people eating on heating grates and on orange crates; it is no wonder that the demand for shelter at any price has pulled housing costs through the roof;

it is no wonder that so many young families cannot afford to buy, and so many older homeowners cannot afford to hold onto the home in which they currently live.

As a Vietnam veteran, I am particularly sensitive to the fact that so many of our homeless in America are Vietnam veterans. It is my hope—and I have talked to the Senator from California—that even in this bill we may be able to address that issue somewhat, even as we continue to work to try to find a consensus on other legislation that hopefully can provide funding to our homeless.

We have a housing crisis in America. It is about time that Washington began to solve it, not cause it, or contribute to it as it has so negligently done in these past years.

The time to correct these wrongs is now, and it is long overdue, Mr. President. I believe that Senator CRANSTON, through his leadership on this particular bill, begins that process. It is a most important beginning. This act is a reasonable and a responsible renewal of the Federal Government's role in the commitment to the goals of the 1949 Housing Act.

This act authorizes a comprehensive new housing policy, based on better experience and on bitter experience, based on sound principles, and based on the careful study and advice, as I mentioned earlier, of the very best expertise in our country from all regions of the country, all housing sectors, all levels of government, all kinds of private business, and without regard to political party.

I am convinced that this legislation can mobilize a sustained national effort to provide more affordable housing, and the foundation of this act is its attempt to guide and to strengthen existing programs among the States, among local government, among private industry, and among nonprofit organizations. It is not an effort by the Federal Government to step in with big brother or big government somehow making all of it happen and constructing enormous new projects.

We have learned some lessons. We understand the dangers of that kind of effort. This is an effort to try to take the best of what has worked at the local level, the best of innovative and creative efforts from the State—and I am proud to say that the State of Massachusetts has helped contribute to that through the efforts of Governor Dukakis and our Secretary of Communities and Development, Amy Anthony, who has done an extraordinary job of being creative, and trying to take scarce resources to the greatest distance.

All of these have been combined in this bill with the goal of preserving

and of expanding the supply of affordable housing.

In addition, this bill seeks to take out of HUD a decisionmaking process which has been subject to fraud and abuse, and to raw politics. It takes it out, and it puts it closer to where the housing problem really exists.

I think that is sensible. It maintains strict oversight of HUD, and we also understand that is critical because we have seen and we have learned through better experience firsthand what political and personal greed can do when too much discretion over too much money is centralized in too few hands and hidden by the impenetrable darkness of Washington bureaucracy.

Mr. President, this bill represents fundamental and systemic reform of our housing program, and it is critical to ending the disastrous fraud that has made HUD a four letter word to too many Americans.

Mr. President, I will not go into detail about the specifics of what this bill sets out to do because the Senator from California and other Senators have done so in the course of the opening statements yesterday. But I want to mention a couple of the specific aspects of the bill which I think are particularly important to the people of Massachusetts.

First, I think the committee has made a bold effort under difficult circumstances to work out a best sense of compromise with respect to the issue of preservation of existing housing and the expiring certificate problem.

As most of my colleagues know, during the 1990's we stand to lose over 360,000 federally assisted low- and moderate-income housing units. We do that because the restrictions on use, which were reposed on those housing units 20 years ago in order to entice developers to make this investment in the first place, are expiring. We have a difficult problem.

If each developer who has built up an expectation that they have the right to sell that house does so, or that unit, or those units, then obviously we lose housing units, and that would have a devastating impact on renters, on elderly, on those who depend on that housing for shelter. That would be unacceptable.

But, by the same token, I personally believe that the Government has made a contract with those people, and you cannot expect people in the business world to put their capital up for the purposes that the Government entices only to find that later on the Government is always willing to change the rules in a way that is adverse to their willingness to do that.

So there has to be some balance. I think the Senate is trying to create that balance as best as possible, though there may still be some steps that could be taken to address that even further.

Whether or not that will happen in the course of debate on the floor or whether it will happen in conference is yet to be seen, but I support Senator CRANSTON's efforts to be fair and to try to strike the best balance, and I think this compromise is an effort to try to do that.

In Massachusetts we are talking about the possibility of losing an estimated 30,000 units, representing tenants who simply will not have a reasonable alternative. That is obviously unacceptable, to lose 30,000 units in a State our size. So I have been fighting, along with other Members of our delegation, to try to guarantee that that will not happen. I thank the distinguished Senator from California for his sensitivity to that issue.

I also want to mention the inclusion of the reauthorization of the 1988 Public Housing Drug Elimination Act and its expansion in this bill to include federally assisted housing as well. Working with my colleague from New Jersey, Senator LAUTENBERG, we were able to fashion an approach that will go a long way to helping our public housing authorities to address the growing needs that are associated with illegal drug use and drug-related crime.

Too many of our federally assisted units have become almost places for sale of drugs. Obviously, there is far too much crime in those units, and too many 16 year olds or 14 year olds have been exposed to extraordinary levels of violence, partly because the design of these units was such that they never contemplated the modern scourge that we face today with crime in those areas.

The grants from this program can be used to fund a variety of projects, which address those issues, including the employment of security personnel; the reimbursement of local law enforcement agencies for additional security and protective services; physical improvements as simple as lighting in an entryway, and other things designed to enhanced security; drug abuse prevention programs, as well as communications and other related equipment for voluntary tenant patrols.

In closing, Mr. President, as this debate goes on through this week, as the negotiations go on, I look forward to working in an effort to try to guarantee that we have the strongest housing bill possible. I express my support for the basis of this legislation. The committee has labored long and hard to fashion a bill that we can be proud of, and a bill that would reverse the extraordinary neglect and perverse policies and outright fraud that have characterized the Federal housing program for the past decade.

I believe that this is a bill that begins to do that, and I know the Senator from California would like to see

more money put up for this purpose. We recognize the difficult budget constraints within which we are working, and we respect the mutual desire on both sides of the aisle to deal with reality on that issue.

I encourage my colleagues to support this legislation, and I look forward to working with the distinguished Senator from California and the Senator from New York in an effort to see that it becomes again the law of the land in a restatement of what we first expressed as a Congress in 1949 and what we should reexpress as we move into the next decade of this century.

Mr. CRANSTON. Mr. President, I want to thank the distinguished Senator from Massachusetts very much for his very warm and laudatory remarks about the efforts that I have made on this bill.

Much more than that, I want to thank him for his many contributions to the housing needs of our country. Senator KERRY became deeply involved in housing issues long before he became a member of the Housing Committee, which is the parent committee of the housing subcommittee that I chair. He was one of the principal authors of the housing bill we passed last year.

We are building in the bill we are now considering a partnership with States and cities and others at the local level that is based in good part on innovative efforts that were undertaken locally throughout our country, all across it, during the 1980's when the U.S. Government totally advocated its responsibilities for helping Americans meet their housing needs.

So we know that there were scandals rather than successes in building housing and providing it for those who needed it. The Senator's State of Massachusetts was one of those that was particularly innovative in many ways during those years, and provided many examples that we will rely upon and are relied upon as we try to spread the word around the country of what works locally and what does not and where we can support it, as we hope to at the Federal level through this bill. So we are looking to the Senator and to his State for the leadership already provided, and for leadership that will be provided in the future.

The Senator mentioned two particular issues that are of concern to him and concern to many. He is providing leadership on both. One is the need to find a way to preserve for low-income tenants housing that was built some time ago under Federal programs, where contracts are not running out, and it might be turned over instead to people with lesser needs. We need to find a way—and the Senator is helping us do so—that will preserve much of that housing for those who need it,

but will be fair to those who built them and made investments that gave an opportunity for a good many years to a good many Americans to live in decent housing that would not otherwise have been available to them.

The Senator, a veteran himself, and a man who won many honors in connection with his own military service, has been particularly concerned about homeless veterans. The situation of homeless veterans is a disgrace in our country. A great many of the people who are homeless are veterans, and members of their families are veterans.

I and my staff are working with the Senator and his staff to find a way to help homeless veterans and their families get the shelter they need in a dignified way that ensures that they will have shelter that is appropriate to those who have served our country at a time of need. Now they have a time of need, and we must help them in their time of need. The Senator from Massachusetts is a primary leader in that effort at the present time, and I am confident that we will find a way, under his leadership and in our cooperative effort, to meet those needs.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I thank the distinguished chairman for those comments. I am particularly appreciative of his efforts on the veterans legislation. I know our staffs are even working now. I hope we can resolve that. I thank the distinguished chairman, and I look forward to working with him, as we have worked for 19 years on these matters. I appreciate it.

Mr. GARN. Mr. President, we have before us today the National Affordable Housing Act. When this bill was passed out of committee, I voted against the bill.

However, I qualified my vote by saying that I, too, want a housing bill, but one with a price tag that is not \$4 billion over the President's budget. If we can chip away effectively at the spending level of the bill, so it comes down to a reasonable ballpark figure, that would help me to consider voting for final passage of the bill.

This is an interesting time for housing legislation. Everyone wants a housing bill. The Democrats want a bill; the Republicans want a bill. The administration, including OMB and HUD, wants a bill. But, beyond ironing out what the price tag on the bill will be, there are still a few areas where a compromise still needs to be struck.

Just over a week ago, the administration came before the Banking Committee, together with GAO and Price Waterhouse, to unveil a set of FHA reform proposals to ensure that the FHA fund remains actuarially sound. In the meantime, several incarcerations of an alternative FHA proposal

have surfaced. There are laudable aspects of both proposals, and as negotiations continue, I expect that there will be a meeting of the minds on an FHA package before we're finished deliberating the bill.

One nagging question in the back of my mind is, do these reform proposals go far enough? As I said when the original HUD-FHA reform proposal was presented to the committee, the Federal guarantee which backs FHA insurance is explicit, and if the fund were ever to be insolvent, a taxpayer bailout would be absolutely necessary.

A couple of other areas of the Affordable Housing Act about which I share concerns of the administration are, new construction, income targeting, and full funding for the administration's HOPE proposal. I will not go into details of those programs now, as it appears that continuing negotiations may make significant progress before too long.

Mr. President, I am guardedly optimistic that we will have a housing bill voted out of the Senate before Independence Day which we can all support. My hopes are that those involved in negotiations can come to the bargaining table with minds open to progress in the debate, and check partisan politics at the door.

Thank you, Mr. President.

Mr. KERRY. Mr. President, I ask unanimous consent that I be permitted to proceed as in morning business for a few minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ANOTHER OILSPILL

Mr. KERRY. Mr. President, yesterday barge 145 carrying 5 million gallons of oil ran aground at Buzzards Bay in Massachusetts. We were fortunate, and we were really lucky; we dodged the bullet for the second time in a week. Despite the fact that a hole was ripped in four of the tanks holding 1.2 million gallons of oil, water came up underneath and plugged the hole and kept the oil contained.

Mr. President, the stakes of oilspill roulette, which we seem to be playing now on a daily and weekly basis, are simply too high. The 475-foot oil cargo barge ran aground less than 1 mile from where the cruise ship, *The Bermuda Star*, ran aground just 8 days ago, and that ship spewed 7,500 gallons into the bay, leaving a sticky oiled shoreline on a nearby island.

These spills follow in the wake of the *Mega Borg* spill off of Galveston, TX, where a Norwegian oil tanker exploded, spilling an estimated 3.9 million gallons of oil, and that accident has fouled the seas, leaving crews and volunteers to wait, and presumably wait until it arrives, for a 30-mile oil

slick that is now moving onto the coast.

And that tanker had been carrying 38 million gallons when the vessel suffered the explosion. Just days before the *B.T. Nautilus* ran aground in New Jersey dumping more than 250,000 gallons of oil into the harbor.

These oilspill incidents must remind each and every one of us that Congress is not living up to the promise it made after the *Exxon Valdez* spill last year; after the Narragansett Bay spill last year; after the spills in Texas and Delaware last year; and the Long Beach spill a few months ago in California. If I recall, we promised to pass major oilspill reform legislation as soon as possible. One year and countless spills later is simply not soon enough. These recent accidents only serve to underscore the need for Congress to move on oilspill legislation and move as rapidly as possible.

The Senate passed a bill last August nearly a year ago; the House passed legislation in November. Three months ago, the Senate made a proposal to the House to reconcile the differences between these two bills. To date the House has yet to respond except in the area of double hulls.

So, Mr. President, working at a snail's pace is not adequate to protect the treasured resources of our countless communities around the country that have been subjected to these spills.

The two proposals before the House and the Senate are actually very close, and it seems to me that we ought to be able to focus our attention to work out the final differences.

Last year, Mr. President, I chaired several hearings in the Commerce Committee on oilspills and those hearings culminated in a portion of the oilspill legislation that we so badly need.

During those hearings it was evident that contingency planning and preparedness is the key to dealing with an oilspill. In Prince William Sound, the *Exxon Valdez* spill had several different plans on paper, but when put to the test none could produce. Skimmers were in drydock, booms were too short, dispersants had not been tested. The legislation before our two bodies addresses such inequities by requiring all vessels, facilities, and ports to have contingency plans that are approved by the Coast Guard.

Yesterday in Buzzards Bay, the Coast Guard was prepared. They had the barge boomed within hours, and the reason they were able to do that is because all of the equipment was on hand, less than a mile away at the other spill of *The Bermuda Star*. They did not have to wait 57 hours to have the equipment flown in from Norway, as was the case with the *Mega Borg*.

I think these two examples only serve to underscore the efforts we

have made in the legislation now pending in the Congress and its shows how critical contingency planning and preparedness are if a spill occurs.

Mr. President, I would like to particularly commend the fine work of the Coast Guard and the leadership of Admiral Rybacky who helped to guarantee that the spills in Massachusetts have been minimal in their impact, on the coast.

I also for that reason applaud the provision of the legislation pending before the Congress in both the House and the Senate which places the Coast Guard immediately in charge when a spill occurs.

Mr. President, the House and the Senate are really quite close to an agreement on a double hull provision. I happen to be a strong supporter of double hull requirements and I supported Senator ADAM's amendment when the bill was on the Senate floor last year. I have pushed to have it included in the conference bill. Agreement is imminent to require all newly constructed vessels to have double hulls, and mandates a phaseout of the existing single hull tanker and barge fleets.

Both the Senate and the House are in agreement on establishing the necessary industry financed billion dollar fund which would compensate for quick cleanup costs and for damages from oilspills. Both bills hold owners of tankers liable and both provide full compensation for natural resource damage and recovery. So in reality, we are really quite close. The biggest stumbling block to overcome relates to the issue of the inclusion of the 1984 international protocols with regard to oilspill liability standards.

Our majority leader, Senator MITCHELL, has been very outspoken on this issue. He strongly opposes the 1984 protocols as they undermine and preempt State liability laws. I agree with Senator MITCHELL. The 1984 protocols simply do not go far enough to protect the States and their implementation would have the devastating impact of overturning the States rights to have stronger laws and a higher standard.

In general, Mr. President, I do not oppose an international protocol. But in this regard, the standard imposed by the 1984 protocols is not high enough. I think we have a right to guarantee that the citizens of Maine, Massachusetts, Alaska, and those States that are impacted by this scourge of oilspills, that they have a right to demand higher standards if they want to put in place higher standards.

So I call on my fellow conferees to meet at the earliest point possible and to try to have a final bill before the President before we recess in August.

We obviously cannot continue to play the game of chance as we are engaged in today. We have been very,

very lucky in a number of situations like Massachusetts, but it is very clear that that luck will not go on forever, just as it is tragically clear that the human error that has contributed to each of these prior accidents will undoubtedly plague us in the future. The State of Massachusetts thrives on coastal tourism. It thrives and boasts a \$ billion fishery fish business. We, like every other coastal area, will suffer too much, and have too much at stake without this bill going forward.

I urge the conferees to do their duty, and I hope, Mr. President, that we can resolve this issue in the wake of these recent oilspills which remind us of the problem that we face.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATIONAL AFFORDABLE HOUSING ACT

The Senate continued with the consideration of the bill.

Mr. CRANSTON. Mr. President, we set aside an amendment offered by Senator GRAHAM a while ago. Matters have now been worked out on that measure. I ask that it again be placed before the Senate.

AMENDMENT NO. 2026

The PRESIDING OFFICER. The question recurs on the amendment by the Senator from Florida, amendment No. 2026.

Is there further debate on the amendment?

Mr. CRANSTON. Just a word of explanation.

This amendment would direct the Secretary of HUD to use a cooling day adjustment factor when calculating the performance funding system. The administration has agreed to let the amendment proceed along today and that is the position of the minority now, with the understanding that negotiations will continue on this provision. The administration's objections relate not to the merits of the provision but they have some questions about the potential costs. We will be dealing with that in the time ahead, but there is now no objection to adopting the amendment at this stage.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2026) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Without objection the motion to reconsider is laid upon the table.

Mr. CRANSTON. Mr. President, I want to speak to a matter that has baffled some people in the press as we proceed with this bill.

As I recounted before, after the committee reported the measure now before us by a strong bipartisan vote, I had an immediate meeting, along with a few other Senators, with Mr. Darman and Mr. Kemp. It was agreed that we would get together at a further point after they had an opportunity to analyze the measure. Of course, they did not know exactly what was in it at that moment the same day that we passed a bill.

For a variety of reasons, it was difficult to put together the meeting, in part because of Mr. Darman being so deeply involved in the so-called summit discussions on the deficit. But we pursued the matter of the meeting and it was stated finally that they were ready to meet, and we were endeavoring to find a date.

Just before the meeting was finally set, I received a very strong letter from Secretary Kemp stating that they were eager to try to work out problems regarding the bill, but then proceeding to, in many, many pages, set forth the many objections that HUD and the administration perceived to this bill.

Upon analysis, it seemed to me and to the staff of the committee, the majority staff, that there were many misunderstandings and misapprehensions, if not misrepresentations, of what the bill actually proposed to do.

I was a little surprised to receive this letter just on the eve of the negotiations, but I accept it, of course. I have been working on a response. I was a little reluctant to respond when we were getting into negotiations.

We finally did have the meeting yesterday between Mr. Darman, who heads the Office of Management and Budget for the administration, and Secretary Kemp of HUD.

I felt it was a very fine meeting, where they set forth four major points that they felt should be taken into consideration and that some changes should be made in the bill in accordance with some concerns about those points. We agreed in principle on all the points and it was agreed that there would be negotiations to try to resolve the differences over those four points.

I reported that to the press and stated that Secretary Kemp had stated in the course of our meetings that, "We are not making veto threats. We know where your heart is in all of this."

Mr. Darman made claims that if things were worked out on the policy matters that the matter of how much money was going to be involved in the bill, provided it was a reasonable amount, would not be a vetoable item.

I was, therefore, again surprised to see a statement of administration policy issued today by the administration that makes another onslaught on the bill and says "If S. 566 were presented to the President in its current form, his senior advisers would recommend that the bill be vetoed." Once again a threat of a veto was mentioned this morning by Senator D'AMATO at the opening stages of our consideration of the measure.

The press and other observers are a little bit baffled by the fact that I am being rather optimistic about the negotiations and meanwhile these rather bombastic communications keep emerging. I find it hard to understand exactly why they keep being issued by the administration. This latest one is from the Executive Office of the President, from the Office of Management and Budget. Maybe it is just to try to get across their concerns and maybe it is for purposes of bargaining.

The memorandum today from the Executive Office of the President does acknowledge that the administration is working with several members of the committee to develop an acceptable set of amendments. They say they provided a number of essential amendments to these amendments and they say, "No agreement has been reached on these amendments, but the discussions continue."

It seems to me that the negotiations, despite these communications, are going along fairly well. I remain reasonably optimistic that we will work out our differences since in principle we have the same basic goals, I believe, in regard to the four points raised by the administration.

I think it appropriate that at this time I make a statement setting forth my response to Secretary Kemp. I was reluctant to reply to him in the midst of the negotiations, but since we keep getting these communications from them I think it is now appropriate that I read to the Senate my response to Secretary Kemp. The letter reads as follows:

U.S. SENATE,

Washington, DC, June 18, 1990.

HON. JACK KEMP,

Secretary, Department of Housing and Urban Development, Washington, DC.

DEAR MR. SECRETARY: I remain determined to work with you for enactment of effective legislation to make good housing more affordable for American families who urgently need it.

Even in this tight budgetary environment, Congress and the Administration now have a rare opportunity to begin a long-overdue effort to improve national housing policy. We can energize the resources and abilities that are available across the country to provide the affordable housing needed by

American families now and in the future. The Senate housing legislation can launch a real national housing policy—a policy that begins to build new housing partnerships among the private sector and government at all levels to expand the supply of affordable housing; one that begins to increase empowerment of low-income Americans, to preserve our low-income housing stock, to improve rental assistance, and to provide supportive housing for persons with special needs.

I believe Congress is ready to act favorably on this significant initiative, if the Administration will join in cooperation.

The Administration's public statements express goals that I and hundreds of housing leaders have long been determined to achieve: eliminating corruption and scandal, improving housing for the poor, and regaining FHA's actuarial soundness.

Important details of the Administration's legislative proposals, however, are not yet well enough thought through, and some would move in the wrong direction. I am convinced that scarce resources should be used in ways that have been proven to work. We should not go back to placing a few HUD appointees in a position to make deals and use federal funds to do favors for developers. And we should not place arbitrary, unworkable constraints on the ability of local communities to provide decent, affordable housing.

I am encouraged by the negotiations that are underway. I believe it is possible to reach agreement. I and many other Senators have long made clear our willingness to accommodate the Administration's housing proposals. But we are going to have to do so within a comprehensive and balanced housing bill.

In that spirit of cooperation, Senators acceded to the Administration's request to put off action on a major housing initiative. Action last year was limited to dealing with the mismanagement, fraud and abuse that afflicted the Department in recent years. The Senate Banking Committee repeatedly delayed action this year on the National Affordable Housing Act until the Administration could complete its housing proposals. And the Committee incorporated virtually all of the Administration's HOPE Initiative in the Senate-reported housing bill.

The Senate-reported housing bill makes a relatively few, necessary refinements to ensure that HOPE activities are consistent with state and local housing needs, to minimize potential sources of fraud and abuse, to make sure that HOPE activities do not reduce the scarce supply of affordable housing for the poor, to avoid sudden disruptions in the delivery of human services across the country, and to make other improvements that were recommended by Senators on a bipartisan basis.

The Committee-reported housing bill would authorize \$435 million for the Administration's new HOPE programs over 3 years. After giving the matter careful consideration, Senators decided that this funding level would provide for a solid, responsible start-up and expansion of this new program.

The Committee was determined to keep the housing bill's authorizations within levels contemplated in the Senate budget resolution. All areas of the bill were under intense budgetary pressure. The Committee's decision on funding for HOPE activities was consistent with the views of a broad consensus of witnesses that scarce resources should be directed to the country's central

housing needs: expanding the supply of affordable housing, reaching out to families who have been left on waiting lists, preserving the existing low-income housing inventory, and relieving the suffering of homeless persons.

I believe there is, around the country, much good will toward you and a willingness to accommodate the HOPE proposals. But I also have heard from around the country—from elected officials and those who understand housing—that the HOPE suggestions, whatever their good points, can only make sense as one part of a true national housing policy that has to be much broader and more balanced. Many are deeply concerned that details in the HOPE package reflect the fact that it was developed with very little consultation outside a small circle within the Administration.

The Senate's housing bill is the product of a 3-year long nationwide consultation on the country's housing needs. That effort involved hundreds of the country's most experienced, dedicated and imaginative people who understand housing—from local communities, nonprofit organizations, tenant organizations, private industry and government. Senators worked hard to turn the best ideas into sound legislation. These are not my ideas or the ideas of some narrow interest group, they are not Democratic ideas or Republican ideas, they are just good, workable ideas that can make a real difference for American families.

Elements of the Senate housing bill have been greatly refined during the past 3 years. Undoubtedly, they can be improved further. They deserve careful analysis. They deserve vigorous debate.

Unfortunately, the Department's criticisms, noted in your letter, reflect either a profound misunderstanding or determined misstatement of provisions in the Senate housing bill.

First, the letter claims that the Housing Opportunity Partnerships (HOP) initiative is "heavily biased to new construction." In fact, paragraph 312(a)(2) of the bill clearly states that participating jurisdictions must give preference to rehabilitation of substandard housing where that is most cost effective. If there is a clear bias in the HOP provision it is toward rehabilitation of substandard housing, toward acquisition of housing for low-income use in areas that currently have a good supply, and toward production of housing that is small-scale, scattered-site, neighborhood-based and mixed-income. That is, if HOP has a bias, it is intentionally toward the kind of affordable housing that has been successfully provided by imaginative local housing partnerships in many parts of the country in recent years.

The Committee, without objection, rejected language to make any new construction subject to approval by HUD. This reflects the virtual unanimous opinion from local communities that a blanket prohibition of new construction dictated from Washington is simply unreasonable. Newer, growing areas can achieve an adequate supply of affordable housing only by providing it within new structures. Moreover, some new construction is often an indispensable part of neighborhood rehabilitation efforts, particularly in older city neighborhoods that have many dilapidated houses and vacant lots.

Second, the letter claims that HOP funds are not adequately targeted. In fact, the minimum income targeting in the HOP initiative concentrates funds heavily on the

housing needs of low-income families and very low-income families. Moreover, the HOP provisions include very strong incentives for states and localities to exceed those minimum requirements.

The Senate bill learns from past mistakes. It builds on the lessons of successful housing efforts: That federal housing activities should not "ghettoize" tenants, isolating them geographically and socially. Even though the bill targets its resources on low-income the poor, the bill gives states and local communities the needed flexibility to provide for mixed-income housing and neighborhoods. Community housing organizations have found that mixed-income housing gives developers an incentive to build for the market, find good sites and produce marketable designs. It can also result in more affordable housing because neighborhood opposition is lessened.

Third, the letter claims that housing construction is inherently corrupting. That profoundly misinterprets the recent HUD scandals and overlooks key features of the Committee bill. As the various Congressional investigations have uncovered, the HUD scandals were created by an Administration that systematically filled top HUD positions with people who were inexperienced, incompetent, hostile to the department's mission, intent on demoralizing the career staff, and, in too many cases, easily corrupted.

Many of those involved in the scandal were determined to destroy housing production programs. We can not let their corruption be used as an excuse to complete their hostile mission.

The proper response to the scandals is to make sure that sensitive HUD posts are filled with talented and committed people.

Another response is to establish strong systems of accountability, as we have done in the HUD Reform Act of 1989 and as the Senate housing bill would do.

The HOP program would be designed to prevent at the state and local level the scandals that have plagued HUD in recent years. HUD would allocate HOP funds through an open, objective process to States and local governments. Procedures for distributing funds—whether by formula or by incentive allocation—would be publicly established and fully documented. The bill would remove HUD from the process of granting funds to individual projects and therefore free HUD for impartial monitoring and oversight of state and local housing activities.

At the state and local level, HOP funds could be used only in compliance with strategies approved after public hearings. Project selection would have to be done in the sunlight, according to public procedures with full documentation. The basis on which any funding award is made or denied would have to be fully documented. HUD would have powerful tools for overseeing state and local activities and could impose tough penalties for abuse. The public, local news media and competitors for scarce housing resources would have full access to information regarding the use of HOP funds.

Fourth, the letter implies there is no way to ensure that newly constructed housing will remain decent and affordable. I believe that is simply unfounded. The vast majority of older, federally-assisted housing has proven to be an irreplaceable source of decent, low income housing 20 years after it was built. That is precisely why the Administration and Congress have been trying for over three years to find ways to keep from

that stock from being lost to low-income use.

It is easy to point to cases of poor management, which I deplore as much as you. But Congress has given the Department a wide array of tools to help private owners maintain their properties and to penalize those who fail to do so. States and localities under the HOP will have a similar array of tools and sanctions. Many problems were created by the Reagan Administration's determined neglect of its obligation to the tenants of these housing projects and to fulfill the government's responsibilities. Poor records were maintained, monitoring was ignored, funds were squandered, favors were traded.

Fifth, the letter seems to suggest that the country already has an adequate supply of affordable housing.

Let me say, if that is the intent—I am interpolating this now apart from my letter—if it is the actual understanding or belief of the people in HUD that the country already has an adequate supply of affordable housing, that is errant nonsense. We plainly have very great needs for affordable housing in many parts of my State and, I believe, in some parts of every State in the Union.

Back to my letter to Secretary Kemp, commenting on that particular point:

Fifth, the letter seems to suggest that the country already had an adequate supply of affordable housing—pointing to national vacancy statistics. That flies in the face of actual experience of local communities and low-income families in all too many parts of the country. Rental vacancies tend to be concentrated in higher priced housing—among units that are not available and affordable to low-income and moderate-income families, even if they hold a voucher. In most markets, the vacancy rate for units affordable to very low-income families is extremely low, and some experts believe that even those statistics overstate the true rate of vacancy in decent housing because they include many units that are uninhabitable or suffering from disinvestment. In addition, vacancies in Houston or Denver provide no help to families seeking affordable housing in Los Angeles, Atlanta, Seattle or other places with growing job opportunities.

We have been losing low-cost housing at the rate of 1.5 million units a decade. The diminishing supply of affordable housing has placed an intense pressure on rents in the remaining units—forcing families either to pay unacceptably high proportions of their limited incomes for shelter or to be forced into homelessness.

Sixth, the letter claims that the HOP program could be accommodated through expansion of the Community Development Block Grant (CDBG) program. That scheme was pushed by the Reagan Administration and adamantly opposed by states, localities and community groups. CDBG itself is currently underfunded, having taken a 50 percent cut in real terms since 1980. Low income communities desperately need these funds for community revitalization and economic development activities.

The Subcommittee received extensive testimony that federal housing assistance must be provided not just as grant money but in a way that recognizes the special requirements of housing. As mentioned above, HOP was, therefore, designed to closely coordinate several types of federal housing as-

sistance: (1) capital subsidies to reduce costs, (2) credit enhancements, such as mortgage insurance and other methods to attract private financing, (3) rental assistance for low-income families, such as vouchers or certificates, (4) technical assistance to get the best methods adopted nationwide, (5) interaction with the private housing investment and development sectors, which have important national and international characteristics, and (6) ongoing oversight to make sure the housing is well-managed and affordable for decades to come. These special design features of HOP could not be replicated by simply increasing CDBG funding and expanding its eligible activities.

The HOP program is the most significant, but not the sole, component of the National Affordable Housing Act. The legislation also provides a permanent solution to the prepayment problem and makes significant revisions to existing housing programs like Section 8 rental assistance, McKinney homeless assistance and public housing. A brief discussion of these provisions is warranted by objections raised in your letter.

Title V of the bill would ensure that housing assisted under HOP will remain affordable for the long term. Failure to do so would permit large windfall gains to a fortunate few who initially purchased the housing. Given the substantial federal investment which has been and will be made in these properties, reasonable resale restrictions—which still permit sales to families with incomes of 80 percent of area median—is clearly justified.

The bill would also provide one-for-one replacement of each public housing unit sold under HOPE. The Administration proposal required the replacement of sold public housing units *only* where no restrictions were placed on resale of units to low-income buyers, those with incomes below 80 percent of area median. Since public housing generally serves the very poor—families with incomes below even 30 percent of area median—units which become available to low-income buyers are definitely "lost" forever to the very low end of the rental market.

Title V of the bill contains a permanent solution to the threatened loss of hundreds of thousands of older subsidized units through mortgage prepayments. Primary emphasis is placed on preserving the at-risk housing for use by low income families. Owners would receive compensation for either continuing to maintain the housing for low-income tenants or for transferring it to qualified organizations, including tenant organizations.

Experts agree that this is the most cost-effective strategy available to the federal government, far less expensive, for example, than the long-term cost of simply providing vouchers to tenants who are displaced. I believe that the solution is structured in a way that protects the interests of the owners, the tenants and the communities in which the housing is located. Windfall profits *would not* be given to landlords in soft markets since only properties with real appreciation in value would be eligible for incentives. Reasonable restrictions would be placed on prepayments to protect tenants from evictions or sharp increases in rent.

Title V of the National Affordable Housing would also make several significant revisions to the existing voucher and certificate programs. First, the bill would permit a locality to use all of its incremental certificates as project-based assistance. The Administration's objections seem to be based

on the perception that the bill would permit all certificates, not just the incremental ones, to be used for project-based assistance. Since that is not the Committee's intent, I am sure the issue can be resolved. This will greatly improve the certificate program by giving localities the necessary tools to leverage private financing for rehabilitation and development activities. The Administration has publicly recognized the usefulness of rental assistance as a leveraging device.

Second, the bill would allow jurisdictions, with the Secretary's approval, to establish fair market rents that more precisely reflect the rent variations within their own jurisdictions. This would, in many cases, enhance tenant choice, providing tenants (particularly tenants with special needs) with broader housing opportunities and greater proximity to employment and education opportunities.

Finally, the bill would eliminate the so-called "shopping incentive" for tenants who use vouchers to rent the same apartment in which they resided before receiving the voucher. Studies by Abt Associates and the General Accounting Office have shown that this incentive gives in-place rents an additional subsidy and drives up the cost of the program without achieving any significant public purpose.

Title V of the National Affordable Housing Act would also continue the Operation Bootstrap demonstration program. There is substantial evidence that many communities do not have the resources or capacity to meet the requirements of a program mandating that rental assistance be linked to supportive services. Simply mandating "empowerment" activities, without providing the additional administrative and program supports, will create nothing but failed programs and unfulfilled expectations. Again, on this issue, I understand the Administration is open to refinements that could eliminate objections to its original proposal.

Title VI of the National Affordable Housing Act would consolidate four of the five existing McKinney programs and streamline the distribution of the new program to States and localities. I strongly believe that States and localities, not the federal government, are best situated to assess the nature and extent of their homeless problems, devise long-term, comprehensive strategies for addressing such problems and deliver homeless assistance in an expedited and effective fashion.

Title VII of the Senate bill would give localities greater flexibility in the selection of tenants for new or vacant public housing units. The effect of the existing rules has been to concentrate in public housing developments the poorest of the poor, many of whom have multiple social, health and educational problems. Giving localities the discretion to select half of the new tenants in accordance with locally-defined preferences will enhance their ability to develop and sustain viable housing communities. The bill would *not* alter the tight income targeting provisions which now govern public housing.

In closing, I urge you to reexamine some of the conclusions in your letter, which I think are unjustified by provisions of a bill that was developed over 3 years drawing on the experience of some of the country's best people who understand housing.

I share your belief that this is an "historic opportunity" to move forward on this long-

neglected domestic issue. Let us find the common ground.

Sincerely,

ALAN CRANSTON.

Let me close by saying I have great respect for Secretary Kemp. I believe he wants to be a good Secretary, and I believe he wants to get a good bill. I hope that, apart from these exchanges, we can see to it the negotiations move forward effectively, in a spirit of good will and compromise in determination to fashion a bill that will work; and then we can achieve that goal.

I also am greatly encouraged by the role that Dick Darman is playing at the Office of Management and Budget in trying to make, I think, an honest effort to try to make these negotiations work. I still remain quite hopeful and confident that they will work and we will have a bill that will gain wide support and be supported by the administration.

I understand Senator DANFORTH, of Missouri, is planning to come to the floor at any moment to offer an amendment. If that is the case, I believe it is an amendment that will require a rollcall vote, which I suppose will occur somewhere around 7. If he gets here soon, maybe we could have it happen earlier than that.

If there are others with amendments we can work out without rollcalls, I am prepared to stay to do that on into the evening so we can cover as much ground as possible now and, depending upon the will of the majority leader, Senator MITCHELL, perhaps there would be other rollcalls after the one on the Danforth proposal. I am not certain what the majority leader's plans are or wishes are in that regard at the present time.

Pending the arrival of Senator DANFORTH, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DANFORTH. Mr. President, I am about to send an amendment to the desk which, although I think it is a pretty noncontroversial amendment, for strategic reasons in dealing with the House of Representatives, I am going to ask for a rollcall vote. I want to put the Senate on notice of that fact. My guess is this will take about 10 minutes to explain so that for the convenience of Senators, probably, say, about 20 after 6, we will have a rollcall vote.

It is a safety-related issue. It does not have anything to do with housing, but it is an issue on which we want to

get the attention of the relevant committees in the House and to have a rollcall vote I think is of some help in dealing with the House of Representatives.

AMENDMENT NO. 2033

(Purpose: To authorize the Secretary of Transportation to make grants to the States for acquiring video equipment to be used in detecting and prosecuting persons driving under the influence of alcohol or a controlled substance)

Mr. DANFORTH. 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 Missouri [Mr. DANFORTH] proposes an amendment numbered 2033.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

Sec. . . Section 408(f) of title 23, United States Code, is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(9) for the acquisition of video equipment to be used in detecting persons driving under the influence of alcohol or a controlled substance and in effectively prosecuting those persons."

Mr. DANFORTH. Mr. President, yesterday the U.S. Supreme Court upheld the constitutionality of the use of video tapes of drug or alcohol-impaired drivers in the prosecution of court cases. The Supreme Court, in an 8-to-1 opinion that was written by Justice Brennan, held that it did not violate a suspected drunk driver's Miranda rights to show on tape the fact that a person could not walk in a straight line, could not drive a car in a straight line.

The use of video equipment by police officers has been a growing practice and it has been very successful in making cases against drugged and drunk drivers. As a matter of fact, to my knowledge, in every case in which there has been a tape recording, there has been a guilty plea. The defendant has not gone to court in order to challenge the tape.

The fact that we do have a very serious problem of drunk and drugged driving in this country is very well known. In 1988, there were 23,357 alcohol-related highway fatalities in the United States. Drugged driving is a little bit harder to show statistically, but every analysis that we know of in-

dicates that it is a very, very serious problem.

A 1988 Department of Transportation study indicated that drug use was involved in as much as 22 percent of the automobile crashes.

The Insurance Institute for Highway Safety has a study which indicates that of fatally injured male drivers between 15 and 34 years of age, 37 percent tested positive for marijuana. Earlier this year, New York released a study showing that 25 percent of the drivers between ages 16 and 45 killed in New York City traffic accidents tested positive for cocaine.

Mr. President, in order to deal with this problem, Aetna Life and Casualty and Mothers Against Drunk Driving [MADD] have formed a partnership to purchase video cameras for a number of police departments. One of those police departments is the Kansas City, MO, Police Department.

Michael Creamer, a deputy sheriff in Columbus, OH, said this when explaining the importance of video cameras: "We'll show the judge, the jury, and the courtroom how they really looked driving on the wrong side, falling down by the car, unable to walk or recite the alphabet." Creamer said that in all 17 cases where his department had videotaped drunk drivers there has been a guilty plea.

The amendment that I have offered today authorizes the Secretary of Transportation to make grants from already appropriated funds to States for the purchase of video cameras. We presently have a statute on the books, title 23, United States Code, section 408, which provides for incentive grants to the States from the Department of Transportation for drunk driving programs. There are a number of criteria that States can meet in order to have the opportunity to participate in the incentive grant program. That long list of possibilities presently does not include the use of video cameras. The sole point of this amendment is to authorize the Secretary of Transportation to use the funds for the possible acquisition of video cameras.

Mr. President, as I say, I think this really is a totally noncontroversial provision. Normally, I would not trouble the Senate with a rollcall vote on the issue. I think there are those who would like to see a little action on the floor today. For their benefit, I will ask for a rollcall vote, and also for the sake of trying to help us in negotiations with the House of Representatives.

I have three items, Mr. President, which I ask unanimous consent be printed in the RECORD. The first is a letter from Micky Sadoff, president of Mothers Against Drunk Driving; the second is an article from the New York Times dated April 21, 1990, entitled "Drunken Drivers Now Facing

Themselves on Video Camera," and the final article is from today's Washington Post reporting on the Supreme Court case of yesterday entitled, "Video Evidence Allowed in Drunk Driving Cases."

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

MOTHERS AGAINST DRUNK DRIVING,
Hurst, TX, May 23, 1990.

HON. JOHN C. DANFORTH,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR DANFORTH: This letter is in response to your inquiry regarding MADD's position on the use of video cameras as a means to apprehend and prosecute drunk drivers. Specifically, you asked for our support for your initiative to incorporate this feature of law enforcement into the NHTSA 408 Alcohol Incentive Grant program.

As news media reports have indicated, MADD has been intimately involved in developing the use of video cameras as a means of catching and convicting drunk drivers. To MADD, the use of technology of this kind is but one more way to insure that drunk drivers are swiftly apprehended and removed from our nation's highways. The video camera approach works in concert with efforts to swiftly and surely remove the driving privileges of those who drink and drive. For these reasons, we are pleased to support your initiative to make the use of video equipment a feature of the NHTSA 408 program.

MADD commends you for this initiative. Your activities in the U.S. Senate to rid our nation's highways of drunk drivers and insure justice for the victims of this crime are deeply appreciated by Mothers Against Drunk Driving.

If I can be of further assistance to you as this legislation develops, please do not hesitate to contact me.

Sincerely,

MICKY SADOFF,
President.

[From the New York Times, Apr. 21, 1990]
DRUNKEN DRIVERS NOW FACING THEMSELVES
ON VIDEO CAMERA

(By Andrew H. Malcolm)

COLUMBUS, OHIO, April 18.—Two years ago two Houston police officers became frustrated with what they regarded as the gullibility and leniency of courts in dealing with drunken drivers. With their own money, the officers bought a video camera, mounted it in their patrol car and began taping every arrest for driving while drunk.

Today, thanks to a major insurance company and word of mouth in law enforcement, dashboard-mounted video cameras that silently record a weaving car and then its incoherent driver are beginning to have an impact.

"I was skeptical of the cameras at first," said Michael E. Creamer, chief deputy of the Franklin County Sheriff's Department here. "We're not in the movie business. But they've been fantastic for us."

Since his department received 12 cameras donated by Aetna Life & Casualty in November, all 17-videotaped drunken driving arrests that came to court ended in guilty pleas, before the case consumed any costly court time or overtime for officers. "Now I'd like a camera in all 45-cars," said Chief Creamer, whose office estimates that the cameras saved \$4,000 in overtime.

Because drunken driving convictions carry severe fines and jail terms, virtually all defendants in nonvideotaped cases plead not guilty. Eighty to 90 percent of those arrested are convicted on some offense.

"HOW THEY REALLY LOOKED"

"But now," said Chief Creamer, "there's something else for them to consider: We'll show the judge, the jury and the courtroom how they really looked driving on the wrong side, falling down by their car, unable to walk a straight line or recite the alphabet. It's very hard to rebut that kind of testimony."

Law-enforcement agencies around the country are discovering the power of these pictures. Showing the date, the time and every word and action quickly prompts most defendants to choose not to have such tapes shown. They plead guilty.

All legal challenges to such filming have failed, the prevailing opinion being that whatever an officer is, he can take notes, still-pictures or videotape. And he need not warn defendants of the right to remain silent until they are formally in custody, long after the camera rolls. Some officers tell potential defendants they are being filmed; most do not.

Sgt. Larry Tolar of Colorado's State Patrol, which recently received 24 of Aetna's video cameras, said the cameras also boosted police motivation and morale. "On the roadside," said the sergeant, "the drunk driver is swearing and maybe swinging at the officer, falling down drunk."

"Then he shows up in court three months later all reasonable and contrite in a three-piece suit with his kid, his devoted wife and his mother in a wheelchair, and it's his word against the officer's. Now, everybody in the courtroom can see him or her as the officer saw them on the street, as a potential murderer."

Aetna began the program last July in partnership with Mothers Against Drunk Driving. So far, said John Hawkins, a company spokesman, Aetna has given 258 of the \$1,000 Panasonic cameras to Houston, Kansas City, Pittsburgh, Richmond, Va., Orlando, Indianapolis, Fort Lauderdale, Mesa, Ariz., and other cities.

SOMETHING BEYOND PLATITUDES

"We wanted to do something beyond platitudes," said Mr. Hawkins. "Alcohol-related auto accidents cost Aetna upwards of \$250 million last year. A 10 percent reduction would have a significant impact in human terms and dollars and get some folks into help before they do some serious damage."

Drunken drivers cost the nation an estimated \$23 billion a year in property damage and lost productivity. Each year they kill 23,500 people, half the total of road fatalities and 3,500 more than are killed in other homicides.

Dr. James Nichols, deputy director of alcohol and state programs for the National Highway Transportation Safety Administration, says the cameras are further proof of another upswing in law enforcement involving drunken driving.

Arrests peaked in 1983 at about 1.92 million, he said. They slipped slightly to 1.7 million in intervening years, but since 1988's 1.8 million arrests they have been increasing.

THE WAY IT USED TO BE

"That's much better than in the mid-70's," he said, "when an average year had 500,000 such arrests." Fifteen years ago, he said one out of every 2,000 drunken drivers

was arrested. Today, the figure is one of every 250 to 500.

In 1982, according to Federal highway statistics, 56.7 percent of the 39,092 fatal car crashes involved alcohol. By 1988, with 20 percent more miles driven, the number of fatal crashes had increased to 42,119, but the percentage involving alcohol had fallen to 49.4.

"Video cameras make enforcement a whole new ballgame," he said. "There is no silver bullet to stop drunk driving. But you typically have a well-paid defense attorney up against an overworked prosecutor. The video camera is a weapon that will help widen the net, adding to the perceptible fear of being surely caught, effectively prosecuted and swiftly punished. That's a big help. Remember, most drunk drivers in fatal crashes have never been caught before."

PROTECTION FOR PRISONERS

James Fais, chief prosecutor here, says the camera protects prisoners against physical or legal abuses. For their own protection against allegations of abuse, especially from female prisoners, several of Chief Creamer's deputies leave the camera on from place of arrest to jail cell.

The portable video cameras are also being used in other ways, to record a crime or crash scene or, during chases, to help prove that defendants tried to flee. Some departments, like the Georgia Highway Patrol, encourage officers to leave cameras running whenever they are in the car.

ABCDEF, ER, F * * *

"The cameras are not panacea," said Capt. Thomas Shook, who runs Richmond's Traffic Safety Division, "and some of the older guys grumble about the extra gear and new technology. But our guilty pleas are going up each month—and so are our requests for alcohol treatment."

"Our officers now feel they're getting a better shake in court," said Lieut. Carl Williams of the traffic division in Houston. Two of his men, Charles Green and Phillip Nelson, had the original videocamera idea.

Tapes here show men and women weaving all over the road at all hours. Only a young woman claims not to have drunk alcohol in two weeks, but cannot find her home. She is cruising the wrong street. A man, the sole occupant of a weaving car, claims not to have been driving and then curses the officer and passes out.

Another, just off the expressway, is asked to recite the alphabet. "ABCDEF, ER, FIK," he says.

"O.K., sir," says the officer. "Thank you." The man turns to return to his car. "No, uh, sir," says the officer, "you're under arrest for operating a vehicle under the influence of alcohol." And he reads him his rights.

[From the Washington Post, June 19, 1990]
VIDEO EVIDENCE ALLOWED IN DRUNK-DRIVING CASES

(By Ruth Marcus)

The Supreme Court yesterday upheld the power of police to videotape drunk-driving suspects and use evidence of their slurred speech against them at trial without first advising the drivers of their constitutional rights.

The court, ruling 8 to 1, compared slurred speech to obtaining a suspect's blood or handwriting sample and said using such evidence does not violate rights against self-incrimination.

The court said police may videotape suspects answering routine "booking questions" about their name, address, height, weight, eye color, age and date of birth without first providing the so-called Miranda warning that they have the right to remain silent.

The use of videotapes to record drunk-driving suspects performing sobriety tests and answering questions has become a common and effective police technique.

Yesterday's decision came in the case of Inocencio Muniz, a Pennsylvania man arrested in Cumberland County, Pa., in 1986 for driving under the influence of alcohol.

Police videotaped Muniz answering questions at the booking center, where his speech was slurred and he stumbled over his age—initially giving the wrong number—and his address, for which he needed to look at his driver's license. Muniz was then unable to tell police the date of his sixth birthday. And in the course of being videotaped taking three sobriety tests, Muniz offered several incriminating statements explaining his inability to perform the test.

A Pennsylvania appeals court allowed the use of the videotaped evidence of Muniz failing the sobriety tests—walking a straight line, standing on one leg, and looking at a moving object—but suppressed the entire audio portion of the tape.

In reversing that decision yesterday, the court, in an opinion by Justice William J. Brennan Jr., said "any slurring of speech and other evidence of lack of muscular coordination revealed by Muniz's responses" were "non-testimonial" and therefore did not require Miranda warnings.

However, by a 5 to 4 vote, the court said the question to Muniz about the date of his sixth birthday did require a "testimonial response" and should be suppressed. Justice Thurmond Marshall, who dissented from the rest of the ruling, joined with Brennan and Justices Sandra Day O'Connor, Antonin Scalia and Anthony M. Kennedy in that conclusion.

Chief Justice William H. Rehnquist—joined by Justices Byron R. White, Harry A. Blackmun and John Paul Stevens—said the sixth-birthday question should have been allowed because it was simply "an effort on the part of the police to check how well Muniz was able to do a simple mathematical exercise," similar to the check of his physical reflexes.

The court also said Muniz's incriminating statements could be used against him because they were voluntary and "not prompted by an interrogation." The case is *Pennsylvania v. Muniz*.

In other action yesterday, the court refused to review a ruling requiring Boston University to give tenure to an English literature professor found to have been a victim of sex discrimination. The university argued in *Boston University v. Brown* that requiring it to grant tenure would interfere with its academic freedom.

Mr. DANFORTH. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the pending amendment?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum, if the Senator has no further remarks.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Is there further debate on the pending amendment?

Mr. CRANSTON. Mr. President, I believe there is nothing more to be said on the amendment. We are ready for a vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Missouri [Mr. DANFORTH]. The yeas and nays have been ordered. The clerk will call the roll.

The result was announced—yeas 100, nays 0, as follows:

[Rollcall Vote No. 118 Leg.]

YEAS—100

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

NAYS—0

So the amendment (No. 2033) was agreed to.

The PRESIDING OFFICER. The Senate will come to order. The pending question is the reported committee substitute to the bill.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. I move to reconsider the previous vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. CRANSTON. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

DEAN SMITH HONORED AS SCHOLAR-ATHLETE

Mr. COHEN. Mr. President, when I was in college, my first career aspiration was to be a professional basketball player. Although I eventually took a decidedly different career path, the lessons I learned from playing sports have stayed with me all of my life.

Another basketball player from Maine was honored this month for taking the lessons he learned in sports and applying them to life. Dean Smith, of Dover-Foxcroft, was named the National Collegiate Athletic Association's Walter Byers Fellowship recipient. This national award is presented annually to a male and a female collegiate senior athlete who excels in academics.

Dean graduated one semester early from the University of Maine at Orono at the top of his class with a bachelor of science degree in electrical engineering. He was named to the first team, Academic All American, and to the first team, All Conference in Division I college, basketball while maintaining a 3.86 cumulative grade point average.

Dean has always had high aspirations even though some doubters told him he stood a slim chance of ever playing Division I basketball. But Dean proved them wrong with the drive and determination that he has demonstrated both on the court and in the classroom.

During my days as a college basketball player, I learned some immutable principles—that there are rules to be followed, discipline that had to be imposed, and referees or judges who would call foul if I violated those rules.

But most of all I learned the joy of clean competition, of the struggle to prevail, the sweet rewards of victory, the bitter taste of disappointment or defeat, the whole range of experiences that each of us will come to know in a lifetime.

Dean Smith learned these lessons, too, and has earned national recogni-

tion for his success in applying them both on and off the court.

I congratulate Dean Smith on this award and ask unanimous consent that an article about him that appeared in the Bangor Daily News be printed in the CONGRESSIONAL RECORD.

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

[From the Bangor Daily News, June 7, 1990]
HOMETOWN HONORS TOP SCHOLAR-ATHLETE

(By Diana Bowley)

DOVER-FOXCROFT.—He was called an overachiever and an outstanding citizen, student and athlete on Wednesday during a reception at his alma mater, but four years ago, Dean Smith was considered an average student with average chances of success.

Smith of Dover-Foxcroft, the National Collegiate Athletic Association's Walter Byers Fellowship recipient, was honored at Foxcroft Academy and had a day named after him. Town officials in Dover-Foxcroft, Sebec, Charleston and Monson made June 6 Dean Smith Day.

The Walter Byers Fellowship award, the student athlete's version of the Heisman trophy, is presented annually to a male and a female collegiate senior athlete who excels in academics. As one of more than 225,000 student athletes in the nation, Smith's chances of winning the award were slim.

Valedictorian of his 1986 class, Smith, the son of Glenda and Jake Smith, graduated from the University of Maine one semester early at the top of his class with a bachelor of science degree in electrical engineering. He is a post-graduate student at UM.

Smith was named to the first team Academic All-American, and to the first team All-Conference in Division I college basketball, while he maintained a 3.864 cumulative grade-point average.

Thomas "Skip" Chapelle of UM called Smith an all-time basketball standout. Smith was an "overachiever in the wonderful world of athletes," he said.

He said Smith was "a small forward at best, who played center and led in rebounds." While at UM, Smith received no athletic scholarships, but received several academic awards.

A Monson native, Smith said he used his out-of-school activities in high school as an outlet from the monotony of his in-school activities and to build his character. Basketball intrigued him to the point that he desired more than anything to play Division I college basketball.

"This dream, I realized was one that would take a tremendous amount of work, sacrifice, and determination to make it come true. Thus, I put in literally thousands of hours practicing, hoping that it would later pay off," he said.

Smith said he was a "realist" and knew that the competition would be strong, so he continued to participate in other activities, but made an even stronger commitment to academics.

During his senior year at Foxcroft Academy, Smith said he was strongly encouraged to aim high. Others however, told him that his dreams and aspirations were "unrealistic for an average-ability, small-town kid from Maine with ordinary SAT scores, and that maybe I should modify my goals," he said.

These varying outlooks were what solidified his intent to succeed. "I must admit that the opinions of my doubters had the strongest impact on me," he said.

Smith said those who doubted his aspirations said he was not talented enough to play Division I basketball, that he was too short, too slow and too poor a shooter to play.

His doubters also claimed his success would be limited because of his ordinary public education and SAT scores, the fact that he had little computer background and no history of displaying the kind of time management that would be required in college.

"The problem with most of their reasons, however, was that they were not concerned with my personal ability or drive, but factors that were not in my control. It was their opinion that where I came from and what school I went to limited my chances for success in future endeavors. It seemed to me that I was faced with a personal challenge concerning my abilities and it made me even more determined to realize my dreams," he said.

"And so why was it me, a kid who grew up in Monson and a graduate of Foxcroft Academy (who received the Walter Byers award)? Why wasn't it someone from New York or California or somewhere else? I can tell you why. It is because where you come from or what school you go to does not somehow limit your chances for success. What matters most is one's drive and one's willingness to do whatever it may take to achieve a desired outcome," Smith said.

Well wishes were extended by letter to Smith from President and Mrs. George Bush, Gov. John R. McKernan, Rep. Olympia J. Snowe, and Sens. William S. Cohen and George J. Mitchell.

Sen. Charles Pray and Rep. Kathryn Merrill were on hand for the celebration. Pray presented Smith with a resolution from the Maine House of Representatives and the Senate, and also unveiled an engraved plaque in Smith's honor that will hang in the lobby at FA. Monson Town Manager Ruel Cross also presented an engraved plaque to Smith on behalf of the SAD 68 community.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Kalbaugh, 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 Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 125

The PRESIDING OFFICER laid before the Senate the following message from the President of the United

States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to the requirements of 42 U.S.C. 3536, I transmit herewith the Twenty-fourth Annual Report of the Department of Housing and Urban Development, which covers calendar year 1988.

GEORGE BUSH.

THE WHITE HOUSE, June 19, 1990.

ANNUAL REPORT ON ADMINISTRATION OF THE RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 126

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with section 360D of the Public Health Service Act (42 U.S.C. 2631), I am submitting the report of the Department of Health and Human Services regarding the administration of the Radiation Control for Health and Safety Act during calendar year 1989.

The report recommends that section 360D of the Public Health Service Act that requires the completion of this annual report be repealed. All the information found in this report is available to the Congress on a more immediate basis through the Center for Devices and Radiological Health Center technical reports, the Radiological Health Bulletin, and other publicly available sources. This annual report serves little useful purpose and diverts agency resources from more productive activities.

GEORGE BUSH.

THE WHITE HOUSE, June 19, 1990.

MESSAGES FROM THE HOUSE

At 2:53 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 joint resolution, without amendment:

S.J. Res. 246. Joint resolution calling upon the United Nations to repeal General Assembly Resolution 3379.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2567. An act entitled the "Reclamation Projects Authorization and Adjustment Act of 1990";

H.R. 4273. An act to amend the Public Health Service Act to extend the program of grants for preventive health services with

respect to tuberculosis, and for other purposes;

H.R. 4609. An act to amend the Coast Guard Authorization Act of 1989 (Public Law 101-225);

H.R. 4736. An act to reduce the number of reports that the Department of Defense is required by law to submit to Congress, and for other purposes; and

H.R. 4790. An act to amend the Public Health Service Act to establish a program of grants for the detection and control of breast and cervical cancer.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 286. An act to establish Petroglyph National Monument and Pecos National Historical Park in the State of New Mexico, and for other purposes;

H.R. 1622. An act to amend title 17, United States Code, to change the fee schedule of the Copyright Office, and to make certain technical amendments;

H.R. 3046. An act to reduce the number of Commissioners on the Copyright Tribunal, to change the salary classification rates for members of the Copyright Tribunal and the U.S. Parole Commission, for the Register and Associate Registers of Copyrights, and for the Deputy and Assistant Commissioners of Patents and Trademarks;

H.R. 3545. An act to amend the Chesapeake and Ohio Canal Development Act to make certain changes relating to the Chesapeake and Ohio Canal National Historical Park Commission;

H.R. 3834. An act to amend the National Trails System Act to designate the route from Selma to Montgomery for study for potential addition to the national trails system;

S.J. Res. 245. Joint resolution designating July 3, 1990, as "Idaho Centennial Day"; and

S.J. Res. 246. Joint resolution calling upon the United Nations to repeal General Assembly Resolution 3379.

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following joint resolution, received from the House of Representatives for concurrence on June 11, 1990, was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 520. Joint resolution granting the consent of Congress to amendments to the Washington metropolitan area transit regulation compact; to the Committee on the Judiciary.

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4273. An act to amend the Public Health Service Act to extend the program of grants for preventive health services with respect to tuberculosis, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 4609. An act to amend the Coast Guard Authorization Act of 1989 (Public Law 101-225); to the Committee on Commerce, Science, and Transportation.

H.R. 4736. An act to reduce the number of reports that the Department of Defense is required by law to submit to Congress, and for other purposes; to the Committee on Armed Services.

H.R. 4790. An act to amend the Public Health Service Act to establish a program of grants for the detection and control of breast and cervical cancer; to the Committee on Labor and Human Resources;

The Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the following bill; which was referred to the Committee on the Judiciary:

S. 209. A bill to amend section 547 of title 11, United States Code, to provide that certain withdrawal transactions made by depositors from certain financial institutions not be avoided as preferential transfers.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2567. An act entitled the "Reclamation Projects Authorization and Adjustment Act of 1990."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3158. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated June 1, 1990; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-3159. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, a contract award report for the period July 1 to August 31, 1990; to the Committee on Armed Services.

EC-3160. A communication from the Deputy Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report stating that the Army Tactical Missile System has increased more than 25 percent over the reflected baseline unit cost; to the Committee on Armed Services.

EC-3161. A communication from the Deputy Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report stating that the Family of Medium Tactical Vehicles program has increased more than 25 percent over the reflected baseline cost; to the Committee on Armed Services.

EC-3162. A communication from the Assistant Secretary of Defense (Force Management and Personnel), transmitting, pursuant to law, a report of the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC-3163. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Export Controls: Commerce Depart-

ment Has Improved its Foreign Policy Reports to Congress"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3164. A communication from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the annual report of the Corporation for 1989; to the Committee on Energy and Natural Resources.

EC-3165. A communication from the Deputy Associate Director for Collection and Disbursements, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3166. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3167. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3168. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3169. A communication from the Inspector General, Department of the Interior, transmitting, pursuant to law, a report entitled "Accounting for Reimbursable Expenditures of Environmental Protection Agency Superfund Money, Water Resources Division, U.S. Geological Survey"; to the Committee on Environment and Public Works.

EC-3170. A communication from the Commissioner of Social Security transmitting, pursuant to law, the annual report of the Social Security Administration for 1990; to the Committee on Finance.

EC-3171. A communication from the chief counsel of the Foreign Claims Settlement Commission, transmitting, pursuant to law, the annual report of the Commission for calendar year 1989; to the Committee on Foreign Relations.

EC-3172. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60 day period prior to June 7, 1990; to the Committee on Foreign Relations.

EC-3173. A communication from the Assistant Administration of the Agency for International Development (Legislative Affairs), transmitting, pursuant to law, the annual report of the Chairman of the Development Coordination Committee for fiscal year 1989; to the Committee on Foreign Relations.

EC-3174. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the use of certain emergency funds for unexpected urgent needs of Palestinian refugees; to the Committee on Foreign Relations.

EC-3175. A communication from the general counsel of the Department of the Treasury, transmitting a draft of proposed legislation to provide for the participation of the United States in the European Bank for Reconstruction and Development; to the Committee on Foreign Relations.

EC-3176. A communication from the Administrator of General Services, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to establish new contracting procedures for the continued occupancy of leased space; to the Committee on Governmental Affairs.

EC-3177. A communication from the Acting Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Federal Emergency Management Agency for the period ended March 31, 1990; to the Committee on Governmental Affairs.

EC-3178. A communication from the Executive Secretary of the Federal Reserve Employee Benefits System, transmitting, pursuant to law, the annual report of the Retirement Plan for Employees of the Federal Reserve System for the plan year ended December 31, 1989; to the Committee on Governmental Affairs.

EC-3179. A communication from the Acting Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation entitled the "Orderly Phase-Out of Parole Act of 1990;" to the Committee on the Judiciary.

EC-3180. A communication from the Secretary of Labor, transmitting, pursuant to law, the annual report on the administration of the Longshore and Harbor Workers' Compensation Act for fiscal year 1988; to the Committee on Labor and Human Resources.

EC-3181. A communication from the Deputy Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report on Department of Defense procurement from small and other business forms for the period October 1989 through March 1990; to the Committee on Small Business.

EC-3182. A communication from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to alter the amount of certain types of special pay authorized to be paid to physicians and dentists employed by the Veterans Health Services and Research Administration"; to the Committee on Veterans' Affairs.

EC-3183. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a Report of Building Project Survey which proposes Federal construction of a Federal building courthouse in northwest Indiana; to the Committee on Environment and Public Works.

EC-3184. A communication from the President of the United States, transmitting, pursuant to law, a notification of Anne E. Brunsdale's designation as Vice Chairman of the U.S. International Trade Commission; to the Committee on Finance.

EC-3185. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the 61st quarterly report on trade between the United States and nonmarket economy countries; to the Committee on Finance.

EC-3186. A communication from the Secretary of the Interior, transmitting, pursuant to law, the Federal Coal Management Report, fiscal year 1989; to the Committee on Energy and Natural Resources.

EC-3187. A communication from the Chairman of the Postal Rate Commission transmitting, pursuant to law, a report concerning the Department of Health and Human Services' audit for fiscal year 1989; to the Committee on Governmental Affairs.

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-528. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Commerce, Science, and Transportation.

"HOUSE CONCURRENT RESOLUTION 28

"Whereas, the Nation's coastal areas now contain more than half of our population and that percentage is expected to grow to seventy-five per cent by the year 2000; and

"Whereas, the coastal areas of the country are increasingly called upon to support a tremendous and often conflicting array of critically important activities including: fisheries development and enhancement; commerce and industrial port development; energy exploration and production; public access and recreation; waterfront restoration and housing; wetland and coastal preservation; ocean dumping of pollutants and clean drinking water; and

"Whereas, the Coastal Zone Management Act (CZMA) was enacted in 1972 to establish for the first time a national program to encourage and assist state involvement in preserving, protecting, developing and, where possible, restoring or enhancing the nation's ocean and coastal resources; and

"Whereas, the Congress of the United States reaffirmed its and the nation's commitment to this program through the reauthorization of the CZMA in 1980 and 1985; and

"Whereas, the seaward boundary of the coastal zone is defined as the United States territorial sea in the CZMA; and

"Whereas, the United States territorial sea has been extended by Presidential Proclamation from 3 to 12 nautical miles; and

"Whereas, there is confusion as to the management responsibilities of the federal and state governments within the 3- to 12-mile zone of the extended territorial sea; and

"Whereas, the CZMA stands today as the only comprehensive tool that allows federal, state, and local governments to cooperatively manage more than 95,000 miles of our country's beaches, bays, ports and harbors, wetlands, estuaries, and fisheries; and

"Whereas, under the CZMA a unique and successful partnership between federal, state, and local governments, and the public has been established to carry out the national policy objectives of the Act, which involves giving balanced consideration to a myriad of competing coastal resource uses; and

"Whereas, coastal states and island governments have been encouraged to develop and implement coastal management programs subject to review and approval by the federal government, with federal financial assistance and the promise that federal activities directly affecting the coastal zone will be consistent with approved state management programs; and

"Whereas, the partnership established by the CZMA has been remarkably productive, with more than ninety per cent of the na-

tion's coastal zone being managed through federally approved coastal management programs and twenty-nine of thirty-five eligible coastal states and island governments having instituted these programs; and

"Whereas, the State of Hawaii operates an approved coastal management program that will receive \$687,000 in federal financial assistance during federal fiscal year 1989-1990; and

"Whereas, to sustain the national framework under which judicious consideration can be given to the interests of all legitimate users of coastal resources, the state-federal partnership established by the CZMA must continue; and

"Whereas, in managing these programs, the coastal states and island governments have developed an expertise in dealing with coastal management issues, which will become increasingly important as pressures upon the nation's finite ocean and coastal resources continue to increase; and

"Whereas, the March, 1989, grounding of the *Exxon Valdez* spilled 10,800,000 gallons of North Slope crude oil into Prince William Sound, killing thousands of sea birds, sea otters, and other wildlife, and closing important commercial fisheries; and

"Whereas, as of November, 1989, cleanup efforts to remove spilled oil from 1,200 miles of fouled Alaskan shoreline have surpassed \$1,000,000,000; and

"Whereas, several coastal states presently have strict oil spill liability laws and others are considering similar legislation; and

"Whereas, the Congress of the United States has failed to enact comprehensive oil spill legislation and, for the past fifteen years, included a preemption provision in the House of Representatives' version of a bill; and

"Whereas, the United States Senate passed S. 686 (Mitchell, D-Maine), which does not preempt states from establishing their own oil-spill cleanup and compensation funds, and provides for unlimited liability or higher liability limits than federal law; and

"Whereas, the United States House of Representatives recently passed H.R. 3394 (Jones, D-North Carolina), which does not preempt state law from providing for separate funds and liability but does retain gross negligence as the standard by which an oil company or carrier pays unlimited damages under federal law; and

"Whereas, the United States Senate's and United States House of Representatives' versions of the comprehensive oil spill bill will be considered in a conference committee before the end of 1990; and

"Whereas, every state's natural interest and inherent authority to protect both its citizens and its vital natural resources is part of its very sovereignty; and

"Whereas, the ocean and coastal areas of Hawaii are economically, environmentally, socially and culturally important; and

"Whereas, large quantities of both crude and refined oil are imported to Hawaii, resulting in the potential for serious oil spills; and

"Whereas, in the event of an oil spill the transportation of containment and cleanup equipment from California to Hawaii would take 24 hours, or more; now, therefore,

"Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1990, the Senate concurring, That the Congress of the United States is respectfully urged to reauthorize the CZMA in 1990 so that the federal government can continue to provide

coastal states with regulatory incentives and financial assistance, and the states will continue to exercise primary responsibility for the management of their coastal resources; and

"Be it further resolved, That the Congress of the United States is respectfully urged to provide stable and predictable grant funding to enable coastal states to meet their obligations under the CZMA; and

"Be it further resolved, That the Congress is respectfully urged to include language in the CZMA reauthorization legislation which encourages interested states to begin a cooperative planning effort with the federal government for the rational conservation and development of the extended territorial sea area; and

"Be it further resolved, That the Congress of the United States is respectfully urged to enact legislation to ensure that all federal activities directly affecting a state's coastal zone be clearly subject to CZMA consistency review, and to clarify the meaning of the phrase "directly affecting," thus maintaining the state's consistency review authority over federal activities occurring seaward or landward of a state's coastal zone; and

"Be it further resolved, That the Congress of the United States is respectfully urged to enact federal oil spill legislation that does not preempt state oil spill programs and laws and permits the states to adopt similar or more stringent legislation, and set simple negligence as the standard for damages; and

"Be it further resolved, That Congress is urged to establish an oil spill regional response team in Hawaii; and

"Be it further resolved, That certified copies of this Concurrent Resolution be transmitted to 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 Hawaii."

POM-529. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources:

"HOUSE RESOLUTION 277

"Whereas, Waipio Valley on the island of Hawaii is a place of breathtaking beauty that was once home to thousands of ancient Hawaiian taro farmers and is still being used for taro crops today; and

"Whereas, this area is of significant historical and cultural significance to the people of Hawaii; and

"Whereas, it is anticipated that taro will continue to be the main crop of this area, however, in recent years, taro farmers have had difficulties with their crops because of devastating floods; and

"Whereas, a growing number of visitors and residents have shown interest in the Valley, however, because of its precarious location, it is inaccessible to all but a few tourists and kamaainas; and

"Whereas, access to the valley has always been difficult because of the steep slopes that form the valley, high cliffs along the ocean with little or no beach terrace, and the treacherous current and swells of the ocean; and

"Whereas, because of these inherent hazards, traffic driving in and out of the valley is restricted by county ordinance to four-wheel drive vehicles only; and

"Whereas, currently, the Bishop Museum is the owner of a considerable portion of the lower Waipio Valley; unfortunately, these holdings have not been properly surveyed

and are a nonearning asset for the Bishop Museum; and

"Whereas, as a result, Bishop Museum needs assistance in the support of its programs and operating costs; and

"Whereas, because of the cultural, historical, agricultural, and recreational significance of Waipio Valley, it should be secured by the State for the benefit of all the residents of Hawaii; now, therefore,

"Be it resolved by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1990, That the Task Force to Preserve Waipio Valley be convened by the Chairperson of the Board of Land and Natural Resources to consist of eleven members; and

"Be it further resolved, That four of the eleven members shall include: the Chairperson of the Senate Committee on Culture, Arts, and Historic Preservation, the Chairperson of the House Committee on Water and Land Use Development, the Chairperson of the Board of Land and Natural Resources, and the Mayor of the County of Hawaii, or their designated representatives; and

"Be it further resolved, That the remaining seven members shall be appointed by the Governor and shall include a representative from the Hamakua Sugar Company, a representative from the Bishop Museum, a member of the County Council of the County of Hawaii, community representatives, and a representative of small landowners; and

"Be it further resolved, That the Task Force shall evaluate a variety of issues related to the purchase and management of lands in Waipio Valley currently owned by Bishop Museum, including but not limited to:

"(1) Reviewing the management and administration of Waipio Valley;

"(2) Balancing existing and future cultural, historical, agricultural, and tourism needs of the area;

"(3) Establishing a ceiling limiting the number of persons entering Waipio Valley;

"(4) If a ceiling is established, exploring and determining mechanisms to implement the ceiling;

"(5) Reviewing the impact of former sugar lands now barren above the valley walls on flatlands behind Kamuela homes;

"(6) Reviewing the impact of urban developments resulting in drainage into the valley; and

"(7) Reviewing the possible reforestation of these uplands to control erosion, runoff, and potential flooding;

"Be it further resolved, That the Task Force to Preserve Waipio Valley report its findings and recommendations to the Legislature at least twenty days before the convening of the Regular Session of 1991; and

"Be it further resolved, That certified copies of this Resolution be transmitted to the Governor, the Chairperson of the Board of Land and Natural Resources, the President of the Senate, the Speaker of the House of Representatives, the Chairperson of the Senate Committee on Culture, Arts, and Historic Preservation, the Chairperson of the House Committee on Water and Land Use Development, the Mayor of the County of Hawaii, the Manager of Hamakua Sugar Company, the Director of the Bishop Museum, the Chairperson of the County Council of the County of Hawaii, and the President of the Waipio Valley Farmers' Association."

POM-530. A joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"ASSEMBLY JOINT RESOLUTION No. 66

"Whereas, In the late 1770's the Franciscans, and others, wanted to find an overland access route to California, in order to support the missions and encourage more settlers to go to the area; and

"Whereas, In 1775 and 1776, Captain Juan Bautista de Anza and an expedition of hardy people endured tremendous hardships, and successfully found a route from Arizona to the San Diego area, and then north to Monterey and the Bay area; and

"Whereas, This expedition opened the first overland route to northern California and made the settlement of San Francisco possible; and

"Whereas, HR 1159, which designates the Juan Bautista de Anza National Historic Trail as part of the National Trails System, has passed the United States House Subcommittee on National Parks and Public Lands; and

"Whereas, A study authorized by Congress in 1983 found that the proposed route meets the criteria to be designated a national historic trail; and

"Whereas, There is substantial public support for the designation of the Juan Bautista de Anza Trail as a national historic trail, and substantial work has already been done to identify and establish the trail; and

"Whereas, The benefits of designation of the trail exceed the costs; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to pass HR 1159 which designates the Juan Bautista de Anza National Historic Trail; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-531. A concurrent resolution adopted by the Legislature of the State of Ohio; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION 41

"Whereas, The members of the 118th General Assembly of Ohio wish to memorialize the Congress of the United States to review the provisions of the Social Security Act commonly known as the Social Security Offset and Windfall, which substantially reduce the anticipated retirement benefits of Ohio public employees, for the purpose of repealing or amending those provisions to provide relief for such public employees and parity with benefits enjoyed by non-public employees who are able to receive private pensions without comparable reduction in Social Security benefits; and

"Whereas, Public employees in the State of Ohio participate in state or local public retirement systems and not in the Social Security System as to such public employment; and

"Whereas, Numerous Ohio public employees and/or their spouses also are or have been employed in non-public sector jobs for which they and their employer have contributed to the Social Security System; and

"Whereas, Upon retirement after many years of dedicated public service, Ohio

public employees have been promised and are entitled to receive a public pension based upon their service and contributions to the state retirement systems; and

"Whereas, Ohio public employees who have also been employed in non-public sector jobs or have spouses who have been so employed and have contributed to the Social Security System upon retirement expect to receive Social Security benefits commensurate with their Social Security-covered service and comparable to those received by all others who contributed to the Social Security System; and

"Whereas, As a result of the Social Security Windfall provision, Section 215 (a)(7) of the Social Security Act and the Offset provision, Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of Section 202 of the Social Security Act, the Social Security benefits for which contributions were made by the employee or the employee's spouse, respectively, are substantially reduced or eliminated, severely impacting the financial condition of the public retiree; and

"Whereas, The General Assembly firmly believes that Ohio public employees should not be penalized for their years of dedicated public service and should receive Social Security benefits which are commensurate with their or their spouses' years of Social Security-covered service and contributions and are comparable to those received by all other employees; therefore be it

Resolved, That we, the members of the 118th General Assembly of Ohio, in adopting this Resolution, hereby apply to the Congress of the United States to review the Windfall and Offset provisions of the Social Security Act for the sole purpose of repealing or amending such provisions to provide relief to public system retirees and to provide Social Security benefits to such public system retirees which are commensurate with their or their spouses' years of Social Security-covered service and contributions and are comparable to those received by other retirees; and be it further

Resolved, That the Legislative Clerk of the House of Representatives transmit duly authenticated copies of this Resolution to each member of Congress, to the Secretary of State and presiding officers of both houses of the legislature of each of the other states in the Union, to the Clerk of the United States House of Representatives, to the Secretary of the United States Senate, to the president of the United States, and to members of the public media."

POM-532. A resolution adopted by the City Council of Lakewood, Ohio favoring support of the Early Childhood Education and Development Act; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1400. A bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Ronald M. Holdaway, of Wyoming, to be an Associate Judge of the United States Court of Veterans Appeals for the term of fifteen years;

Jonathan R. Steinberg, of Maryland, to be an Associate Judge of the United States Court of Veterans Appeals;

Hart T. Mankin, of Delaware, to be an Associate Judge of the United States Court of Veterans Appeals for the term of fifteen years; and

Donald L. Ivers, of New Mexico, to be an Associate Judge of the United States Court of Veterans Appeals for the term of fifteen years.

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. BYRD (for himself and Mr. ROCKEFELLER):

S. 2752. A bill to authorize appropriations for the Appalachian highway system and local access roads serving the Appalachian region, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HARKIN (for himself, Mr. DURENBERGER, Mr. KENNEDY, Mr. SIMON, Mr. COATS, Mr. ADAMS, Mr. JEFFORDS, Mr. METZENBAUM, Mr. AKAKA, and Mr. BINGAMAN):

S. 2753. A bill to reauthorize the Developmental Disabilities Assistance and Bill of Rights Act; to the Committee on Labor and Human Resources.

By Mr. BIDEN (for himself, Mr. COHEN, Mr. PACKWOOD, Mr. WILSON, Mr. DECONCINI, Mr. METZENBAUM, and Mr. INOUE):

S. 2754. A bill to combat violence and crimes against women on the streets and in homes; to the Committee on the Judiciary.

By Mr. PELL (by request):

S. 2755. A bill to provide for the participation of the United States in the European Bank for Reconstruction and Development; to the Committee on Foreign Relations.

By Mr. BIDEN:

S. 2756. A bill to encourage national law enforcement cooperation; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself, Mr. PELL, Mr. SIMON, Mr. DIXON, Mr. AKAKA, Mr. LEIBERMAN, Mr. D'AMATO, Mr. WILSON, Mr. GORE, Mr. DECONCINI, and Ms. MIKULSKI):

S. 2757. A bill to amend the Foreign Assistance Act of 1961 to authorize the provision of medical supplies and other humanitarian assistance to the Lithuanian people to alleviate suffering during the current emergency; to the Committee on Foreign Relations.

By Mr. LEVIN (for himself, Mrs. KASSEBAUM, Mr. LUGAR, Mr. SIMON, Mr. BOREN, Mr. MITCHELL, Mr. KOHL, Mr. RIEGLE, Mr. DODD, Ms. MIKULSKI, Mr. BIDEN, Mr. EXON, Mr. COHEN, Mr. DECONCINI, Mr. REID, Mr. GRAHAM, Mr. PELL, Mr. MOYNIHAN, Mr. GORE, Mr. LAUTENBERG, Mr.

INOUE, Mr. SARBANES, Mr. BRADLEY, Mr. WIRTH, Mr. BURDICK, Mr. LIEBERMAN, Mr. AKAKA, Mr. ROCKEFELLER, Mr. WARNER, Mr. ROBB, Mr. DOMENICI, Mr. LEAHY, Mr. NUNN, Mr. METZENBAUM, Mr. CRANSTON, Mr. BREAUX, Mr. KERRY, Mr. CHAFEE, Mr. BRYAN, Mr. ADAMS, Mr. KENNEDY, Mr. SPECTER, Mr. HOLLINGS, Mr. BUMPERS and Mr. PRYOR:

S.J. Res. 336. A joint resolution designating the week in 1990 which coincides with the first visit of Nelson Mandela to the United States after his release from prison in South Africa as "South African Freedom Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DeCONCINI:

S. Con. Res. 139. A concurrent resolution expressing the sense of the Congress with regard to a United States-Mexico Free Trade Agreement; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD (for himself and Mr. ROCKEFELLER):

S. 2752. A bill to authorize appropriations for the Appalachian highway system and local access roads serving the Appalachian region, and for other purposes; to the Committee on Environment and Public Works.

APPALACHIAN HIGHWAY SYSTEM

Mr. BYRD. Mr. President, Senator ROCKEFELLER and I are introducing the Appalachian Highway Development Act, S. 2752. This bill is urgently needed, not only to complete the necessary highway infrastructure improvements necessary for Appalachia, but also to renew and keep a commitment first made to the people of Appalachia 25 years ago.

In 1965, when the Appalachian Regional Commission, the ARC, was first authorized, the Appalachian region of our country was severely depressed. As a result of ARC and its efforts, a number of Americans are healthier, better educated, more highly skilled, and better off economically than they were.

But we have not completed the job.

One of the major linchpins to economic prosperity for the people of Appalachia is the highway system. The highway program is especially important to economic development in West Virginia and throughout Appalachia. Improvements in the highway system have enabled previously isolated areas to be opened up to new business and job opportunities. The highway system has enabled the people of Appalachia to take advantage of educational and job opportunities never before available. With the improved interstate highways, the products of

Appalachia moved to markets, and Appalachia was opened up to tourism.

But the job is not finished. While nearly 70 percent of the ARC highway system is completed, there still remains approximately 940 miles to be constructed, of which 143.6 miles are in West Virginia. It is essential that these roads be constructed to link all the regions of Appalachia.

The Interstate Highway System is now virtually completed, and the task before us is to build on that system. We must maintain and expand that highway system to meet both the challenges and the opportunities that our ever-changing society presents. Next year, with the reauthorization of the highway program, Congress will have the opportunity to address the existing needs and lay the groundwork for future expansion for fiscal years 1992 and beyond. In the post-interstate era, in other words, beginning with October 1, 1991, attention must be given to the next system of national highways—further development and linkage of our Nation's various regions to the completed Interstate System.

As Secretary of Transportation Sam Skinner stated in his "National Transportation Policy," it should be Federal transportation policy to ensure that essential new capacity is provided in transportation systems of national significance to meet critical national needs. The Appalachian Regional Highways are of national significance, not only to the 13 States that comprise Appalachia but also to the many shippers, travelers, tourists, and residents that use the highways.

The legislation that Senator ROCKEFELLER and I are introducing today does not take funds from any State or constrain the present programs or spending plans in any State. In testimony before the Senate Appropriations Subcommittee on Transportation, of which I am a member, witnesses from both the General Accounting Office and the Federal Highway Administration testified that, at the end of the life of the current highway authorization, there will exist a balance of approximately 7 billion uncommitted dollars in the highway trust fund. A portion of that unencumbered balance should be used to finance the completion of ARC highways. That is what my colleague, Senator ROCKEFELLER, and I are saying. Our bill does not require any other program to be reduced or refocused; and it does not require any increase in taxes and user fees that go into the highway trust fund.

The highway trust fund exists for the sole purpose of building our highways. Initially, this fund supported construction of the Interstate System. Now, with that system virtually complete, it is time to turn attention to, in the words of the new national trans-

portation policy, "highways of national significance."

Since July 1, 1956, through September 30, 1988, the 13 Appalachian States have paid into the highway trust fund over \$64.2 billion or 33.7 percent of the total paid into the trust fund by all the States combined. Over this period of time 32 years, those same 13 Appalachian States have received 33.7 percent of trust fund disbursements.

The legislation which Senator ROCKEFELLER and I are introducing applies this same historical ratio of reimbursements, in the Appalachian States, to the estimated balance available at the end of the current highway authorization period. For fiscal year 1992, our bill authorizes \$2.360 billion for ARC highway construction, of which, West Virginia would qualify for \$462 million. For fiscal years 1993 and beyond, the bill makes ARC highways eligible for inclusion into the Federal-Aid Primary Highway Program, so that they would be eligible for Federal funding and would be included in the President's budget annually when he sends it up to Congress.

Senator ROCKEFELLER and I are attempting to provide a jump-start for the 13 Appalachian States so that they can begin to complete the work on the Appalachian corridors. It would be a tremendous economic stimulant for those States. Then following that first year, 1992, the jump-start year, the Appalachian corridors would be folded into the Federal-Aid Primary Highway Program.

I respectfully submit that Appalachia has waited long enough. Its roads are and should be part of the post-interstate construction program, and they are "highways of national significance."

I yield the floor, Mr. President. I know that my colleague wishes to address remarks to the bill which we are jointly introducing today.

Mr. President, I ask unanimous consent that two tables, one entitled "Appalachian Development Highway System 1987 Cost Estimate," and another entitled "Federal Highway Trust Fund Receipts Through Fiscal Year 1988," be printed in the RECORD.

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

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM 1987 COST ESTIMATE—ELIGIBLE SECTIONS ADJUSTED TO SEPT. 30, 1989

State	Remaining costs		Per- cent	Miles under con- struction or comple- ted	Miles yet to be con- structed
	Total cost	ARC funds			
Alabama	694,132	555,321	0.092	109.3	123.1
Georgia	231,091	184,801	0.32	103.8	28.9

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM 1987 COST ESTIMATE—ELIGIBLE SECTIONS ADJUSTED TO SEPT. 30, 1989—Continued

(In thousands of dollars)

State	Remaining costs		Per cent	Miles under construction or completed	Miles yet to be constructed
	Total cost	ARC funds			
Kentucky	750,396	600,325	.105	349.2	85.6
Maryland	123,552	98,843	.017	77.0	6.2
Mississippi	184,770	147,821	.025	66.8	50.0
New York	291,849	233,483	.040	199.8	19.7
North Carolina	391,092	312,877	.054	155.7	49.7
Ohio	273,103	218,486	.038	146.0	55.6
Pennsylvania	1,856,620	1,485,309	.260	207.9	245.6
South Carolina	14,434	11,549	.002	16.6	6.3
Tennessee	668,142	534,522	.093	242.0	88.1
Virginia	245,890	196,715	.034	154.5	36.8
West Virginia	1,399,470	1,119,583	.196	267.1	143.6
ADHS total	7,124,541	5,699,635		2,095.7	939.2

FEDERAL HIGHWAY TRUST FUND RECEIPTS THROUGH FISCAL YEAR 1988

(In billions of dollars)

Appalachian States	Paid in	Received	Ratio
Alabama	3,522	4,613	1.31
Georgia	5,490	5,642	1.03
Kentucky	3,090	3,852	1.25
Maryland	3,286	5,342	1.62
Mississippi	2,343	2,502	1.67
New York	9,942	11,928	1.20
North Carolina	5,349	4,476	.84
Ohio	9,041	8,344	.92
Pennsylvania	8,949	10,403	1.16
South Carolina	2,763	2,620	.85
Tennessee	4,295	4,692	1.09
Virginia	4,596	6,214	1.35
West Virginia	1,557	3,772	2.42
Appalachian total	64,223	74,400	1.16
U.S. total	190,551	220,285	1.16

¹ 33.7 percent of total paid in.
² 33.7 percent of total received.

Mr. ROCKEFELLER. I thank my senior colleague, Mr. President, and I thank him very sincerely for this magnificent effort.

I want to make two points. In 1965, Mr. President, this Nation made a commitment to the 13 Appalachian States; they recognized that those Appalachian States had certain problems, certain concerns, and they were going to address those. The key way they were going to address them was through the highway system. Today, 1990, one-third of those highways remain incomplete.

Therefore, my first point is that the Nation made a commitment to a troubled part of our country, Appalachia, and that commitment is not yet honored, but the money to honor it is there—in the highway trust fund.

My second point is that in the Appalachian States, 81 percent of the new jobs that have been created in those 13 States have been in counties and immediately surrounding areas where there is either an Appalachian corridor or an interstate or both. Case closed, Mr. President. Where there are Appalachian corridors, jobs come—in the eastern part of West Virginia, corridor H; in the western part of the West Virginia, corridor D, Parkers-

burg; in the southern part of West Virginia, corridor G, Charleston down through Williamson; and then perhaps four-laning corridor L, from Beckley up to I-79.

Mr. President, I do not have to tell you that the people in our State need work. This bill introduced by Senator BYRD—with strong concurrence and work on my part—is the single-most important development act for the economy of the State of West Virginia and for Appalachia that can be devised. I want it to succeed because I want our people to have work.

I thank the Chair.

By Mr. HARKIN (for himself, Mr. DURENBERGER, Mr. KENNEDY, Mr. SIMON, Mr. COATS, Mr. ADAMS, Mr. JEFFORDS, Mr. METZENBAUM, Mr. AKAKA, and Mr. BINGAMAN):

S. 2753. A bill to reauthorize the Developmental Disabilities Assistance and Bill of Rights Act; to the Committee on Labor and Human Resources.

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT

● Mr. HARKIN. Mr. President, I am pleased to introduce today, along with Mr. DURENBERGER, Mr. KENNEDY, Mr. SIMON, Mr. COATS, Mr. ADAMS, Mr. JEFFORDS, Mr. METZENBAUM, Mr. AKAKA, and Mr. BINGAMAN legislation amending and extending for 4 years programs authorized under the Developmental Disabilities Assistance and Bill of Rights Act. This bill has a special significance to me since my first bill as chairman of the Subcommittee on Disability Policy was the reauthorization of the Developmental Disabilities Act in 1987.

This act is the banner legislation of a national movement in this country to assure that every person with a developmental disability has the opportunity for independence, productivity, and integration into the community. That movement includes people with developmental disabilities, their families, advocates, professionals working in programs which support and assist persons with developmental disabilities, policy makers, and other citizens who have committed their time and energy to further the goals of the movement.

Let me tell you about one young woman who has benefited from programs under this act. Kim Hurley, of Volga, IA, testified before the subcommittee on March 30 when we held hearings on the act. She is a student at the University of Northern Iowa, studying to become an accountant. Kim has had cerebral palsy since birth. She has been assisted by the University Affiliated Program at the University of Iowa, one of the network of such programs created by this act, for the past 7 years. She has received physical, occupational, and speech therapy.

With technical assistance from the UAP over the years, Kim has begun to use a variety of devices such as a motorized wheelchair, a portable computer as a means of writing, and a voice synthesizer for communication. While in high school, Kim served on the high school's newspaper staff, participated in 4-H including giving presentations, and was a member of the Spanish club. Kim has worked at a museum two summers ago. Kim says she can conquer anything she sets her mind to, and I believe her.

The Developmental Disabilities Act has four components: The Basic State Grant Program; the protection and advocacy system; the university affiliated programs; and the projects of national significance.

BASIC STATE GRANT PROGRAM

Under the provisions of the Basic State Grant Program, State planning grants are provided to developmental disabilities councils to assist States to develop and implement comprehensive plans of community based and family centered services for persons with developmental disabilities.

The 1987 amendments to the Developmental Disabilities Act reaffirmed the thrust of the program and included amendments which clarified and strengthened the role of the Councils with regard to their advocacy role in their respective states. Council independence was strengthened. Council activities were refocused to include policy analysis and other activities likely to have the greatest effect on the most number of people.

Any important provision in the 1987 amendments to the act was a mandate for each State planning council to conduct a comprehensive review and analysis of services provided by all State agencies with responsibilities which affect the lives of people with developmental disabilities. Further, we called for a review and analysis of the effectiveness of Federal and State developmental disabilities functions and services from the consumers point of view. Public forums were conducted in each State and territory during which people with disabilities, their families, interested citizens, and service providers offered testimony.

On January 1, 1990, the 56 State and territorial developmental disabilities planning councils presented the results of these reports—called the 1990 Reports—to their Governor and legislature. An aggregation of these State and territorial reports will be presented by the Secretary of Health and Human Services to Members of Congress. This bold step forward will provide a blueprint for the improvement of public policies which affect people with disabilities. This is an exciting and unprecedented opportunity for progress, and one we must take full advantage.

This bill further clarifies the independence of the planning council with respect to receiving, accounting for, and disbursing funds and with respect to the use of State's non-Federal share as non-Federal match. The bill also clarifies that planning councils are responsible for hiring and supervising the director of the council. The bill allows the planning council to issue a request for review of the designation of the designated State agency by the Governor.

The bill expands the State plan requirements to add a requirement to assess and, if appropriate, update the findings of the comprehensive study and analysis—1990 Report—conducted by planning councils as mandated by the 1987 amendments to the act. The bill further clarifies the primary function of the State planning council as serving as an advocate of persons with developmental disabilities, conducting public policy analysis, and planning.

This program is authorized in fiscal year 1990 for \$77.4 million and appropriated at \$61.93 million. The bill increases authorization levels to \$81,270,000 in fiscal year 1991, \$85,270,000 in fiscal year 1992, \$89,600,175 for fiscal year 1993, and \$94,080,190 for fiscal year 1994.

PROTECTION AND ADVOCACY SYSTEMS

As a condition for receipt of a State grant for planning and service coordination, States must have, in effect, a system to protect and advocate the rights of persons with developmental disabilities. These systems must have the authority to pursue legal and administrative remedies for such persons. They investigate reported incidents of abuse and neglect and provide such services as information and referral, outreach, hotlines, counseling, and legal services.

The 1987 amendments to the Developmental Disabilities Act added several provisions to enhance the accountability of the P&A system and ensure particular attention to the needs of members of racial and ethnic minorities who are developmentally disabled. Systems were required to establish a grievance procedure and provide the public with the opportunity to make public comment on the priorities established by the system. Access to records was clarified, as was the authority of the system to investigate incidents of abuse and neglect if there is probable cause to believe that such incidents occurred.

The bill clarifies the conditions under which protection and advocacy systems have access to records in those extraordinary situations when there is reason to believe that the health or safety of an individual with developmental disabilities is in serious or immediate jeopardy, and the legal guardian, conservator, or other legal representatives have been contracted, of-

fered assistance, but have failed or refused to act on behalf of the person.

The bill also clarifies the process by which the Governor may redesignate the State agency implementing the protection and advocacy system; and who may be appointed to a governing board.

This program is authorized in fiscal year 1990 for \$24.2 million and appropriated at \$20.48 million. The bill authorizes to be appropriated \$25,000,000 for fiscal year 1991, \$28,350,000 for fiscal year 1992, \$29,770,000 for fiscal year 1993, and \$31,258,500 for fiscal year 1994.

UNIVERSITY AFFILIATED PROGRAMS

University affiliated programs provide interdisciplinary training for students and other persons preparing to serve individuals with developmental disabilities. These programs are an integral part of a college or university, conduct interdisciplinary training, demonstrate exemplary services for persons with developmental disabilities, conduct applied research, and provide technical assistance to other agencies serving this population. In fiscal year 1990, there are 44 university affiliated programs and 3 satellite centers.

The 1987 amendments to the Developmental Disabilities Act retained the current focus on interdisciplinary training, the demonstration of exemplary services, and technical assistance. A new training grant program was established which focuses on issues of growing national significance including early intervention, programs for the elderly, and community based service programs. Opportunities for the expansion of the UAP Program was made possible by permitting universities to apply for funds to study the feasibility of establishing a new UAP or satellite program. States with no UAP's were given priority.

The bill retains the training grant initiative as a core training award. Grants in the amount of \$90,000 are to be awarded to each applicant that submits a proposal that meets quality standards. The grant will be for 3 years, if sufficient funds are available, and reapplications for a subsequent period are on a competitive basis. If sufficient funds are available, the Secretary has the discretion to award grants up to \$150,000 if applications are of sufficient scope and quality so as to address issues of national significance.

Priority areas in early intervention, aging, and community based service programs are retained under the training initiative. New priority areas are created in assistive technology and positive behavior management. An additional priority area is created which allows a UAP, in consultation with the planning council, to develop a priority area that meets a need specific to the State they serve. UAP's who apply for

grants under this section must establish a consumer advisory group.

As a means of ensuring quality and accountability, the bill also creates a peer review process for monitoring training grants and assuring quality programs. Criteria for peer reviews is also included. In the event that an applicant does not submit a quality application, as determined by peer review, this section provides for the Secretary to utilize unexpended funds to make awards to other UAP's for the purposes set out in this section, not to exceed \$150,000.

The bill also provides for the continued expansion of UAP programs to all States. Applicants from States who are not served by a UAP will be given first priority. However, in the event applications of sufficient quality are not received from States who are not served by a UAP, the Secretary may consider applications from States that are served by a UAP or satellite center which is not able to serve particular geographic regions of the States, if such applications demonstrate a need.

This program is authorized in fiscal year 1990 for \$15.5 million and appropriated at \$13.19 million. The bill authorizes to be appropriated \$18,400,000 for fiscal year 1991, \$21,042,000 for fiscal year 1992, \$23,816,000 for fiscal year 1993, and \$26,360,000 for fiscal year 1994.

PROJECTS OF NATIONAL SIGNIFICANCE

Projects of national significance include demonstration, research, and evaluation projects intended to expand and improve services to persons with developmental disabilities. Such projects include: First, data collection; second, support for families of persons with developmental disabilities; third, technical assistance to improve the advocacy, planning and training functions of the programs under this act; and fourth, pursuit of Federal interagency initiatives including employment, pediatric AIDS, and early intervention services for children.

The 1987 amendments to the Developmental Disabilities Act renamed this section, previously titled special projects. A feasibility study of information and referral systems was authorized. Projects to train policymakers, develop and ongoing data systems, pursue interagency initiatives, and other projects of national size and scope were conducted.

This bill amends the purpose to include data collection and analysis, technical assistance to program components, technical assistance for the development of information and referral systems, educating policymakers, Federal interagency initiatives, and the enhancement of minority participation in public and private sector initiatives in developmental disabilities.

This program is authorized in fiscal year 1990 for \$3.65 million and appropriated at \$2.86 million. The bill authorizes to be appropriated \$3,900,000 for fiscal year 1991, \$4,095,525 for fiscal year 1992, \$4,299,750 for fiscal year 1993, \$4,514,800 for fiscal year 1994.●

● Mr. DURENBERGER. Mr. President, I rise to join with my distinguished colleague from Iowa in introducing the Departmental Disabilities Assistance and Bill of Rights Act of 1990.

This bill reauthorizes and makes several important improvements to the Developmental Disabilities Assistance and Bill of Rights Act, Public Law 100-146. Although this little-known act provides less than 2 percent of the total Federal funding for persons with developmental disabilities, it is the engine that shapes and guides services for persons with developmental disabilities in this country. It is the glue that holds the system together.

The DD Act assists States in ensuring persons with developmental disabilities receive the services and other assistance they need to achieve independence, productivity, and integration into the community. It is carried out through four basic program components: the basic State grants made to States for planning coordination and administration of services; the protection and advocacy [P&A] system to protect and advocate for the rights of persons with developmental disabilities; the university affiliated programs [UAP] to carry out interdisciplinary training research and demonstrations and technical assistance; and the projects of national significance which expands and improves priority area services.

During the last reauthorization, language was inserted to require each State to prepare a report which analyzed current status of services to persons with developmental disabilities and the barriers to achievement of independence, productivity, and integration. Because of the due date of January 1, 1990 these reports were soon dubbed the "1990 Reports." The information from these reports showed that this act has been successful in establishing the foundation for providing support services to persons with developmental disabilities and their families and in promoting its goal of independence, productivity, and integration. The reports also show, however, areas where improvement is needed. The reports show that there are still pockets of underserved and unserved individuals, and that there is still a gap between what we know to work and current practice.

These reports have contributed significantly to this reauthorization process and will continue to help shape policy in the future.

Based on the information we received in the 1990 reports, we are not introducing a bill today that will make radical changes to the current act. That is not needed. Rather, the bill we are introducing today will fine-tune the act and will work to bring state of practice in line with the state of the art. The bill makes several important changes which will help ensure access to those eligible under the act, including a change to the definition of developmental disabilities that breakdown eligibility criteria to make it more age-appropriate for infants and toddlers. The 1990 reports repeatedly mentioned the problem of unserved and underserved populations. This bill makes several changes to ensure these populations are not overlooked.

Several States mentioned problems associated with defining the appropriate role for the developmental disability council. This legislation makes several technical and clarifying changes to better define the relationship between the council and the State agency and the authority of the council over the director.

In response to limited numbers of instances where a guardian abuses or neglects an individual with a developmental disability, causing a serious threat to the health and safety of the individual, the bill gives greater authority to the P&A's to intervene. The bill also increases accountability and local discretion for the UAP's, and expands the priority categories to include behavior management and technology. Because of the extraordinary work that has come out of the Minnesota UAP Program in the area of behavior management I am particularly encouraged by this addition and the opportunity this brings to broaden our efforts in this field.

Mr. President, as we look forward to the passage of the Americans with Disabilities Act, it is the continued support of programs like the ones under the Developmental Disabilities Act that will ensure the rights granted under the ADA are not gone to waste by a system that does not facilitate independence, productivity, and integration of persons with disabilities into the community.

Finally, Mr. President, I would like to thank my distinguished colleague, and chairman of the Subcommittee on Disability Policy, for the cooperation he has shown in working with me, the administration, and many others on this legislation. The bill before us in the product of many hours of his time trying to ensure a balanced and bipartisan effort. And I commend him for his efforts and urge your strong support.●

By Mr. BIDEN (for himself, Mr. COHEN, Mr. PACKWOOD, Mr. WILSON, Mr. DeCONCINI, Mr. METZENBAUM, and Mr. INOUE):

S. 2754. A bill to combat violence and crime against women on the streets and in homes; to the Committee on the Judiciary.

VIOLENCE AGAINST WOMEN ACT

Mr. BIDEN. Mr. President, I rise today to introduce the first ever comprehensive legislation specifically geared toward combating violent crime against women: the Violence Against Women Act of 1990.

Violent crime against women is a serious problem in America—a serious problem and a growing one, too.

We are all familiar with the sensational well-publicized cases of horrifying brutality against women—indeed, as I speak now, underway in New York is the trial of the young men who brutally beat and raped an investment banker on an evening jog in Central Park.

While such stories rivet our attention, we must understand that this is not a problem of one or two horrible incidents. Violent crime against women happens every day in this country—every day, every hour, every minute.

Indeed, every 6 minutes, a woman is raped in this country; and every 18 seconds, a woman is beaten.

As tragic as these facts are, there is one truth even more troubling: violence against women is not only widespread—it is growing.

Over the last 10 years, the rape rate has risen four times faster than the national crime rate—four times faster. That means that rape is increasing not 50 percent more, or 100 percent more, but 400 percent faster than other crime in the United States.

Young women are victims of epidemic increases in violent crimes. Over the past decade and a half, while assaults against men in their early 20's have fallen 12 percent, assaults against young women have risen almost 50 percent.

But the problem is not limited to young women only: women of all ages have been brutalized. The next chart shows what has happened to the murder rate of senior citizens since 1974:

While the rate of murder of men has fallen 5.6 percent;

The rate of murder of women has climbed almost 30 percent.

This epidemic of violence against women must be stopped. And the need for urgent action becomes clearer still when we realize that many, many serious crimes against women are never even reported.

Experts estimate that less than half of all rapes are ever reported to the police. Crimes in the home—affecting as many as 3 to 4 million women a year—have an even lower reporting rate. And let's make no mistake about how serious these beatings at home are: Experts tell us that at least one-

third of these crimes would be labeled as felonious rapes or felonious assaults if they did not fall into the category of domestic disputes.

We all know the consequences of this epidemic. Our wives, our mothers, and our colleagues are afraid to walk in grocery store parking lots, to jog in public parks, or to ride home from work late at night in city buses. They are losing a fundamental human right—the right to be free from fear.

I believe that the legislation I am introducing today will help in the fight against violent crime against women. It attacks the problem in all forms—from rape cases to domestic violence, from every day assaults to murder. And it attacks the problem at all levels of our society: From the home to the streets, from the criminal justice system to the prison system.

The Violence Against Women Act of 1990 is best summarized by the names of its three major titles:

Title I—Safe Streets for Women;

Title II—Safe Homes for Women; and

Title III—Civil Rights for Women.

The bill contains many significant legislative proposals—too many to summarize at this time. As a result, I ask unanimous consent that a complete summary of the legislation appear in the RECORD following my remarks.

For now, I would like to explain a few of the bill's key provisions in more detail.

TITLE I: SAFE STREETS FOR WOMEN

Title I of the bill recognizes that any concerted effort to reduce violent crime against women must target the areas where women are most often victimized. Thus, the bill provides \$200 million in grants to the 40 areas in the country found by the Justice Department to be the most dangerous for women. In addition, \$100 million is provided for the Nation's remaining State and local governments.

These grants will significantly boost the number of police officers on the streets and prosecutors in the courts—police and prosecutors targeting violent crimes against women.

Title I also helps prevent street crime against women by providing grants for lights and cameras in public transit, and punishes these crimes more severely by doubling the penalties for rape and aggravated rapes tried in Federal court.

TITLE II: SAFE HOMES FOR WOMEN

The second major title of the bill deals with the crisis confronting millions of women every year who are the victims of violent crimes in their own homes.

Despite its name—domestic violence—these incidents are by no means tame; 1 million women a year require medical attention for injuries inflicted by abusing spouses.

Title II provides new laws, encourages new policies, and adds new funds to help in the fight against domestic violence.

For example, the bill protects women who flee their abusers, by making protective courts order issued by any State valid in the 49 others. This way, when a woman crosses a State line, she does not lose the benefit of a judge-issued order aimed at keeping her abusive spouse away from her.

In addition, the bill uses Federal grant programs to encourage States to arrest abusive spouses—particularly in cases of repeated abuse. Right now, in some States, a man can be arrested on sight if he has two outstanding speeding tickets, but police won't arrest him when they arrive—for the second or third or fourth time—on the scene where he has abused his spouse. This sort of discrimination must end.

Title II contains other provisions as well, including increased funding for shelters that house battered women, and funds for training prosecutors and courts in handling spouse abuse cases.

TITLE III: CIVIL RIGHTS FOR WOMEN

Finally, and perhaps most importantly, title III of the Violence Against Women Act addresses the issue of civil rights.

For too long, we have ignored the right of women to be free from the fear of attacks based on their gender—97 percent of all sex assaults in this country are against women.

We all know this; indeed, we assume it; but we ignore the obvious implication of the fact: A rape or sex assault should be deemed a civil rights crime, just as hate beatings aimed at blacks or Asians are widely recognized as violations of their civil rights.

This bill attempts to fill a gap in our civil rights laws by defining gender-motivated crimes as bias or hate crimes and amending Federal civil rights laws to say that such attacks violate a woman's civil rights.

Such protections can never blunt the pain to a victim of a sex crime; but they do say that we as a nation—as a whole nation—will not tolerate these crimes of hate. We will not tolerate them because they cause physical and emotional injuries; and we will not tolerate them because they deprive a woman of the freedom from fear that she will be attacked because—and simply because—she is a woman.

Sex crimes are crimes of hate and discrimination—bias crimes—and it is time that Federal law treated them as such.

In closing, Mr. President, the Violence Against Women Act contains all of these provisions and more. I ask unanimous consent that the text of the bill be printed in the RECORD. I hope my colleagues will join me in supporting this legislation which aims at putting an end to this problem of

violence—a problem that puts more women in the hospital today than breast cancer, auto accidents, plane crashes, and strokes combined.

I ask unanimous consent that a copy of an outline and the text of the bill be printed in the RECORD.

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

S. 2754

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 "Violence Against Women Act of 1990".

SEC. 2. TABLE OF CONTENTS.

TITLE I—SAFE STREETS FOR WOMEN

Sec. 101. Short title.

Subtitle A—Federal Penalties for Sex Crimes

Sec. 111. Repeat offenders.

Sec. 112. Federal penalties.

Sec. 113. Mandatory restitution for sex crimes.

Subtitle B—Law Enforcement and Prosecution Grants to Reduce Violent Crimes Against Women

Sec. 121. Grants to combat violent crimes against women.

Subtitle C—Safety for Women in Public Transit

Sec. 131. Grants for capital improvements to prevent crime in public transportation.

Subtitle D—National Commission on Violent Crime Against Women

Sec. 141. Establishment.

Sec. 142. Duties of commission.

Sec. 143. Membership.

Sec. 144. Reports.

Sec. 145. Executive director and staff.

Sec. 146. Powers of commission.

Sec. 147. Authorizations of appropriations.

Sec. 148. Termination.

TITLE II—SAFE HOMES FOR WOMEN

Sec. 201. Short title.

Subtitle A—Interstate Enforcement

Sec. 211. Interstate enforcement.

Subtitle B—Arrest in Spousal Abuse Cases

Sec. 221. States or localities that discriminate against arrest in cases of family violence.

Sec. 222. Encouraging arrest policies.

Subtitle C—Funding for Shelters

Sec. 231. Authorization.

Subtitle D—Judicial Training

Sec. 241. Training programs for judges.

TITLE III—CIVIL RIGHTS

Sec. 301. Civil rights.

TITLE I—SAFE STREETS FOR WOMEN

SEC. 101. SHORT TITLE.

This title may be cited as the "Safe Streets for Women Act of 1990".

Subtitle A—Federal Penalties for Sex Crimes

SEC. 111. REPEAT OFFENDERS.

(a) IN GENERAL.—Chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 2247. Repeat offenders

"Pursuant to its authority under section 994(p) of title 28, United States Code, the

United States Sentencing Commission shall promulgate guidelines or amend existing guidelines to provide that any person who commits a violation of this chapter, after one or more prior convictions for an offense punishable under this chapter, or after one or more prior convictions under the laws of any State or foreign country relating to aggravated sexual abuse, sexual abuse, or abusive sexual contact, is punishable by a term of imprisonment up to twice that otherwise provided in the guidelines, or up to twice the fine authorized in the guidelines, or both."

(b) TABLE OF SECTIONS.—The table of sections for chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following:

"2247. Repeat offenders."

SEC. 112. FEDERAL PENALTIES.

(a) AGGRAVATED SEXUAL ASSAULT.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines or amend existing guidelines to provide that a defendant convicted of an offense under section 2241 of title 18, United States Code, shall receive a term of imprisonment of no less than 18 years.

(b) SEXUAL ASSAULT.—Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines or amend existing guidelines to provide that a defendant convicted of an offense under section 2242 of title 18, United States Code, shall receive a term of imprisonment of no less than 12 years.

(c) ABUSIVE SEXUAL CONTACT.—

(1) Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines or amend existing guidelines to provide that a defendant convicted of an offense under section 2244(a)(1) of title 18, United States Code, shall receive a term of imprisonment of no less than 6 years.

(2) Pursuant to its authority under section 994(p) of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines or amend existing guidelines to provide that a defendant convicted of an offense under section 2244(a)(2) of title 18, United States Code, shall receive a term of imprisonment of no less than 3 years.

SEC. 113. MANDATORY RESTITUTION FOR SEX CRIMES.

(a) IN GENERAL.—Chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following:

"§ 2248. Mandatory restitution

"(a) Notwithstanding the terms of section 3663 of this title, and in addition to any other civil or criminal penalty authorized by law, the court shall order restitution for any offense under this chapter.

"(b)(1) The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim the full amount of the victim's losses as determined by the court, pursuant to paragraph (3); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation;

"(C) any income lost by the victim as a proximate result of the offense; and

"(D) any other losses suffered by the victim as a proximate result of the offense.

"(3) Restitution orders under this section are mandatory. A court may not decline to issue an order under this section because of—

"(A) the economic circumstances of the defendant; or

"(B) the fact that a victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance.

"(4)(A) Notwithstanding the terms of paragraph (3), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid.

"(B) For purposes of this paragraph, the term 'economic circumstances' includes—

"(i) the financial resources and other assets of the defendant;

"(ii) projected earnings and other income of the offender; and

"(iii) any financial obligations of the offender, including obligations to dependents.

"(C) An order under this section may direct the defendant to make a single lump-sum payment, partial payment at specified intervals, or payment in the form of services rendered to persons or organizations.

"(D) In the event that the victim has recovered for any amount of loss through the proceeds of insurance or any other source, the order of restitution shall provide that restitution be paid to the person who provided the compensation, but that restitution shall be paid to the victim before any restitution is paid to any other provider of compensation.

"(5) Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(c) For purposes of this section, the term 'victim' includes any person who has suffered direct physical, emotional, or pecuniary harm as result of a commission of a crime under this chapter, including—

"(1) in the case of a victim who is under 18 years of age, incompetent or incapacitated, the legal guardian of the victim or the victim's estate, another family member, or any other person designated by the court; and

"(2) in the case of a victim who is deceased, the representative of the victim's estate."

(b) TABLE OF SECTIONS.—The table of sections for chapter 109A of title 18, United States Code, is amended by adding at the end thereof the following:

"2248. Mandatory restitution."

Subtitle B—Law Enforcement and Prosecution Grants To Reduce Violent Crimes Against Women

SEC. 121. GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN.

(a) IN GENERAL.—Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by—

(1) redesignating part N as part O;

(2) redesignating section 1401 as section 1501; and

(3) adding after part M the following:

"PART N—GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN

"SEC. 1101. PURPOSE OF THE PROGRAM AND GRANTS.

"(a) The purpose of this part is to assist States, cities, and other localities to develop effective law enforcement and prosecution strategies to combat violent crimes against women and, in particular, to focus efforts on those areas with the highest rates of violent crime against women.

"(b) Grants under this part shall provide additional personnel, equipment, training, technical assistance, and information systems for the more widespread apprehension, prosecution, and adjudication of persons committing violent crimes against women and specifically, for the purposes of—

"(1) developing and implementing innovative police techniques for reducing the incidence of violent crimes against women;

"(2) training law enforcement officers and prosecutors to target violent crimes against women, including sexual assault;

"(3) developing and training units of law enforcement officers and prosecutors specifically devoted to targeting violent crimes against women, including sexual assault; and

"(4) developing or enlarging victim advocacy programs working with, connected to, or within, police departments and prosecutors' offices to increase reporting and reduce attrition rates for cases involving violent crimes against women.

"Subpart 1—High Intensity Crime Area Grants

"SEC. 1111. GENERAL PURPOSE.

"(a) The Director of the Bureau of Justice Assistance (hereafter in this part referred to as the 'Director') shall make grants to areas of 'high intensity crime' against women.

"(b) For purposes of this part, a 'high intensity crime area' means an area with one of the 40 highest rates of violent crimes against women, as determined by the Bureau of Justice Statistics pursuant to section 1412.

"SEC. 1112. GRANT DETERMINATION.

"(a) COMPUTATION.—Within 45 days after the date of enactment of this part, the Bureau of Justice Statistics shall compile a list of 40 areas with the highest rates of violent crimes against women based on the combined female victimization rate per population for assault, sexual assault (including, but not limited to, rape) murder, robbery, and kidnapping.

"(b) PUBLICATION.—After compiling the list set forth in subsection (a), the Bureau of Justice Statistics shall convey it to the Director who shall publish it in the Federal Register.

"(c) ENTITLEMENT.—Upon satisfying the terms of subsection (d), any high intensity crime area shall be entitled to a grant under this subpart upon certification by the chief executive officer of the governmental entities responsible for law enforcement and prosecution of criminal offenses within the area that the funds shall be used to reduce the rate of violence against women, and for one or more of the purposes outlined in section 1401. In the case of funds to be used for purposes outlined in section 1411(b)(2), (b)(3), and (b)(4), entitlement is contingent upon certification that programs will coordinate activities with, and include participation of, victim advocacy groups.

"(d) APPLICATION REQUIREMENTS.—The application requirements provided in section

513 of this title shall apply to grants made under this subpart.

"(e) DISBURSEMENT.—No later than 60 days after the receipt of an application under this subpart, the Director shall either disburse the appropriate sums provided for under this subpart or shall inform the applicant why the application does not conform to the terms of section 513 of this title.

"(f) GRANTEE REPORTING.—Upon completion of the grant period under this subpart, the grantee shall file a performance report with the Director explaining the activities carried out together with an assessment of the effectiveness of those activities in achieving the purposes of this part. The Director shall suspend funding for an approved application if an applicant fails to submit such an annual performance report.

"Subpart 2—Other Grants to States to Combat Violent Crimes Against Women

"SEC. 1121. GENERAL GRANTS TO STATES.

"(a) GENERAL GRANTS.—The Director is authorized to make grants to States, for the use by States and units of local government in the States, for the purposes outlined in section 1411, and to reduce the rate of violent crimes against women.

"(b) AMOUNTS.—The amounts of grants under subsection (a) shall be—

"(1) \$300,000 to each State; and
 "(2) that portion of the then remaining available money to each State that results from a distribution among the States on the basis of each State's population in relation to the population of all States.

"(c) ENTITLEMENT.—Upon satisfying the terms of subsection (d), any State shall be entitled to funds provided under this part upon certification that the funds shall be used to reduce the rate of violent crimes against women and for one or more of the purposes outlined in section 1411.

"(d) APPLICATION REQUIREMENTS.—The application requirements provided in section 513 of this title shall apply to grants made under this subpart.

"(e) DISBURSEMENT.—No later than 60 days after the receipt of an application under this subpart, the Director shall either disburse the appropriate sums provided for under this subpart or shall inform the applicant why the application does not conform to the terms of section 513 of this title or this section.

"(f) GRANTEE REPORTING.—Upon completion of the grant period under this subpart, the grantee shall file a performance report with the Director explaining the activities carried out together with an assessment of the effectiveness of those activities in achieving the purposes of this subpart. The Director shall suspend funding for an approved application if an applicant fails to submit such an annual performance report.

"Subpart 3—General Terms and Conditions
 "SEC. 1131. GENERAL TERMS AND CONDITIONS.

"(a) NONMONETARY ASSISTANCE.—In addition to the assistance provided under subparts 1 or 2, the Director may direct any Federal agency, with or without reimbursement, to use its authorities and the resources granted to it under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of State and local assistance efforts.

"(b) BUREAU REPORTING.—No later than 180 days after the end of each fiscal year for which grants are made under this part, the Director shall submit to the Judiciary Committees of the House and the Senate a report that includes, for each high intensity

crime area (as provided in subpart 1) and for each State (as provided in subpart 2)—

"(1) the amount of grants made under this part; and

"(2) a summary of the purposes for which those grants were provided and an evaluation of their progress.

"(c) REGULATIONS.—No later than 45 days after the date of enactment of this part, the Director shall publish proposed regulations implementing this part. No later than 120 days after such date, the Director shall publish final regulations implementing this part.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year 1991, 1992, and 1993, \$200,000,000 to carry out the purposes of subpart 1, and \$100,000,000 to carry out the purposes of subpart 2."

Subtitle C—Safety for Women in Public Transit

SEC. 131. GRANTS FOR CAPITAL IMPROVEMENTS TO PREVENT CRIME IN PUBLIC TRANSPORTATION.

Section 24 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"GRANTS TO PREVENT CRIME IN PUBLIC TRANSPORTATION

"SEC. 24. (a) GENERAL PURPOSE.—From funds authorized under section 21, and not to exceed \$10,000,000, the Secretary shall make capital grants for the prevention of crime and to increase security in existing and future public transportation systems. None of the provisions of this Act may be construed to prohibit the financing of projects under this section where law enforcement responsibilities are vested in a local public body other than the grant applicant.

"(b) GRANTS FOR LIGHTING, CAMERA SURVEILLANCE, AND SECURITY PHONES.—

"(1) From the sums authorized for expenditure under this section for crime prevention, the Secretary is authorized to make grants and loans to States and local public bodies or agencies for the purpose of increasing the safety of public transportation by—

"(A) increasing lighting within or adjacent to public transportation systems, including bus stops, subway stations, parking lots, or garages;

"(B) increasing camera surveillance of areas within and adjacent to public transportation systems, including bus stops, subway stations, parking lots, or garages;

"(C) providing emergency phone lines to contact law enforcement or security personnel in areas within or adjacent to public transportation systems, including bus stops, subway stations, parking lots, or garages; or

"(D) any other project intended to increase the security and safety of existing or planned public transportation systems.

"(2) From the sums authorized under this section, at least 75 percent shall be expended on projects of the type described in subsection (b)(1) (A) and (B).

"(c) REPORTING.—All grants under this section are contingent upon the filing of a report with the Secretary and the Department of Justice, Office of Victims of Crime, showing crime rates in or adjacent to public transportation before, and for a 1-year period after, the capital improvement. Statistics shall be broken down by type of crime, sex, and race of the victim and perpetrator.

"(d) INCREASED FEDERAL SHARE.—Notwithstanding any other provision of this Act, the Federal share under this section for each capital improvement project which en-

hances the safety and security of public transportation systems and which is not required by law (including any other provision of this chapter) shall be 90 percent of the net project cost of such project.

"(e) SPECIAL GRANTS FOR PROJECTS TO STUDY INCREASING SECURITY FOR WOMEN.—From the sums authorized under this section, the Secretary shall provide grants and loans for the purpose of studying ways to reduce violent crimes against women in public transit through better design or operation of public transit systems.

"(f) GENERAL REQUIREMENTS.—All grants or loans provided under this section shall be subject to all the terms, conditions, requirements, and provisions applicable to grants and loans made under section 2(a)."

Subtitle D—National Commission on Violent Crime Against Women

SEC. 111. ESTABLISHMENT.

There is established a commission to be known as the National Commission on Violent Crime Against Women (hereinafter referred to as the Commission).

SEC. 112. DUTIES OF COMMISSION.

(a) GENERAL PURPOSE OF THE COMMISSION.—The Commission shall carry out activities for the purposes of promoting a national consensus on violent crime against women, and for making recommendations for how to reduce violent crime against women.

(b) FUNCTIONS.—The Commission shall perform the following functions—

(1) evaluate the adequacy of, and make recommendations regarding, current law enforcement efforts at the Federal and State levels to reduce the rate of violent crimes against women;

(2) evaluate the adequacy of, and make recommendations regarding, the responsiveness of State prosecutors and State courts to violent crimes against women;

(3) evaluate the adequacy of, and make recommendations regarding, the role of the Federal Government in reducing violent crimes against women;

(4) evaluate the adequacy of, and make recommendations regarding, the dissemination of information that is essential to the prevention of violent crimes against women;

(5) evaluate the adequacy of, and make recommendations regarding, data collection and other available statistical means to evaluate the extent of violent crimes against women.

SEC. 113. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) APPOINTMENT.—The Commission shall be composed of 15 members as follows:

(A) Five members shall be appointed by the President—

(i) three of whom shall be—

(I) the Attorney General;

(II) the Secretary of Health and Human Services;

(III) the Director of the Federal Bureau of Investigation,

who shall be nonvoting members, except that in the case of a tie vote by the Commission, the Attorney General shall be a voting member; and

(ii) two of whom shall be selected from the general public on the basis of such individuals being specially qualified to serve on the Commission by reason of their education, training, or experience.

(B) Five members shall be appointed by the Speaker of the House of Representatives on the joint recommendation of the

Majority and Minority Leaders of the House of Representatives.

(C) Five members shall be appointed by the President pro tempore of the Senate on the joint recommendation of the Majority and Minority Leaders of the Senate.

(2) CONGRESSIONAL COMMITTEE RECOMMENDATIONS.—In making appointments under subparagraphs (B) and (C) of paragraph (1), the Majority and Minority Leaders of the House of Representatives and the Senate shall duly consider the recommendations of the Chairmen and Ranking Minority Members of committees with jurisdiction over laws contained in title 18 of the United States Code.

(3) REQUIREMENTS OF APPOINTMENTS.—The Majority and Minority Leaders of the Senate and the House of Representatives shall—

(A) select individuals who are specially qualified to serve on the Commission by reason of their education, training, or experience; and

(B) engage in consultations for the purpose of ensuring that the expertise of the ten members appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate shall provide as much of a balance as possible and, to the greatest extent possible, cover the fields of law enforcement, prosecution, judicial administration, legal expertise, and victim advocacy.

(4) TERM OF MEMBERS.—Members of the Commission (other than members appointed under paragraph (1)(A)(i)) shall serve for the life of the Commission.

(5) VACANCY.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made.

(b) CHAIRMAN.—Not later than 15 days after the members of the Commission are appointed, such members shall select a Chairman from among the members of the Commission.

(c) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may be authorized by the Commission to conduct the hearings.

(d) MEETINGS.—The Commission shall hold its first meeting on a date specified by the Chairman, but such date shall not be later than 60 days after the date of the enactment of this Act. After the initial meeting, the Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least six times.

(e) PAY.—Members of the Commission who are officers or employees or elected officials of a government entity shall receive no additional compensation by reason of their service on the Commission.

(f) PER DIEM.—While away from their homes or regular places of business in the performance of duties for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

(g) DEADLINE FOR APPOINTMENT.—Not later than 45 days after the date of the enactment of this Act, the members of the Commission shall be appointed.

SEC. 111. REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date on which the Commission is fully constituted under section 143, the Commission shall prepare and submit a final report to the President and to the appropriate committees of Congress.

(b) CONTENTS.—The final report submitted under paragraph (1) shall contain a detailed

statement of the activities of the Commission and of the findings and conclusions of the Commission, including such recommendations for legislation and administrative action as the Commission considers appropriate.

SEC. 115. EXECUTIVE DIRECTOR AND STAFF.

(a) EXECUTIVE DIRECTOR.—

(1) APPOINTMENT.—The Commission shall have an Executive Director who shall be appointed by the Chairman, with the approval of the Commission, not later than 30 days after the Chairman is selected.

(2) COMPENSATION.—The Executive Director shall be compensated at a rate not to exceed the maximum rate of the basic pay payable under GS-18 of the General Schedule as contained in title 5, United States Code.

(b) STAFF.—With the approval of the Commission, the Executive Director may appoint and fix the compensation of such additional personnel as the Executive Director considers necessary to carry out the duties of the Commission.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The Executive Director and the additional personnel of the Commission appointed under subsection (b) may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Executive Director may procure temporary or intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed \$200 per day.

SEC. 116. POWERS OF COMMISSION.

(a) HEARINGS.—For the purpose of carrying out this subtitle, the Commission may conduct such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths before the Commission.

(b) DELEGATION.—Any member or employee of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this subtitle.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any executive department or agency such information as may be necessary to enable the Commission to carry out this subtitle, except to the extent that the department or agency is expressly prohibited by law from furnishing such information. On the request of the Chairman of the Commission, the head of such a department or agency shall furnish nonprohibited information to the Commission.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

SEC. 117. AUTHORIZATIONS OF APPROPRIATIONS.

There is authorized to be appropriated for fiscal year 1991, \$500,000 to carry out the purposes of this subtitle.

SEC. 118. TERMINATION.

The Commission shall cease to exist 30 days after the date on which its final report is submitted under section 144. The President may extend the life of the Commission for a period of not to exceed one year.

TITLE II—SAFE HOMES FOR WOMEN

SEC. 201. SHORT TITLE.

This title may be cited as the "Safe Homes for Women Act of 1990".

Subtitle A—Interstate Enforcement

SEC. 211. INTERSTATE ENFORCEMENT.

(a) IN GENERAL.—Part 1 of title 18, United States Code, is amended by inserting after chapter 110 the following:

"Chapter 110A—Violence Against Spouses

"Sec. 2261. Traveling to commit spousal abuse.

"Sec. 2262. Interstate violation of protection orders.

"Sec. 2263. Restitution.

"Sec. 2264. Full faith and credit given to protection orders.

"Sec. 2265. Definitions for chapter.

"§ 2261. Traveling to commit spousal abuse

"(a) Any person who travels or causes another (including the intended victim) to travel in interstate commerce, with the intent to injure his or her spouse and who either during the course of any such travel or thereafter, violates a law of any State concerning domestic or family violence, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both, in addition to any fine or term of imprisonment provided under State law. If no fine or term of imprisonment is provided for under the law of the State or territory where the injury occurs, then a person violating this section shall be fined not more than \$1,000 or imprisoned for not more than 1 year.

"(b) For purposes of subsection (a), a law concerning domestic or family violence includes laws specifically related to domestic or family violence as well as State laws on battery, assault, sexual assault, unlawful imprisonment, kidnapping, unlawful entry, damage to property, and theft, where the victim is the spouse of the offender.

"§ 2262. Interstate violation of protection orders

"(a) Any person who travels or causes another (including the intended victim) to travel in interstate commerce, with the intent to violate a valid protection order issued by a State, and a violation results, shall be fined not more than \$1,000, and imprisoned not more than 6 months, or both.

"(b) Any person who travels or causes another (including the intended victim) to travel in interstate commerce, with the intent to violate a valid protection order that has previously been violated, and a further violation results, shall be fined not more than \$2,000, and imprisoned not more than 1 year but not less than 3 months, or both.

"(c) Any person who travels or causes another (including the intended victim) to travel in interstate commerce, with the intent to violate a valid protection order that has previously been violated, and serious bodily injury results, shall be fined not more than \$5,000, and imprisoned not more than 5 years but not less than 6 months, or both.

"§ 2263. Restitution

"(a) In addition to any fine or term of imprisonment provided under this chapter, and notwithstanding the terms of section 3663 of this title, the court shall order restitution to the victim of an offense under this chapter.

"(b)(1) The order of restitution under this section shall direct that—

"(A) the defendant pay to the victim the full amount of the victim's losses as determined by the court, pursuant to subsection (3); and

"(B) the United States Attorney enforce the restitution order by all available and reasonable means.

"(2) For purposes of this subsection, the term 'full amount of the victim's losses' includes any costs incurred by the victim for—

"(A) medical services relating to physical, psychiatric, or psychological care;

"(B) physical and occupational therapy or rehabilitation; and

"(C) any income lost by the victim as a proximate result of the offense; and

"(D) any other losses suffered by the victim as a proximate result of the offense.

"(3) Restitution orders under this section are mandatory. A court may not decline to issue an order under this section because of—

"(A) the economic circumstances of the defendant; or

"(B) the fact that victim has, or is entitled to, receive compensation for his or her injuries from the proceeds of insurance.

"(4)(A) Notwithstanding the terms of paragraph (3), the court may take into account the economic circumstances of the defendant in determining the manner in which and the schedule according to which the restitution is to be paid, including—

"(i) the financial resources and other assets of the defendant;

"(ii) projected earnings and other income of the offender; and

"(iii) any financial obligations of the offender, including obligations to dependents.

"(B) An order under this section may direct the defendant to make a single lump-sum payment, partial payment at specified intervals, or payment in the form of services rendered to persons or organizations.

"(C) In the event that the victim has recovered for any amount of loss through the proceeds of insurance or any other source, the order of restitution shall provide that restitution be paid to the person who provided the compensation, but that restitution shall be paid to the victim before any restitution is paid to any other provider of compensation.

"(5) Any amount paid to a victim under this section shall be set off against any amount later recovered as compensatory damages by the victim in—

"(A) any Federal civil proceeding; and

"(B) any State civil proceeding, to the extent provided by the law of the State.

"(c) For purposes of this section, the term 'victim' includes any person who has suffered direct physical, emotional, or pecuniary harm as a result of a commission of a crime under this chapter, including—

"(1) in the case of a victim who is under 18 years of age, incompetent or incapacitated, the legal guardian of the victim or the victim's estate, another family member, or any other person designated by the court; and

"(2) in the case of a victim who is deceased, the representatives of the victim's estate."

"§ 2264. Full faith and credit given to protection orders

"(a) Any protection order issued consistent with the terms of subsection (b) by the court of one State (the issuing State) shall be accorded full faith and credit by the court of another State (the enforcing State) and enforced as if it were the order of the enforcing State.

"(b) A protection order made by a State is consistent with the provisions of this section only if—

"(1) such court has jurisdiction under the law of such State; and

"(2) before the order is issued, reasonable notice and opportunity to be heard is given to the person against whom the order is sought, provided that, in the case of ex parte orders, it shall be sufficient if provision is made in the order for notice and opportunity to be heard as soon as possible after the order is issued, consistent with due process.

"§ 2265. Definitions for chapter

"As used in this chapter—

"(1) The term 'spouse' includes a present or former spouse and any other person defined as a spouse under, or otherwise protected under, the domestic or family violence laws of a State;

"(2) The term 'protection order' includes any injunction issued for the purpose of preventing acts of one spouse against another, including temporary and final orders issued by civil and criminal courts, whether obtained by filing an independent action or as a pendente lite order in another proceeding; and

"(3) The term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States."

(b) TABLE OF CHAPTERS.—The table of chapters for part 1 of title 18, United States Code, is amended by inserting after the item for chapter 110 the following:

"110A. Violence against spouses 2261."

Subtitle B—Arrest in Spousal Abuse Cases

SEC. 221. STATES OR LOCALITIES THAT DISCRIMINATE AGAINST ARREST IN CASES OF FAMILY VIOLENCE.

(a) FAMILY VIOLENCE PREVENTION AND SERVICES.—Section 303(a)(2) of the Family Violence Prevention and Services Act (42 U.S.C. 10402(a)(2)) is amended by adding at the end thereof the following:

"No State or locality shall be entitled to a grant under this title if, as a matter of policy or law, it discriminates against victims of family violence by prohibiting or discouraging the arrest of persons committing family violence. Any application for a grant pursuant to this section must certify that the conditions of this paragraph are met, attaching copies of the relevant policy or laws. Proof that a State or locality permits warrantless misdemeanor arrests based on probable cause in domestic violence situations is sufficient, but not necessary, to make the showing required by this section that the State or locality does not discriminate against victims of family violence."

(b) VICTIMS OF CRIME ACT OF 1984.—(1) Section 1404(a)(2) of the Victims of Crime Act of 1984 (42 U.S.C. 10603(a)(3)) is amended by—

(A) striking "and" after the semicolon in subparagraph (B);

(B) striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) adding at the end thereof the following:

"(D) certify that the State does not discriminate against victims of family violence, as a matter of policy or law, by discouraging or prohibiting the arrest of persons committing violence against spouses or other family members.

Proof that a State or locality permits warrantless misdemeanor arrests based on probable cause in domestic violence situations is sufficient, but not necessary, to make the

showing required by this section that the State or locality does not discriminate against victims of family violence."

(2) The amendments made by this subsection shall take effect one year after the date of enactment of this Act.

SEC. 222. ENCOURAGING ARREST POLICIES.

The Family Violence Prevention and Services Act is amended by adding after section 311 the following:

"SEC. 312. ENCOURAGING ARREST POLICIES.

"(a) PURPOSE.—To encourage States and localities to treat spousal violence as a serious violation of criminal law, the Secretary is authorized to make grants to eligible States, municipalities, or local government entities for the following purposes:

"(1) to centralize police enforcement of laws against spousal or family violence, and tracking of cases involving spousal or family violence;

"(2) to centralize and coordinate prosecution of cases involving spousal or family violence in one group or unit of prosecutors; and

"(3) to centralize judicial responsibility for cases involving spousal or family violence in one court or group of judges.

"(b) ELIGIBILITY.—(1) Eligible grantees are those States, municipalities or other local government entities that—

"(A) demonstrate, through arrest statistics, that their laws or policies have been effective in significantly increasing the number of arrests made of spouse abusers; and

"(B) certify that their laws or official policies—

"(i) mandate arrest of spouse abusers based on probable cause that violence has been committed or mandate arrest of spouses violating the terms of a valid and outstanding protection order for the benefit of one spouse from another spouse; or

"(ii) permit warrantless misdemeanor arrests of spouse abusers and encourage the use of that authority.

"(2) For purposes of this section, the term 'protection order' includes any injunction issued for the purpose of preventing acts of one spouse against another, including temporary and final orders issued by civil and criminal courts, whether obtained by filing an independent action or as a pendente lite order in another proceeding.

"(3) The eligibility requirements provided in this section shall take effect one year after the date of enactment of this section.

"(c) DELEGATION AND AUTHORIZATION.—The Secretary shall delegate to the Attorney General of the United States the Secretary's responsibilities for carrying out this section and shall transfer to the Attorney General from funds appropriated under section 311 not in excess of \$25,000,000 for each fiscal year to be used for the purpose of making grants under this section.

"(d) APPLICATION.—An eligible grantee shall submit an application to the Secretary. Such application shall—

"(1) contain a certification by the chief executive officer of the State, municipality, or local government entity that the conditions of subsection (b) are met;

"(2) describe the entity's plans to centralize or increase coordination in police departments, prosecutors' offices, or the courts for cases of spousal or family violence;

"(3) identify the agency or office or groups of agencies or offices responsible for carrying out the program; and

"(4) identify goals to be met by the planned increase in centralization and coordination.

"(e) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to a grantee that—

"(1) does not currently provide for centralized handling of cases involving spousal or family violence in any one of the areas listed in this subsection—police, prosecutors, and courts; and

"(2) demonstrates a commitment to strong enforcement of laws, and prosecution of cases, involving spousal or family violence.

"(f) REPORTING.—Each grantee receiving funds under this section shall submit a report to the Secretary evaluating the effectiveness of the plan described in subsection (d)(2) and containing such additional information as the Secretary may prescribe.

"(g) REGULATIONS.—No later than 45 days after the date of enactment of this section, the Secretary shall publish proposed regulations implementing this section. No later than 120 days after such date, the Secretary shall publish final regulations implementing this section."

Subtitle C—Funding for Shelters

SEC. 231. AUTHORIZATION.

Section 310 of the Family Violence Prevention and Services Act (42 U.S.C. 10409) is amended to read as follows:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this title, \$75,000,000 for each of the fiscal years 1991, 1992 and 1993.

"(b) Of the sums appropriated under subsection (a) of this section for any fiscal year, not less than 60 percent shall be used by the Secretary for making grants under section 303."

Subtitle D—Judicial Training

SEC. 211. TRAINING PROGRAMS FOR JUDGES.

The Family Violence Prevention and Services Act is amended by adding at the end thereof the following:

"SEC. 311. TRAINING PROGRAMS FOR JUDGES.

"(a) From the sums authorized under this title, the Attorney General shall provide \$200,000 to the State Justice Institute for the purpose of developing model programs to be used by the States in training judges in the laws of the States on spousal abuse and family violence.

"(b) In implementing this section, the Attorney General shall direct that the State Justice Institute insure that the model program is developed in conjunction with, and with comments from, law enforcement officials, victim advocates, recognized legal experts, and prosecutors."

TITLE III—CIVIL RIGHTS

SEC. 301. CIVIL RIGHTS.

(a) FINDINGS.—The Congress finds that—

(1) crimes motivated by the victim's gender constitute bias crimes in violation of the victim's right to equal protection of the laws, equal privileges and immunities under the laws, and in violation of the victim's right to be free from discrimination on the basis of gender;

(2) current law provides a civil rights remedy for gender crimes committed in the workplace, but not on the street or in the home;

(3) State and Federal criminal laws do not adequately protect against the bias element of gender crimes, which separates these crimes from acts of random violence, nor do they adequately provide victims the opportunity to vindicate their interests.

(b) RIGHTS, PRIVILEGES AND IMMUNITIES.—All persons within the United States shall have the same rights, privileges and immunities in every State as is enjoyed by all other persons to be free from crimes of violence motivated by the victim's gender, as defined in subsection (d).

(c) CAUSE OF ACTION.—Any person, including a person who acts under color of any statute, ordinance, regulation, custom, or usage of any State, who deprives another of the rights, privileges or immunities secured by the Constitution and laws as enumerated in subsection (b) shall be liable to the party injured, in an action for the recovery of compensatory and punitive damages.

(d) DEFINITION.—For purposes of this section, a "crime of violence motivated by the victim's gender" means any rape, sexual assault, or abusive sexual contact motivated by gender-based animus.

VIOLENCE AGAINST WOMEN—BILL OUTLINE

TITLE I—SAFE STREETS FOR WOMEN

A. Federal sex crime legislation

1. Doubles penalties for rape and aggravated rape;
2. Creates new penalties for repeat sex offenders;
3. Requires and expands victims restitution in sex crime cases.

B. High Intensity Violence Areas

1. Authorizes \$300 million in law enforcement grants—\$200 million to the 40 most dangerous areas in the country for women and \$100 million to all 50 states;
2. Grants include funds to increase prosecution rates (notoriously low) by training police and prosecutors; setting up special units of police, prosecutors, and victim advocates to target violent crimes against women.

C. Public Transit: Lights & Cameras

Earmarks capital improvement grants from mass transit funding to increase lighting and camera surveillance at bus stops, stations, and adjacent parking lots.

D. National Commission on Violent Crime Against Women

Modeled on the AIDS Commission, this group will help focus attention on increasing crime rates against women.

TITLE II—SAFE HOMES FOR WOMEN

A. Interstate Enforcement

1. Creates federal penalties for spouse abusers who cross state lines to continue abuse or to violate an existing "stay away" order;
2. Requires states to enforce the "stay away" orders that other states issue, as long as the order meets certain minimum criteria.

B. Arrest

1. Bars grants to states and localities that discriminate against spouse abuse by having a policy that discourages or prohibits arrest of abusing spouses.
2. Provides grants to states and localities, encouraging arrests of abusing spouses.

C. Funding/Grants

1. Doubles funding for battered women's shelters;
2. Authorizes \$25 million in law enforcement grants including funds for prosecutors and courts to develop special units devoted to spouse abuse.

TITLE III—CIVIL RIGHTS FOR WOMEN

A. Sex Crimes as "Bias" or "Hate" Crimes

1. Defines gender-motivated crimes, like rape, as "bias" crimes, depriving victims of equal rights.

B. Civil Rights

1. Creates a civil rights remedy, allowing victims of sex crimes to bring a civil rights case and, if gender-based animus is proven, recover compensatory and punitive damages;
2. Modeled on longstanding civil rights laws, (42 U.S.C. secs. 1981-1985) protecting blacks from race-based attacks;
3. Rectifies inequity in current law that provides a civil rights remedy for gender crimes committed in the workplace, but not if committed on the street or in the home;
4. Limited to gender-motivated crimes.

By Mr. PELL (by request):

S. 2755. A bill to provide for the participation of the United States in the European Bank for Reconstruction and Development; to the Committee on Foreign Relations.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT ACT

● Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to provide for the participation of the United States in the European Bank for Reconstruction and Development.

This proposed legislation has been requested by the Department of the Treasury, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting General Counsel of the Department of the Treasury to the President of the Senate, which was received on June 12, 1990.

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

S. 2755

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

Sec. 201. This Act may be cited as the "European Bank for Reconstruction and Development Act".

Sec. 301. Acceptance of Membership

The President is hereby authorized to accept membership for the United States in the European Bank for Reconstruction and Development (hereinafter the "Bank") provided for by the agreement establishing the Bank (hereinafter the "Agreement").

Sec. 401. Governor and Alternate Governor

(a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank, an alternate for the Governor, and a Director of the Bank.

(b) No person shall be entitled to receive any salary or other compensation from the

United States for services as a Governor or Alternate Governor.

Sec. 501. Applicability of Bretton Woods Agreements Act

The provisions of section 4 of the Bretton Woods Agreements Act, as amended 59 Stat. 512, 22 U.S.C. 286b, shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of the Bretton Woods Agreements Act shall be included in the first and subsequent reports made thereunder, after the United States accepts membership in the Bank.

Sec. 601. Federal Reserve Banks as Depositories

Any Federal Reserve bank which is requested to do so by the Bank may act as its depository, or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall exercise general supervision over the carrying out of these functions.

Sec. 701. Subscription of Stock

(a) The Secretary of the Treasury is authorized to subscribe on behalf of the United States to 100,000 shares of the capital stock of the Bank; provided, however, that the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) There is hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the subscription of the United States for those shares, [\$1,167,010,000.00].

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

Sec. 801. Jurisdiction of United States Courts

For the purpose of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the Agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office or agency in the United States is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action. When the Bank is the defendant in any action in a State court, it may, at any time before the trial thereof, remove such action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28, United States Code.

Sec. 901. Effectiveness of Agreement

The Agreement, and particularly articles [43] through [50], shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in, and the establishment of, the Bank.

Sec. 1001. Securities Issued by Bank as Exempt Securities; Report Filed With Securities and Exchange Commission

(a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for inclusion in the Bank's ordinary capital resources as defined in article 7 of the Agreement and any securities guaranteed by the Bank as to both

principal and interest to which the commitment in article 6, paragraph 4, of the Agreement is expressly applicable, shall be deemed to be exempt securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

Sec. 1101. Technical Amendments

(a) The seventh sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States as amended 12 U.S.C. 24, is further amended by striking out "or" after "the African Development Bank," and inserting in lieu thereof a comma, and by inserting "or the European Bank for Reconstruction and Development," after "the Inter-American Investment Corporation."

(b) Section 51 of Public Law 91-599, as amended 84 Stat. 1657; 22 U.S.C. 276c-2, is further amended by striking out "and" after "the African Development Bank," and inserting "and the European Bank for Reconstruction and Development," after "the Inter-American Investment Corporation".

DEPARTMENT OF THE TREASURY,
Washington, DC, June 12, 1990.

HON. DAN QUAYLE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill, "To provide for the participation of the United States in the European Bank for Reconstruction and Development."

The draft bill authorizes the President (1) to accept membership in the European Bank for Reconstruction and Development (the "Bank") and (2) to subscribe to 100,000 shares of the Bank's capital stock, having a par value of 1 billion European Currency Units, the dollar amount of the U.S. contribution being fixed at U.S. \$1,167,010,000.

The Purpose and Structure of the Bank

The countries of Eastern Europe are undergoing dramatic changes in their movement towards market economies. The United States and other democratic countries have responded to these changes with strong offers of political and economic support. Much of this support has been in the form of bilateral assistance.

In February, the Administration submitted legislation to authorize assistance to emerging democracies in Eastern Europe. That legislation envisioned both bilateral and multilateral support for those countries in transition to market oriented economies.

Earlier this year, at the invitation of the French Government, European and non-Eu-

ropean countries began negotiations on a multilateral effort, a new development bank, to foster and promote economic reforms in Eastern Europe. On April 9, the negotiations were satisfactorily concluded with agreement on a draft charter for the European Bank for Reconstruction and Development.

The United States will have the largest share, ten percent, of the capital stock of the Bank. The European Economic Community, its member countries, and the European Investment Bank together will hold a majority, 51 percent, of the capital stock of the Bank.

The Bank will be a multilateral financial institution with the mission of supporting countries that are undergoing economic and political reforms. Article 1 states the purpose of the Bank as follows:

In contributing to economic progress and reconstruction, the purpose of the Bank shall be to foster the transition towards open-market oriented economies and to promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism, and market economics.

In response, in part, to strong U.S. advocacy that the Bank's lending be primarily directed to the private sector, it was agreed (in Article 11 of the proposed Articles) that at least sixty percent of the Bank's lending would be devoted to the private sector, with the balance available for infrastructure or environmental loans supporting development of the private sector or to public enterprises operating in a competitive fashion, i.e., autonomous from the Government and subject to bankruptcy laws.

Another major goal for the United States was to restrict the level of borrowing by the Soviet Union. This has been accomplished by limiting, for a three-year period, borrowings by the Soviet Union to the amount of its subscription to the paid-in capital of the Bank, i.e., to an upper limit of approximately \$210 million. Moreover, all such borrowings must be directed either to finance the private sector, to facilitate transition from state-ownership to private ownership, or to help state enterprises which are operating competitively and are moving to participation in a market oriented economy. At the end of this three year period, access by the Soviet Union to the full borrowing program will require approval by three-fourths of the Governors representing eighty-five percent of the voting power of the Bank.

The United States also proposed, and was able to secure, a strong environmental focus for the Bank's activities. The Bank is "to promote in the full range of its activities environmentally sound and sustainable development". Article 2, paragraph 1(vii). The Bank will carry out its operations "by making or participating in loans and providing technical assistance for the reconstruction or development of infrastructure, including environmental programmes, necessary for private sector development and the transition to a market-oriented economy." Article 11, paragraph 1(v). Finally, Article 35, paragraph 2, requires the Bank to report annually on the environmental impact of its activities. The United States will seek adoption within the Bank of environmental impact assessment and other environmental procedures, as well as appropriate staffing, to ensure that environmental issues are given full consideration.

Capital Stock Subscription

The draft bill authorizes the Secretary to subscribe to the full allotment of shares apportioned to the United States—100,000 shares of capital stock. Each share of capital stock has a par value of 10,000 European Currency Units. (An ECU is a unit of account, which is a basket of the twelve European Community countries, currencies.) The United States was able to secure the right to fix this subscription in dollars at a dollar/ECU rate of U.S. \$1.16701 per each ECU.

The United States will subscribe to 100,000 shares of capital stock, 30,000 of which are "paid-in" shares and 70,000 "callable" shares. The total cost of the paid-in shares will be \$350,103,000. Under the Bank's charter, each member must pay for its paid in shares in five equal installments. The Administration will thus seek an appropriation of \$70,020,600, which will constitute budget authority, annually over the five-year period beginning with Fiscal Year 1991. This will be funded within the Administration's \$300 million request for Fiscal Year 1991 for the Special Assistance Initiative for Eastern Europe. For callable capital, the Administration will seek program limitations of \$163,381,400 in appropriations legislation for each year of the same period. Such program limitations will not constitute budgetary authority. The draft bill therefore authorizes an appropriation of \$1,167,010,000 for the United States, paid-in and callable shares.

It would be appreciated if you would lay the proposed bill before the Senate. An identical proposal has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

JEANNE S. ARCHIBALD,
Acting General Counsel. ●

By Mr. BIDEN:

S. 2756. A bill to encourage national law enforcement cooperation; to the Committee on the Judiciary.

NATIONAL LAW ENFORCEMENT COOPERATION ACT

● Mr. BIDEN. Mr. President, today I am introducing the National Law Enforcement Cooperation Act of 1990, a bill to utilize the latest computer technology in the fight against violent crime and illegal drug trafficking.

More than 16,000 local, State, and Federal police agencies are currently linked to the FBI's fugitive, missing person and stolen property files through the National Crime Information Center [NCIC]. Since its establishment in 1967, NCIC has become the most important cooperative initiative in the history of law enforcement. In 1988, the NCIC system helped to locate more than 130,000 fugitives, 33,000 missing persons, and \$1.1 billion in stolen property.

NCIC is more than just an important law enforcement tool. It is also a critical tool in ensuring the safety of police officers. Every time a police officer makes a routine traffic stop—one of the most dangerous types of stops—the officer checks NCIC to see if the

car might harbor a wanted or dangerous person.

The 20-year-old NCIC system, however, needs to be significantly upgraded if it is to meet the needs of law enforcement officers who face an increase in the number and sophistication of drug traffickers and violent criminals. State-of-the-art technology exists that can dramatically increase the accuracy of the FBI's criminal records, cut the time that police officers must wait to receive criminal information, and improve the search capabilities to more effectively track criminals.

This technology can also promote civil liberties. By improving the accuracy and speeding the retrieval of criminal history files, we can cut down on the number of false arrests and decrease the time that innocent citizens are delayed during routine traffic stops.

Even more important, the technology that police agencies will need to take advantage of the FBI's updated system could be purchased for approximately \$2,500 per police cruiser, less than the \$10,000 many police departments now pay for mobile police radios.

The FBI, working with State and local police agencies, has developed a comprehensive plan—the so-called NCIC 2000 project—that would allow State and local agencies to tap into a vastly enhanced FBI computer system.

Yesterday, the FBI and the Wilmington Police Department demonstrated a prototype of the new NCIC 2000 system to dozens of police officials from Delaware, Pennsylvania, New Jersey, and Maryland. These officials were unanimous in their assessment that this new technology could be an exceptionally valuable new tool in the fight against violent crime and drug trafficking.

The technology already exists to upgrade the current NCIC system. It is ready to go. Now, all we need to do is provide funding.

That is why I am introducing the National Law Enforcement Cooperation Act of 1990, which will authorize \$78 million during the next 5 years to implement the NCIC 2000 project. This funding is needed for computer software and hardware, site development, and other operation costs.

With this new technology, innocent citizens stopped for warrants issued on others with similar names will be cleared instantly, while criminals using false identification or aliases will be hauled off to jail.

I ask unanimous consent that a copy of the bill be printed in the RECORD at this time.

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

S. 2756

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 Law Enforcement Cooperation Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

- (1) cooperation among Federal, State, and local law enforcement agencies is critical to an effective national response to the problems of violent crime and drug trafficking in the United States;

- (2) the National Crime Information Center, which links more than 16,000 Federal, State, and local enforcement agencies, is the single most important avenue of cooperation among law enforcement agencies;

- (3) major improvements to the National Crime Information Center are needed because the current system—

- (A) is more than twenty years old
- (B) carries much greater volumes of enforcement information; and

- (C) at this time is unable to incorporate technological advances that would significantly improve its performance; and

- (4) the Federal Bureau of Investigation, working with state and local law enforcement agencies and private organizations, has developed a promising plan, "NCIC 2000", to make the necessary upgrades to the National Crime Information Center that should meet the needs of United States law enforcement agencies into the next century.

SEC. 3. AUTHORIZATIONS OF APPROPRIATIONS.

There are authorized to be appropriated the following sums to implement the "NCIC 2000" project:

- (1) \$17,000,000 for fiscal year 1991;
- (2) \$25,000,000 for fiscal year 1992;
- (3) \$22,000,000 for fiscal year 1993;
- (4) \$9,000,000 for fiscal year 1994; and
- (5) such sums as may be necessary for fiscal year 1995.

SEC. 4. REPORT.

By February 1 of each fiscal year for which funds for NCIC 2000 are requested, the Director of the Federal Bureau of Investigation shall submit a report to the Committee on the Judiciary of the Senate and House of Representatives that details the progress that has been made in implementing NCIC 2000 and a complete justification for the funds requested in the following fiscal year for NCIC 2000. ●

By Mr. MOYNIHAN (for himself, Mr. PELL, Mr. SIMON, Mr. DIXON, Mr. AKAKA, Mr. LIEBERMAN, Mr. D'AMATO, Mr. WILSON, Mr. GORE, Mr. DECONCINI, and Ms. MIKULSKI):

S. 2757. A bill to amend the Foreign Assistance Act of 1961 to authorize the provision of medical supplies and other humanitarian assistance to the Lithuanian people to alleviate suffering during the current emergency; to the Committee on Foreign Relations.

EMERGENCY ASSISTANCE FOR LITHUANIA

Mr. MOYNIHAN. Mr. President, today Lithuanians are literally dying in their fight for freedom. This fact has received scant attention. Perhaps our attention has been distracted by the enormous changes taking place around the world. But the fact is that,

as a result of the Soviet blockade of Lithuania, its people are suffering from an increasingly serious shortage of medical supplies. Factories outside of Lithuania will not fulfill orders, shipments are being sidetracked and the Soviet authorities are starving the Lithuanian Republic of the funds needed to purchase vital supplies. Already there is a critical shortage of insulin, anesthesia, penicillin, disinfectants, and other indispensable items. I understand that some diabetics have already died. Disposable syringes and supplies of surgical thread are running out. Firsthand reports from Vilnius indicate that surgeons are at the point of conducting triage in emergency rooms. There are also reports that hospitals have nearly exhausted their supply of filters for life-sustaining dialysis machines.

Thus, the Soviet blockade is, as I have said, now a matter of life and death. A small nation, a nation which was a member of the League of Nations and which negotiated treaties with the Soviet Union as an equal, sovereign state, is now attempting to regain its freedom. Mr. President, we must support its struggle to be free. Stalin and Hitler traded pieces of Lithuania like they were chattel goods. The incorporation of Lithuania into the Soviet Union was an act of the most blatant illegality. We have never accepted that act and we must not acquiesce to the Soviet blockade now.

Today I am introducing legislation to provide to Lithuania critically needed humanitarian aid. This aid is needed to protect the young, the old, and the infirm from the devastating effects of the Soviet blockade: medicine, fuel for emergency vehicles, food, and clothing. Other nations have offered aid. Some have already sent it. Yet we have done nothing. I believe that President Gorbachev will ultimately realize that Lithuania must go free and will lift his blockade. We have seen some positive moves in this direction in recent days. But until the blockade is in fact lifted we must act without delay to minimize the loss of life in Lithuania. I am joined in introducing this legislation by my colleagues Senators PELL, SIMON, DIXON, AKAKA, LIEBERMAN, D'AMATO, WILSON, GORE, DeCONCINI, and MIKULSKI. Mr. President, I ask unanimous consent that this proposed legislation be printed in the RECORD.

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

S. 2757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 9 of part I of the Foreign Assistance Act of 1961 (relating to international disaster assistance) is amended by adding at the end thereof the following new section:

"SEC. 495L. LITHUANIAN EMERGENCY RELIEF.—(a)(1) The Congress recognizes

that prompt United States assistance is necessary to alleviate the emergency existing in Lithuania which has caused the Lithuanian people to suffer a severe shortage of medical supplies and the basic necessities of life.

"(2)(A) The Administrator of the agency primarily responsible for carrying out part I of this Act shall—

"(i) furnish, in accordance with the authorities of this chapter, humanitarian assistance for the relief of the Lithuanian people during the existing emergency;

"(ii) solicit donations of humanitarian assistance for Lithuania;

"(iii) cooperate with private relief agencies attempting to provide humanitarian aid to Lithuania; and

"(iv) immediately attempt to deliver humanitarian assistance to Lithuania by the most expeditious means available, including deliveries by United States personnel, providing aid to private relief agencies or to other governments with access to Lithuania, or any combination of these means which facilitates the most rapid transfer of humanitarian assistance to Lithuania.

"(B) For purposes of this paragraph, the term 'humanitarian assistance' includes—

"(i) fuel for emergency vehicles and medical facilities;

"(ii) water purification supplies, materials for immunization, and other materials needed to prevent the outbreak of contagious diseases and to safeguard public health;

"(iii) medical supplies; and

"(iv) food and clothing.

"(b)(1) In addition to funds authorized to be appropriated to carry out this chapter, there are authorized to be appropriated to the President \$10,000,000 to carry out subsection (a)(2).

"(2) Funds appropriated pursuant to paragraph (1) are authorized to remain available until expended.

"(c) The Congress urges the President immediately to seek permission from the Soviet Union to deliver humanitarian relief directly to Lithuania without delay."

● Mr. DIXON. Mr. President, I am pleased to join my distinguished colleague, Senator MOYNIHAN, in introducing legislation to get medical assistance to Lithuania.

This legislation seeks \$10 million in authorization for medical and humanitarian assistance for Lithuania and directs the appropriate Federal agencies to get moving in this effort to relieve the considerable health crises facing the Lithuanian people.

Soviet President Gorbachev's economic embargo has also been a health embargo. He has not just tried to stop the flow of oil, gas, and food, but also denied insulin, blood, and immunization equipment. It is a cruel, and heretofore, unknown side of the embargo.

Senator MOYNIHAN and I, and others, are committed to relieve the suffering afflicting Lithuanians and non-Lithuanians alike. The need for insulin knows no ethnic categories. President Gorbachev is engaged in the slow death of his own Russian nationals—the very population for whom he claims need protection from the democratic aspirations of the Lithuanian majority.

Mr. President, this is a very modest proposal; \$10 million of authorization is a blip on the radar screen. But it can have real benefit to those in need. There is no doubt as to the need for this assistance.

The ball is in President Gorbachev's court. If he is serious in his efforts to resolve the crisis in the Baltic States, here is a perfect opportunity for him to show his willingness to start down the path toward resolution and peace. I urge him to allow the provisions authorized in this legislation to enter Lithuania.

The United States has stood with the Lithuanian people in their struggle for independence. This Senator has pledged to do all he can to effect such a change in their status. This legislation is an opportunity to show, in a responsible way, that we are committed in word, and by action. I urge my colleagues to support this legislation. ●

By Mr. LEVIN (for himself, Mrs. KASSEBAUM, Mr. LUGAR, Mr. SIMON, Mr. BOREN, Mr. MITCHELL, Mr. KOHL, Mr. RIEGLE, Mr. DODD, Ms. MIKULSKI, Mr. BIDEN, Mr. EXON, Mr. COHEN, Mr. DeCONCINI, Mr. REID, Mr. GRAHAM, Mr. PELL, Mr. MOYNIHAN, Mr. GORE, Mr. LAUTENBERG, Mr. INOUE, Mr. SARBANES, Mr. BRADLEY, Mr. WIRTH, Mr. BURDICK, Mr. LIEBERMAN, Mr. AKAKA, Mr. ROCKEFELLER, Mr. WARNER, Mr. ROBB, Mr. DOMENICI, Mr. LEAHY, Mr. NUNN, Mr. METZENBAUM, Mr. CRANSTON, Mr. BREAUX, Mr. KERRY, Mr. CHAFEE, Mr. BRYAN, Mr. ADAMS, Mr. KENNEDY, Mr. BUMPERS, and Mr. SPECTER):

S.J. Res. 336. Joint resolution designating the week in 1990 which coincides with the first visit of Nelson Mandela to the United States after his release from prison in South Africa as "South African Freedom Week"; to the Committee on the Judiciary.

SOUTH AFRICAN FREEDOM WEEK

Mr. LEVIN. Mr. President, we have all been touched by recent developments in South Africa. The release of Nelson Mandela was heralded around the world as a positive step, and has highlighted the possibility of a peaceful process to end apartheid and bring about a democratic, nonracial society in South Africa. Nelson Mandela's release was especially heartening to me since I have repeatedly called for his release and had written to him on a number of occasions during his imprisonment. The Levin-Kassebaum Free Mandela resolution, which passed the Senate October 10, 1984, expressed the sense of the Senate that the Government of South Africa should immediately release Nelson Mandela and remove the banning orders imposed on

Winnie Mandela. My resolution urging the U.S. Ambassador to South Africa to seek to meet with Nelson Mandela was included in the Anti-Apartheid Act enacted into law in 1986.

Mr. President, as you know, Mr. Mandela will be visiting the United States tomorrow, June 20 through June 30. We should commemorate his freedom, just as we deplored his imprisonment. Accordingly, today I am joined with Senator KASSEBAUM and 44 of our colleagues in sponsoring a resolution declaring the week of Nelson Mandela's visit "South African Freedom Week."

Nelson Mandela, through his selflessness, symbolizes the courageous fight of many South Africans against the brutality of apartheid. In that fight, the people of the United States, expressing themselves through our votes in the Congress, have stood firmly on the side of freedom. Though Nelson Mandela was imprisoned for nearly 28 years, they could not lock away his leadership, they could not chain his character, and they could not isolate his image. He became a symbol, but he also remain a very real human being, ready and willing to continue and complete a life's work.

Four years ago, the eminent persons group was allowed to meet with Nelson Mandela. In their report of that meeting they noted that:

We were first struck by his physical authority * * * he exuded authority, and received the respect of all around him, including his jailers * * * In our discussions, Nelson Mandela also took care to emphasize his desire for reconciliation across the divide of color * * * He pledged himself anew to work for a multiracial society to which all would have a secure place * * * [Some argue that his release would result in violence, but we believe that] Mr. Mandela's own voice would appeal for calm. We believe his authority would secure it. * * *

Mr. President, it did. It has. It will.

That the predictions of the eminent persons group have been confirmed is a tribute to the power of a person like Nelson Mandela. But his power is not just in the effect he has had on a people—it is also reflected in the affect he has had on individuals.

Nelson Mandela will be joined in his visit to the United States by his wife Winnie. In 1985, she wrote a letter to the people of the world in the form of a book. She called that book "Part of My soul Went With Him." As all know, she has also suffered imprisonment, including solitary confinement over the years. She described that experience in these words:

Those first few days are the worst in anyone's life—that uncertainty, that insecurity; there is such a sense of hopelessness, the feeling that this is now at the end. The whole thing is designed to destroy you, not only morally but physically as well.

But Winnie Mandela like her husband, was not destroyed. She survived, as he did. She endured, as he did. And

both of them reaffirmed our faith in redemption and renewal.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter which I wrote to Nelson Mandela in August 1988, and I also ask unanimous consent that the joint resolution be printed in the RECORD.

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

S.J. RES. 336

Whereas Nelson Mandela was jailed for nearly 28 years in South Africa along with other political prisoners;

Whereas Nelson Mandela has expressly committed himself to ending the oppression of apartheid and to establishing a democratic, nonracial society in South Africa;

Whereas the anti-apartheid movement in South Africa sets an example for racially oppressed people in the fight for freedom for all South Africans;

Whereas the people and the Congress of the United States call on the Government of South Africa to move swiftly to abolish apartheid; and

Whereas the people of the United States remain committed to the maintenance of human rights and the principles of democracy for all citizens without regard to color and have condemned apartheid as a crime against humanity; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week in 1990 which coincides with the first visit of African National Congress leader Nelson Mandela to the United States after his release from prison in South Africa is designated as "South African Freedom Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

U.S. SENATE,

Washington, DC, 20510, August 5, 1988.

MR. NELSON MANDELA,
Pollsmoor Prison,
Capetown, South Africa.

DEAR MR. MANDELA: You and your cause have been the object of great admiration by most members of the United States Congress.

We have written you before but I am sure the letters didn't reach you. We have also adopted some resolutions, a couple of which are enclosed.

Your steadfast will and determination on behalf of the cause that you and most of the world believe in will be long remembered and revered. We hope that some day you will again be free in a free country, but in the absence thereof we want you to know that you have achieved more in prison than most of us could achieve in many lifetimes walking about free.

Sincerely,

CARL LEVIN.

Mrs. KASSEBAUM. Mr. President, I rise today in support of the joint resolution to declare the week of Nelson Mandela's visit "South African Freedom Week."

Nelson Mandela arrives in the United States tomorrow for a 10-day visit. Throughout his 27 years in prison, Mr. Mandela demonstrated great personal courage. His faith in a

democratic and nonracial South Africa has served as a beacon of hope for all South Africans struggling against the brutality of apartheid.

This is an encouraging time in South Africa. With the release of Mr. Mandela, the unbanning of the African National Congress, and the lifting of the state of emergency in three provinces, the South African Government has clearly begun to move down the path toward a new, truly free South Africa. I deeply hope that the remaining preconditions for negotiations—including the freeing of all political prisoners—will soon be met.

As Mr. Mandela arrives in the United States, I believe that it is important that we recognize both his struggle for freedom and his faith in a democratic, nonracial South Africa by declaring the week of his visit "South African Freedom Week."

Mr. SIMON. Mr. President, tomorrow Nelson and Winnie Mandela will arrive in the United States. And next week the Congress will have the honor of hearing Mr. Mandela's address before a joint session of Congress. Mr. Mandela's life—his courage and achievement—embodies the difficult struggle against apartheid and the hope for a new nonracial, democratic, and free South Africa. This resolution designating "South African Freedom Week" honors the long struggle for change in South Africa and Mr. Mandela's personal commitment, but it also recognizes the fundamental changes that must occur in South Africa before even this great man is truly free.

We join the American people in welcoming Nelson and Winnie Mandela to the United States.

ADDITIONAL COSPONSORS

S. 160

At the request of Mr. THURMOND, the names of the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of S. 160, a bill to require the construction of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate U.S. participation in that conflict.

S. 1515

At the request of Mr. MITCHELL, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1515, a bill to amend the Internal Revenue Code of 1986 to permit private foundations and community foundations to establish tax-exempt cooperative service organizations.

S. 1589

At the request of Mr. METZENBAUM, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor

of S. 1589, a bill to amend the Appalachian Region Development Act of 1965 to include Columbiana County, OH, as part of the Appalachian region.

S. 1878

At the request of Mr. GRAHAM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1878, a bill to amend title XIX of the Social Security Act to allow for State matching payments through voluntary contributions and State taxes.

S. 1933

At the request of Mr. HEINZ, the names of the Senator from Idaho [Mr. McCURE], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 1933, a bill to provide for the minting of coins in commemoration of the bicentennial of the death of Benjamin Franklin and to enact a fire service bill of rights and programs to fulfill those rights.

S. 2070

At the request of Mr. KOHL, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 2070, a bill to amend title 18, United States Code, to prohibit the possession or discharge of a firearm in a school zone.

S. 2222

At the request of Mr. BRADLEY, the names of the Senator from Nevada [Mr. REID], the Senator from Missouri [Mr. BOND], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 2222, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 2316

At the request of Mr. BRADLEY, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 2316, a bill to amend the Agricultural Act of 1949 to establish an equitable sugar price support program, and to require the use of a tariff rate quota to make this program effective.

S. 2591

At the request of Mr. BAUCUS, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 2591, a bill to amend title XVIII of the Social Security Act to provide relief from certain regulations relating to physicians' services.

S. 2602

At the request of Mr. METZENBAUM, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Washington [Mr. ADAMS], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 2602, a bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs, and for other purposes relating to Alzheimer's disease and related disorders.

S. 2677

At the request of Mr. LAUTENBERG, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Ms. MIKULSKI], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 2677, a bill to extend for 2 years the operation of sections 599D and 599E of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990.

S. 2699

At the request of Mr. ROTH, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 2699, a bill to amend title 31 of the United States Code to restrict the use of appropriations amounts available for definite periods.

S. 2723

At the request of Mr. BURNS, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 2723, a bill to amend the Rail Passenger Service Act to authorize appropriations for the National Railroad Passenger Corporation and for other purposes.

SENATE JOINT RESOLUTION 282

At the request of Mr. WILSON, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of Senate Joint Resolution 282, a joint resolution to designate the decade beginning January 1, 1990, as the "Decade of the Child."

SENATE JOINT RESOLUTION 298

At the request of Mr. THURMOND, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of Senate Joint Resolution 298, a joint resolution to provide for the erection of a memorial in the Arlington National Cemetery to honor U.S. combat glider pilots of World War II.

SENATE JOINT RESOLUTION 306

At the request of Mr. SIMON, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Maine [Mr. COHEN], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Joint Resolution 306, a joint resolution to designate the period commencing October 21, 1990, and ending October 27, 1990, as "National Humanities Week."

SENATE JOINT RESOLUTION 320

At the request of Mr. LAUTENBERG, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of Senate Joint Resolution 320, a joint resolution designating July 2, 1990, as "National Literacy Day."

SENATE JOINT RESOLUTION 324

At the request of Mr. DOLE, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator

from Nevada [Mr. BRYAN], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from Montana [Mr. BURNS], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from South Dakota [Mr. DASCHLE], the Senator from Connecticut [Mr. DODD], the Senator from New Mexico [Mr. DOMENICI], the Senator from Nebraska [Mr. EXON], the Senator from Washington [Mr. GORTON], the Senator from North Carolina [Mr. HELMS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Massachusetts [Mr. KERRY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maine [Mr. MITCHELL], the Senator from Georgia [Mr. NUNN], the Senator from Michigan [Mr. RIEGLE], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Tennessee [Mr. SASSER], the Senator from Alabama [Mr. SHELBY], the Senator from Wyoming [Mr. SIMPSON], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Alaska [Mr. STEVENS] and the Senator from Idaho [Mr. SYMMS], were added as cosponsors of Senate Joint Resolution 324, a joint resolution to designate June 3, 1990, as "Week of the National Observance of the 50th Anniversary of World War II."

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. HATFIELD, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of Senate Concurrent Resolution 91, a concurrent resolution expressing the sense of the Congress with respect to achieving common security in the world by reducing reliance on the military and redirecting resources toward overcoming hunger and poverty and meeting basic human needs.

SENATE CONCURRENT RESOLUTION 125

At the request of Mr. COHEN, the names of the Senator from Nebraska [Mr. EXON], the Senator from Alabama [Mr. SHELBY], the Senator from Vermont [Mr. JEFFORDS], the Senator from Michigan [Mr. RIEGLE], the Senator from Indiana [Mr. COATS], the Senator from South Dakota [Mr. PRESSLER], the Senator from South Dakota [Mr. DASCHLE], the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of Senate Concurrent Resolution 125, a concurrent resolution expressing the sense of Congress regarding adequate funding for long-term health care

services provided through the Medicare and Medicaid Programs.

SENATE CONCURRENT RESOLUTION 134

At the request of Mr. HEINZ, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Concurrent Resolution 134, a concurrent resolution expressing the sense of Congress concerning a 1991 White House Conference on Aging.

SENATE CONCURRENT RESOLUTION 138

At request of Mr. MACK, the names of the Senator from Montana [Mr. BURNS], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Missouri [Mr. BOND], the Senator from Tennessee [Mr. GORE], the Senator from Virginia [Mr. ROBB], the Senator from Iowa [Mr. HARKIN], the Senator from Wisconsin [Mr. KOHL], the Senator from Hawaii [Mr. AKAKA], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Washington [Mr. ADAMS], the Senator from Nebraska [Mr. EXON], the Senator from New York [Mr. D'AMATO], the Senator from Arizona [Mr. McCAIN], the Senator from Massachusetts [Mr. KERRY], the Senator from Washington [Mr. GORTON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Oklahoma [Mr. BOREN], the Senator from Louisiana [Mr. BREAUX], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Concurrent Resolution 138, a concurrent resolution expressing the sense of the Senate that contacts between the United States and the Palestine Liberation Organization should be suspended if the PLO has not taken certain actions.

SENATE RESOLUTION 231

At the request of Mr. BRADLEY, the name of the Senator from Kentucky [Mr. McCONNELL] was added as a cosponsor of Senate Resolution 231, a resolution urging the submission of the Convention on the Rights of the Child to the Senate for its advice and consent to ratification.

SENATE RESOLUTION 288

At the request of Mrs. KASSEBAUM, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of Senate Resolution 288, a resolution expressing the sense of the Senate regarding the reopening of universities in the West Bank and Gaza without delay.

SENATE RESOLUTION 298

At the request of Mr. GRAHAM, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Resolution 298, a resolution to express the sense of the Senate that efforts to investigate and prosecute financial in-

stitution crimes should be fully funded.

AMENDMENT NO. 1672

At the request of Mr. McCONNELL, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of amendment No. 1672 intended to be proposed to S. 1970, a bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.

AMENDMENT NO. 2024

At the request of Mr. HEINZ, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from New York [Mr. D'AMATO], the Senator from Nevada [Mr. BRYAN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of amendment No. 2024 proposed to S. 566, a bill to authorize a new corporation to support State and local strategies for achieving more affordable housing, to increase home ownership, and for other purposes.

At the request of Mr. SANFORD, his name was added as a cosponsor of amendment No. 2024 proposed to S. 566, supra.

At the request of Mr. GRAHAM, his name was added as a cosponsor of amendment No. 2024 proposed to S. 566, supra.

SENATE CONCURRENT RESOLUTION 139—RELATIVE TO A UNITED STATES-MEXICO FREE TRADE AGREEMENT

Mr. DECONCINI submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 139

Whereas Mexican President Carlos Salinas de Gortari has initiated and implemented critical economic reforms to drastically reduce Mexico's annual inflation rate and to reduce the country's foreign debt;

Whereas bilateral trade between the United States and Mexico, our third largest trading partner, topped \$52 billion in 1989, with United States exports more than doubling between 1986 and 1989 from \$12.4 billion to \$25 billion;

Whereas the United States and Mexico are committed to the success of the multilateral trade negotiations presently being conducted at the Uruguay Round of the General Agreement on Tariffs and Trade, particularly in regard to agriculture, textiles, intellectual property rights, and services;

Whereas cooperation between the United States and Mexico on antinarcotics efforts has steadily improved since President Salinas de Gortari took office;

Whereas the United States and Mexico have entered into two important framework agreements during the past 3 years which have assisted in improving their bilateral trade and investment relationship;

Whereas during the 30th Mexico-United States Interparliamentary Conference on May 25 and 26, 1990, both the United States and Mexican delegates agreed that before the United States and Mexico enter into a free trade agreement, they must first estab-

lish consultative talks in order to explore the possibility of a free trade agreement and to report back to both administrations;

Whereas the world economic picture is rapidly changing with the opening of the Soviet Union and Eastern Europe, negotiations on a 1992 European Community, and the continued expansion of the Pacific rim countries;

Whereas Congress plays a critical role in the formulation and approval of any United States free trade agreement; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) President Bush and President Salinas de Gortari be commended for their decision on June 11, 1990, to move in a timely fashion toward negotiations on trade, investment, and other areas of mutual concern in order to explore the possibility of a United States-Mexico Free Trade Agreement;

(2) the essential role of Congress in the enactment of a free trade agreement be recognized, and that the United States Trade Representative should, throughout the negotiating process, consult closely with Members of Congress representing key constituencies who would be affected by such agreements; and

(3) the United States Trade Representative should include the following issues in discussions with the Minister of Commerce and Industrial Development of Mexico:

(A) the consideration of both macro- and micro-economic factors which might prove an obstacle to a free trade agreement as well as the effect such an agreement might have on the United States economy;

(B) nontariff as well as tariff barriers; and

(C) an assessment of other issues, including labor force issues, intellectual property rights, environmental and health concerns, law enforcement and narcotics, agriculture, and infrastructure.

Mr. DECONCINI. Mr. President, we had the opportunity last week to witness what I believe is the start of a historic process between the United States and Mexico—the opening of preliminary discussions on a free trade agreement. During his recent visit to Washington, Mexican President Carlos Salinas de Gortari lobbied President Bush, Members of Congress, as well as American corporate leaders on the advantages of an agreement that would, among other things, eliminate trade barriers and import quotas.

Specifically, President Bush and Salinas have directed United States Trade Representative Carla Hills and Mexican Commerce Minister Dr. Jaime Puche, to begin the necessary preparatory work toward negotiations for a free trade agreement. This preliminary work will be presented to the two Presidents before they meet in Mexico in December.

Representing a State that shares a 400-mile border with Mexico, I am well aware of the strong social, cultural, and religious relationships the citizens of our two countries enjoy. Having grown up in Tucson, less than 2 hours from the Mexican border, I have many lifelong friends of Mexican heritage. Nevertheless, as many of my col-

leagues will attest, I have not hesitated to speak out in this body on Mexico's lack of cooperation in the past with United States antidrug efforts and the Mexican military, law enforcement, and government's failure to address corruption.

Last year the Senate adopted a resolution I introduced that commended President Salinas for his antidrug and anticorruption efforts and challenged Mexico to improve its record in this critical area.

Mr. President, earlier this month I traveled to Mexico City at the invitation of President Salinas and the United States-Mexico Chamber of Commerce. The distinguished chairman of the House Agriculture Committee, KIKI DE LA GARZA, and I, exchanged views with President Salinas on the possibility and direction of a United States-Mexico free trade agreement. I told President Salinas I would do my best in Congress to build support for such an agreement. As we are well aware, final approval on any proposed free trade agreement rests with Congress.

Today I am submitting a sense-of-the-Congress resolution concerning the start of preliminary talks between the United States and Mexico on a free-trade agreement. My resolution recognizes the economic accomplishments of the Salinas Government. It recognizes that bilateral trade between our two nations topped \$52 billion in 1989, with U.S. exports more than doubling between 1986 and 1989, from \$12 to \$25 billion. My current resolution also acknowledges the importance of the ongoing Uruguay round of the GATT negotiations and the substantive economic changes taking place in Western and Eastern Europe. Most important, my concurrent resolution stresses the essential role of Congress in the enactment of a free trade agreement and directs the U.S. Trade Representative to consult closely with Members of Congress during the negotiating process.

Although I am generally supportive of the concept of a United States-Mexico free-trade agreement, I believe there are critical issues that must be taken into consideration during the formulation of such an agreement. This concurrent resolution stipulates that the United States Trade Representative include a number of issues in her discussions with Mexican officials, including: labor, environment and health, law enforcement and narcotics, and agriculture. As you know, I have a particular interest in Mexico's level of cooperation in the war against drugs, and I will continue to monitor that cooperation in this vital area.

Mr. President, a free-trade agreement is not going to happen overnight. I commend President Bush and President Salinas for initiating the process and I hope to work with them. This

resolution urges the President to include Congress as a player in the negotiation process of a United States-Mexico free trade agreement.

I urge my colleagues to cosponsor this concurrent resolution.

AMENDMENTS SUBMITTED

NATIONAL HOUSING ACT

INOUE AMENDMENT NO. 2025

Mr. CRANSTON (for Mr. INOUE) proposed an amendment to the bill (S. 566) to authorize a new corporation to support State and local strategies for achieving more affordable housing; to increase home ownership; and for other purposes; as follows:

At the appropriate place insert:

Section 109 of the Housing and Community Development Act of 1974 (42 U.S.C. 5309) is amended by adding at the end the following new subsection:

"(d) The provisions of this section and section 104(b)(2) which relate to discrimination on the basis of race shall not apply to the provision of assistance by grantees under this title to the Hawaiian Home Lands."

GRAHAM AMENDMENT NO. 2026

Mr. GRAHAM proposed an amendment to the bill S. 566, supra, as follows:

At the appropriate place in the bill insert the following:

"In determining the Performance Funding System utility subsidy for public housing agencies, the Secretary shall include a cooling degree day adjustment factor. The method by which a cooling degree day adjustment factor is included shall be identical to the method by which the heating degree day adjustment factor is included."

WALLOP AMENDMENT NO. 2027

Mr. WALLOP proposed an amendment to the bill S. 566, supra, as follows:

At the end, add the following:

SECTION 1. DENOMINATIONS, SPECIFICATIONS, AND DESIGN OF COINS.

Subsection (d)(1) of section 5112 of title 31, United States Code, is amended by striking the fourth sentence.

SEC. 2. DESIGN CHANGES REQUIRED FOR CERTAIN COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) The design on the reverse side of the half dollar, quarter dollar, dime coin, 5-cent coin and one-cent coin shall be selected for redesigning. One or more coins may be selected for redesign at the same time, but the first redesigned coin shall have a design commemorating the two hundredth anniversary of the United States Constitution for a period of 2 years after issuance. After than 2-year period, the bicentennial coin shall have its design changed in accordance with the provisions of this subsection. Such selection, and the minting and issuance of the first selected coin shall be made not later than 1 year after the date of the enactment of this paragraph. All such redesigned

coins shall conform with the inscription requirements set forth in paragraph (1) of this subsection."

SEC. 3. DESIGN OF OBERVERSE SIDE OF COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) Subject to paragraph (2), the design on the obverse side of the half dollar, quarter dollar, dime coin, 5-cent coin, and one-cent coin shall contain the likenesses of those currently displayed and shall be considered for redesign. All such coin obverse redesigns shall conform with the inscription requirements set forth in paragraph (1) of this subsection."

SEC. 4. SELECTION OF DESIGNS.

The design changes for each coin authorized by the amendments made by this Act shall take place at the discretion of the Secretary and shall be done at the rate of one or more coins per year, to be phased in over 6 years after the date of the enactment of this Act. In selecting new designs, the Secretary shall consider, among other factors, thematic representations of the following constitutional concepts: freedom of speech and assembly; freedom of the press; right to due process of law; right to a trial by jury; right to equal protection under the law; right to vote; themes from the Bill of Rights; and separation of powers, including the independence of the judiciary. The designs shall be selected by the Secretary upon consultation with the United States Commission on Fine Arts.

SEC. 5. REDUCTION OF THE NATIONAL DEBT.

Subsection (a)(1) of section 5132 of title 31, United States Code, is amended by inserting after the third sentence the following: "Any profits received from the sale of uncirculated and proof sets of coins shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt."

GRAHAM AMENDMENT NO. 2028

Mr. GRAHAM proposed an amendment to the bill S. 566, supra; as follows:

On page 481, line 15, strike "shall" and insert the following: "may, subject to the availability of appropriations for contract amendments for the purposes of this subsection."

LIEBERMAN AMENDMENT NO. 2029

Mr. LIEBERMAN proposed an amendment to the bill S. 566, supra, as follows:

At the appropriate place, insert the following new title:

TITLE —FEDERAL GOVERNMENT CO-OPERATIVE PROGRAM WITH THE ADVANCED BUILDING CONSORTIUM

SEC. . SHORT TITLE.

This title may be cited as the "Advanced Building Consortium Act".

SEC. . FINDINGS.

The Congress finds that—
(1) there is a growing shortage of affordable housing for newly formed households, low- and moderate-income families and the homeless;

(2) one significant reason for this critical shortage is the high cost of constructing

new housing or renovating existing buildings;

(3) recent technological advances could be applied to the design, construction, maintenance and operations of buildings which could significantly reduce costs;

(4) the unique characteristics of the building industry, which is highly diversified and composed primarily of small businesses that are continually confronted with a wide variety of financial, technical and regulatory uncertainties, make it difficult for those responsible for the design, construction, installation, operation, maintenance and financing of buildings to assume additional uncertainties and risks which they associate with innovative building technologies;

(5) the Federal Government has a responsibility, as the owner and operator of the Nation's largest inventory of buildings in every geographical region, to seek reductions in the costs of constructing and operating buildings;

(6) the Federal Government has expended hundreds of millions of dollars in support of research and development of technologies that could be applied to buildings, but the results of that research are not applied to the Federal Government's buildings because the current procurement system makes it difficult for new building technologies to compete successfully with conventional technologies;

(7) the building industry, which has historically accounted for a significant portion of the gross national product, is now confronted with increasing foreign competition that threatens domestic companies in important market sectors, with corresponding substantial losses in employment;

(8) current institutional constraints impose high costs and require as much as 20 years to obtain the necessary market acceptance of new building technologies and therefore inhibit the private sector of the economy from investing in such worthwhile endeavors;

(9) the development of a cooperative program between the Federal Government and a responsible entity representing leaders of the building industry who are concerned with improving the above described conditions and capable of providing expertise and leadership to provide for the introduction, use and evaluation of cost-saving technological innovations in new and existing buildings owned and operated by the Federal Government, could facilitate the introduction and the early use of such cost saving innovative building technologies by Federal, State and local public agencies and by the private sector of the economy;

(10) while a new cooperative program of the Federal Government and the building industry is needed to facilitate introduction of technological innovations, various private organizations and institutions, private industry, labor, and Federal and other governmental agencies and other entities are presently engaged in building research, technology development, testing and evaluations and information dissemination and these capabilities should be effectively utilized wherever possible and appropriate in the implementation of this Act; and

(11) an authoritative nongovernmental instrumentality needs to be created by the Federal Government to address the problems and issues described in this section, with the advice and assistance of the various sectors of the building community, including labor and management, technical experts in building science and technology and State and local governments.

SEC. . CONSORTIUM AUTHORIZATION.

(a) ESTABLISHMENT.—There is established, for the purposes described in section , an appropriate nonprofit, nongovernmental instrument to be known as the Advanced Buildings Consortium (hereafter referred to as the "Consortium"), which shall not be an agency or establishment of the United States Government. The Consortium shall be subject to the provisions of this title and, to the extent consistent with this title, to the District of Columbia Nonprofit Corporation Act.

(b) DIRECTORS.—The Consortium shall have a Board of Directors (hereafter referred to a the "Board") consisting of not less than 15 nor more than 21 members who shall be appointed by the Secretary of Housing and Urban Development, in consultation with cooperating Federal agencies, from among senior executives representing the various segments of the building community of the various regions of the country with extensive experience in building industries, including (1) representatives of the building industry, product manufacturers, and experts in health, fire and safety, and (2) members representative of the public interest highly experienced in building technologies, including architects, professional engineers and representatives of consumer organizations. No Federal official shall be a member of the Board. Members of the Board shall not participate in any deliberations of the Board affecting technologies or related matters where they hold a financial interest or membership in, or employment by, or receive other compensation from, any company, association, or other group associated with the manufacture, distribution, installation, or maintenance of the building products, equipment, systems, subsystems, or other construction materials and techniques associated with the building technology under consideration or with the conventional technology for which the new technology may be a substitute.

(c) NO STOCK.—The Consortium shall have no power to issue any shares of stock or to declare or pay any dividends. No part of the income or assets of the Consortium shall inure to the benefit of any director, officer, employee or other individual except as salary or reasonable compensation for services.

(d) POLITICAL CONTRIBUTIONS.—The Consortium shall not contribute to or otherwise support any political party or candidate for elective public office.

SEC. . CONSORTIUM FUNCTIONS AND RESPONSIBILITIES

(a) IN GENERAL.—The Consortium shall conduct research involving, and take actions to facilitate and promote the use of, new, cost-saving building technologies. In carrying out its activities, the Consortium shall—

(1) select and evaluate new building technologies, including energy cost savings technologies, that conform to recognized performance criteria and meet test standards for maintenance of life, safety, health, and public welfare when used in occupied buildings;

(2) conduct needed investigations in direct support of paragraph (1);

(3) conduct economic analyses of proposed new technologies when produced and installed in buildings at volumes associated with comparable conventional technologies;

(4) in collaboration with cooperating Federal agencies, advise building designers, installers, subcontractors, contractors and supervising officials responsible for buildings in the appropriate design and use of the in-

novative building technology incorporated in federally owned or operated buildings;

(5) in collaboration with cooperating Federal agencies, monitor and evaluate the performance of new building technologies for at least 1 year after installation and building occupancy; and

(6) assemble and disseminate technical data and other information directly related to activities described in paragraphs (1) through (5) of this subsection.

(b) DELEGATION AND MONITORING.—The Consortium, in exercising its functions and responsibilities described in subsection (a) of this section, shall—

(1) assign and delegate to the maximum extent possible, responsibility for conducting each of the activities described in subsection (a) to private organizations, institutions, agencies, and Federal and other governmental entities that have a demonstrated capacity to exercise or contribute to the exercise of such responsibility,

(2) monitor the performance achieved through assignment and delegation, and

(3) when deemed necessary, reassign and delegate such responsibility.

(c) CONSISTENCY WITH OTHER LAW.—The Consortium, in exercising its functions and responsibilities under subsections (a) and (b) of this section, shall—

(1) assure to the extent possible that its actions and recommendations are consistent with nationally recognized performance criteria, standards, and other technical provisions of Federal, State, and local building codes and regulations and conform with generally accepted community and environmental standards; and

(2) consult with the Department of Justice and other agencies of Government to the extent necessary to insure that the national interest is protected and promoted in the exercise of its functions and responsibilities.

SEC. . FEDERAL PARTICIPATION.

(a) COOPERATIVE PROGRAM.—The Secretary of Housing and Urban Development, the Secretary of Defense, the Secretary of Agriculture, the Secretary of Energy, and the Administrator of General Services, and other departments, agencies and establishments of the Federal Government having responsibility for more than 1,000 buildings or for operating buildings at an annual cost of at least \$1,000,000 shall participate in a cooperative program with the Consortium to develop and implement programs to incorporate one or more of the recommended new technologies in a new or existing building within each department. The initial selection of the new technology and the specific building project in which the new technology will be incorporated shall be determined jointly by the cooperating Federal agency and the consortium within 1 year after the date of enactment of this Act. The technology selected shall be appropriate to the building selected, and its intended uses, and shall offer maximum opportunity to demonstrate cost savings.

(b) REQUIRED ASSURANCES.—Upon agreement between the Federal agency and the Consortium with respect to the selection of the appropriate technology and the schedule of necessary work, the Consortium shall—

(1) provide the Federal agency with a 5-year guarantee from the technology manufacturer that all necessary corrections to the technology will be made in the design, installation, and maintenance of the technology and that all malfunctions will be re-

paired without delay and that the technology manufacturer will be responsible for removal of the technology in the event of its failure to perform as required;

(2) provide the Federal agency and its officials responsible for constructing or renovating the buildings utilizing the new technology, as well as the designers, installers, subcontractors and contractors responsible for the design, construction or renovation of the buildings utilizing the new technology with the technical information necessary to assure the most appropriate use of the new technology;

(3) in collaboration with the Federal agency, monitor and evaluate the performance of the new technology; and

(4) prepare reports to be made available to public agencies at all levels of government, to the industry and to the public on the performance of the new technology.

(c) **PROCUREMENT WAIVER.**—Each Federal agency participating in this program is authorized to waive the applicability of procurement laws or regulations and deem the Consortium to be a sole source of the agreed-upon new technology for the selected building or facility. Competitive bidding for all other work in the selected building or facility shall conform with Federal building procurement regulations.

(d) **SET-ASIDE.**—Each Federal agency participating in this cooperative program shall set aside special funds in its annual appropriated building construction and renovation budget, in an amount not exceeding \$1,000,000 in any fiscal year to provide for the costs of testing, monitoring, and evaluating the new technologies employed in this program.

(e) **ANNUAL REPORT.**—Each participating Federal agency shall report annual to the Congress or its efforts to implement the purpose of this Act.

SEC. . AUTHORIZATION.

There are authorized to be appropriated to the Consortium an amount not to exceed \$500,000 for each of the first 2 years of the Consortium's operation. Such funds shall remain available to the Consortium until expended.

SEC. . ANNUAL REPORT.

The Consortium shall submit an annual report for the preceding year to the President for transmittal to the Congress within 60 days of its receipt. The report shall be a comprehensive and detailed report of the Consortium's operations, activities, financial condition, and accomplishments under this title and of the extent of the cooperation received from participating Federal agencies, and may include recommendations as the Consortium deems appropriate.

CRANSTON AMENDMENT NO. 2030

Mr. CRANSTON proposed an amendment to the bill S. 566, supra; as follows:

On page 309, line 6, strike "and".

On page 309, line 12, strike the period and insert "; and".

On page 309, between lines 12 and 13, insert the following:

(B) facilitate the establishment and efficient operation of employer-assisted housing programs through research technical assistance and demonstration projects.

On page 486, line 7, strike out "this paragraph" and insert "subparagraph (A)".

On page 486, line 8, after the period, insert the following: "Assistance under sub-

paragraph (B) shall be for a period of not to exceed 3 years and may be renewed, subject to the availability of appropriations, upon a determination of continuing need."

On page 526, beginning with "(A) on line 1, strike all through "(B)" on line 4.

On page 556, line 9, strike "(other than staff)".

On page 472, line 15, before "The" insert the following:

"(A) **MANDATORY WAIVER.**—The Secretary shall reduce or waive the matching requirement specified under paragraph (1) for individual organizations that are not affiliated with national nonprofit organizations.

"(B) **DISCRETIONARY WAIVER.**—

On page 258, line 11, after "by" insert the following: "striking '1991' and inserting '1993', and by".

On page 303, between lines 9 and 10, insert the following:

SEC. . EQUAL OPPORTUNITY.

(a) **SOLICITATION OF CONTRACTS.**—Each participating jurisdiction shall prescribe procedures acceptable to the Secretary to establish and oversee a minority outreach program within each such jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction.

(b) **REPORT TO CONGRESS.**—

(1) **IN GENERAL.**—Before the end of the 180-day period beginning on the date regulations are promulgated under this title, the Secretary shall submit to the Congress a report containing a description of the actions taken by each participating jurisdiction pursuant to subsection (a) and such recommendations for administrative and legislative action as the Department may determine to be appropriate to carry out the purposes of such subsection.

(2) **REPORT.**—The Secretary shall include in each annual report required under section 383 a description of the actions taken by each participating jurisdiction pursuant to subsection (a) and such recommendations for administrative and legislative action as may be appropriate to carry out the purposes of such subsection.

At the appropriate place in the original bill insert the following section:

The Secretary shall undertake a study to determine the actuarial soundness of implementing a program to guarantee downpayments for first-time homebuyers based on a system of downpayment savings accounts and payment schedules that require monthly or other periodic payments over a specified period of time in an amount equal to a specified percentage of the value of housing at the time of purchase in a specified housing market area or census tract.

At the end of title VIII, add the following:

SEC. . ESCROW ACCOUNTS.

Section 501(e) of the Housing Act of 1949 is amended by inserting after the third sentence the following: "The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State

where State law requires payment of interest on escrowed funds."

At the end of title IX, add the following:

SEC. . ALLOCATION FORMULA IN CASES OF ANNEXATION.

(a) **IN GENERAL.**—Section 102(a)(12) of the Housing and Community Development Act of 1974 is amended by inserting at the end thereof the following: "Where the boundaries for a metropolitan city or urban county used for the 1980 Census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 Census in the boundaries used for the 1980 Census over the population based on the 1980 Census in the current boundaries."

(b) **APPLICABILITY.**—The amendment made by subsection (a) shall apply to the extent approved in appropriations acts to the first allocation of assistance under section 106 that is made after the date of enactment of this section and to each allocation thereafter for a period not exceed three years after the date of annexation.

NONINDIGENOUS AQUATIC NUISANCE ACT

McCONNELL AMENDMENT NO. 2031

(Ordered referred to the Committee on Environment and Public Works.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill (S. 2244) to prevent and control infestations of the coastal and inland water of the United States by the zebra mussel, and other nonindigenous aquatic nuisance species, as follows:

At the appropriate place, add the following:

TITLE —SUBSTITUTE NONINDIGENOUS AQUATIC NUISANCE ACT OF 1990

SECTION 1. SHORT TITLE.

This Act may be cited as the "Substitute Nonindigenous Aquatic Nuisance Act of 1990".

SEC. 2. DEFINITIONS.

As used in this Act, the term—

(1) "ballast water" means any water taken aboard to be used for ballasting purposes (to manipulate the trim and stability of a vessel);

(2) "nonindigenous species" means any species that is not native to the ecosystem, including any such organism transferred from one country to another;

(3) "high seas" means waters outside the exclusive economic zone of any nation;

(4) "environmentally sound" methods or techniques means methods or techniques that have a minimal impact on the natural ecology of an ecosystem, including integrated pest management techniques with an emphasis on nonchemical measures; and

(5) "aquatic nuisance" means a nonindigenous species which threatens the biodiversity, environmental stability, or the economic or recreational development of a water resource.

SEC. 3. FINDINGS.

The Congress finds that—

(1) the transport of untreated water between ports in the ballast tanks of ships results in unintentional introduction of nonindigenous species to fresh, brackish, and salt-water environments;

(2) when environmental conditions are favorable, nonindigenous species become established, successfully reproduce, and may disrupt the economy and the industry of an area;

(3) several nonindigenous species which could be transported into the waters of the United States in ballast tanks are known to be actual or potential threats to saltwater and freshwater ecosystems;

(4) the zebra mussel (*Dreissena polymorpha*) was unintentionally introduced into the Great Lakes in Lake St. Clair through ballast water exchange, and the species became established and rapidly spread downstream through all of the Great Lakes, the St. Lawrence River, and inland lakes of Pennsylvania and New York;

(5) if left uncontrolled, through transport of larvae and unintentional transport via boats, water transfers among the Mississippi and Ohio River basins, and the Allegheny River (a headway tributary of the Ohio River), the zebra mussel is expected to infest over two-thirds of the continental United States;

(6) the zebra mussel colonizes water inlet pipes (which causes reduced water flow), boat hulls (which causes increased drag), and other hard surfaces such as rocks;

(7) the potential disruption of the aquatic ecosystems by the zebra mussel, including adverse effects on biodiversity of lakes and rivers, and reductions in fish populations (including sport and commercial fisheries, and other fish populations), could be severe;

(8) a coordinated research, control, and education effort is needed to attenuate the spread of the zebra mussel and other aquatic nuisance species throughout the United States;

(9) specifically, research is needed to explore environmentally sound approaches to control such nuisance species; and

(10) research is also needed on the basic biology of aquatic nuisance species, particularly the zebra mussel, and the environmental impacts of such aquatic nuisance species, including impacts on biodiversity.

SEC. 1. PURPOSES.

The purposes of this Act are—

(1) to prevent unintentional introduction of nonindigenous species into waters of the United States through ballast water management and other requirements;

(2) to coordinate research, control activities, and information regarding aquatic nuisance species, and reduce the burden of these tasks from already overburdened State and local agencies;

(3) to contain the spread of the zebra mussel and other aquatic nuisance species in the waters of the United States through educational programs geared to early identification and control methods;

(4) to establish aquatic nuisance species research programs to develop environmentally sound control methods, monitor distribution, study the basic biology of such species, and investigate potential human health impacts of such species, as well as potential environmental and economic impacts;

(5) to minimize economic and ecological impacts of nonindigenous aquatic nuisance species if any such species become established (as has the zebra mussel); and

(6) to declare the zebra mussel an injurious species and to provide for further declarations of injurious species status as needed

to prevent the intentional transport of aquatic nuisance species (other than for permitted research purposes).

TITLE I—UNITED STATES COAST GUARD REGULATIONS

SEC. 101. REGULATIONS TO PREVENT UNINTENTIONAL INTRODUCTION OF NONINDIGENOUS SPECIES INTO AND WITHIN THE WATERS OF THE UNITED STATES.

(a) IN GENERAL.—(1) The Secretary of the Department of Transportation, under which the Coast Guard operates (hereafter in this Act referred to as the "Secretary"), acting through the Commandant of the United States Coast Guard, and in consultation with—

(A) the Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration;

(B) the Secretary of the Interior, acting through the Director of the Fish and Wildlife Service;

(C) the Administrator of the Environmental Protection Agency; and

(D) the heads of other relevant departments or agencies (as determined by the Secretary);

shall, not later than 6 months after the date of the enactment of this Act, promulgate such regulations as may be necessary for the prevention and control of the transportation into the waters of the United States of viable biological materials in the ballast waters of ships.

(2) Except as provided in subsections (b) and (c), the regulations promulgated under this subsection shall—

(A) require a vessel to carry out high sea exchange of ballast water prior to releasing ballast water into any of the waters of the United States; and

(B) allow for the use of alternative ballast water management methods in lieu of the method described in subsection (A) as such alternative methods are developed and recommended by the Secretary pursuant to paragraph (5) of the subsection (d).

(b) REGULATIONS TO PREVENT UNINTENTIONAL TRANSFERS.—The Secretary, in consultation with the official described in subparagraphs (A) through (D) of subsection (a)(1), shall promulgate such regulations as the Secretary determines to be necessary to prevent unintentional transfer or introduction of nonindigenous species by ships operating exclusively within the territorial waters of the United States or coastal waters of North America (as defined by the Secretary). A ship described in this subsection shall not be subject to high seas ballast water exchange requirements described in subsection (a)(2).

(c) EXEMPTION FOR SHIPS THAT TREAT WATER.—A ship that is subject to the requirements that prescribe the treatment of ballast water for the removal of chemical contaminants shall not be subject to the high seas ballast water exchange requirement described in subsection (a)(2).

(d) REQUIREMENTS FOR REGULATIONS.—The regulations promulgated under subsections (a) and (b) shall—

(1) ensure the right of any captain of a ship to protect the safety of his or her ship and the crew and passengers of such ship;

(2) apply to all foreign flag ships and United States Flag ships; and

(3) for the purpose of reflecting the principle that the ballast water from one ship is sufficient for the introduction and establishment of an aquatic nuisance species, include an enforcement mechanism such as—

(A) mandatory return to deep sea ballast exchange areas;

(B) fines; and

(C) application of other environmentally sound ballast water treatment methods;

(4) provide for random sampling procedures to monitor compliance and for sampling for the biological content of ballast water (in cooperation with the appropriate officials of the United States Fish and Wildlife Service); and

(5) be revised as more methods are developed and recommended by the Secretary (in consultation with officials described in subparagraphs (A) through (D) of subsection (a)(1), on the basis of the findings of the report required under section 207 of the Coast Guard Authorization Act of 1989, or on the basis of other reports that the Secretary determines to be appropriate.

(e) CIVIL PENALTY.—The Secretary of Transportation is authorized to assess a civil penalty in an amount not to exceed \$35,000 against the owner or operator, or both, of any ship in violation of regulations promulgated pursuant to this Act. All civil penalties assessed pursuant to this Act shall be available, as provided by appropriation Acts, to endow research on the control of nonindigenous species.

TITLE II—ZEBRA MUSSEL AND AQUATIC NUISANCE SPECIES RESEARCH, CONTROL, AND EDUCATIONAL PROGRAM

SEC. 201. COORDINATION OF RESEARCH.

(a) NATIONAL COOPERATIVE ACTION GROUP.—(1) The Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, and the Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration (hereinafter referred to as the "National Cooperative Action Group"), shall jointly take such action as may be necessary to coordinate national research, control, and educational efforts associated with the zebra mussel and other aquatic nuisance species in or threaten the waters of the United States.

(2)(A) The National Cooperative Action Group is authorized to establish such regional commissions as the National Cooperative Action Group determines to be necessary to assist in carrying out the purpose of this Act.

(B) A regional commission described in subparagraph (A) shall be—

(i) established along the boundaries of one or more adjacent, similarly with potential for infestation (with aquatic nuisance species) water-resources regions, as defined in the United States Geological Survey 1982 map of surface water and related land resource development in the United States and Puerto Rico; and

(ii) composed of not more than 15 members appointed by the National Cooperative Action Group as follows:

(I) 1 regional representative from the Department of the Interior;

(II) 1 regional representative from the Department of Commerce;

(III) 1 regional representative from the Environmental Protection Agency;

(IV) 1 representative from the raw water users industry (as defined by the National Cooperative Action Group), or an association of such raw water users industries;

(V) 1 representative from the recreational and sport fishing industry (as defined by the National Cooperative Action Group);

(VI) 8 representatives from State governments and the governments of political subdivisions of States that process the rights of

those waters which are directly vulnerable to infestation; and

(VII) not more than 2 representatives from regional organizations or authorities selected by the National Cooperative Action Group.

(3) The National Cooperative Action Group shall coordinate the regional commissions established under this section and facilitate the transfer of information among such regional commissions.

(4) Upon the request of the chairman of any regional commission, and after consultation with the National Cooperative Action Group, the head of any Federal department or agency is authorized to detail to such regional commission any of the personnel of such department or agency to assist the regional commission in the performance of the functions of such regional commissions under this Act.

(5) The Secretary of the Interior and the Secretary of Commerce may provide to each regional commission such administrative and technical support services as the Secretary of the Interior and the Secretary of Commerce determine to be necessary for the effective functioning of such regional commissions.

(6) The Administrator of General Services is authorized to furnish each regional commission under this Act with such offices, equipment, supplies, and services as the Administrator is authorized to furnish to any other agency or instrumentality of the United States.

(7) The National Cooperative Action Group shall provide timely advice to the Secretary of State concerning aquatic nuisance species that infest water resources shared with other countries.

(b) **ROLE OF REGIONAL COMMISSIONS.**—Regional commissions established pursuant to this section shall—

(1) identify regional priorities with respect to the aquatic nuisance species;

(2) make recommendations to the National Cooperative Action Group concerning aquatic nuisance species;

(3) coordinate programs established to carry out the purposes of the Act; and

(4) issue, on at least an annual basis, a report on regional research and education concerning aquatic nuisance species to the National Cooperative Action Group on research and education.

(c) **ADMINISTRATIVE PROVISIONS RELATING TO REGIONAL COMMISSIONS.**—(1) Members of a regional commission established pursuant to this section shall serve at the pleasure of the National Cooperative Action Group.

(2) Members of a regional commission shall receive no additional pay, allowances, or benefits by reason of service to the regional commission. Members who are not full-time Federal employees may be allowed travel expenses and per diem, in lieu of subsistence, at rates authorized for persons serving intermittently in the Government service under subchapter I of chapter 57 of title 5, United States Code, to the extent funds are available for such expenses.

(3) A majority of the members of a regional commission shall constitute a quorum, but one or more members designated by the regional commission may hold hearings.

(4) Members of a regional commission shall select a chairman from among the members of the regional commission.

(5) Each regional commission shall meet in the geographical area of the regional commission at the call of the chairman of the regional commission or upon the request of a majority of the members of the regional commission.

(6) Each regional commission may establish committees or work groups of technical representatives of members of the regional commission to advise the regional commission on specific matters relating to the functions of the commission authorized under this Act.

(7) Each regional commission may nominate, and assign duties to, a coordinator and such other full-time and part-time employees as the National Cooperative Action Group determines to be necessary for the performance of the functions of the regional commission.

(d) **EFFECT OF FEDERAL ADVISORY COMMITTEE ACT.**—Except as otherwise provided by this Act, each regional commission shall operate pursuant to the Federal Advisory Committee Act (5 U.S.C. App).

(e)(1) **REGIONAL COMMISSION FOR THE GREAT LAKES.**—Not later than 30 days after the enactment of this Act, the National Cooperative Action Group shall establish a regional commission for the Great Lakes region described in paragraph (2).

(2) For the purposes of this subsection, the Great Lakes Region shall encompass the following regions (as designated in the United States Geological Survey 1982 map of surface and related land resource development in the United States and Puerto Rico):

(A) Great Lakes Region 4;

(B) Ohio Region 5; and

(C) Upper Mississippi Region 7.

(3) The National Cooperative Action Group shall request that the Great Lakes Fishery Commission—

(A) designate a representative to serve on the regional commission described in this subsection;

(B) advise, coordinate, and provide secretarial services on matters related to Great Lake fisheries, related environmental concerns, and interactions with the Government of Canada; and

(C) provide technical services for any technical services for any technical committee established by the National Cooperative Action Group to address matters described in subparagraph (B).

(4) The National Cooperative Action Group shall request that the Great Lakes Commission—

(A) designate a representative to serve on the regional commission described in this subsection;

(B) advise, coordinate, and provide secretarial services on matters related to the economic impacts of the zebra mussel on the geographic area of the Great Lakes region, and interactions with the Government of Canada; and

(C) provide technical services for any technical committee established by the National Cooperative Action Group to address matters related to the economic impacts of the zebra mussel on the geographic area of the Great Lakes region.

(5) The National Cooperative Action Group shall request that the University of Louisville Water Resources Department—

(A) designate a representative to serve on the regional commission described in this subsection;

(B) advise, coordinate, and provide secretarial services on matters related to the economic impacts of the zebra mussel on the geographic area of the Ohio Region; and

(C) provide technical services for any technical committee established by the National Cooperative Action Group to address matters related to the economic impacts of the zebra mussel on the geographic area of the Ohio Region.

SEC. 202. LEAD AGENCIES.

(a) **ROLE OF THE SECRETARY OF COMMERCE.**—As part of the original effort to address aquatic nuisance species in the United States, the Secretary of Commerce, acting through the Administrator of the National Oceanic and Atmospheric Administration (who shall consult the head of the National Sea Grant College Program) shall, in response to the recommendations of the regional commissions established under section 201, serve as the head of the lead agency in connection with program to—

(1) carry out administrative activities related to the regional commission;

(2) investigate the basic biology of aquatic nuisance species;

(3) research, propose, and evaluate aquatic nuisance species control methods (with an emphasis on environmentally sound methods of control for industry, commercial, and recreational users of infested waters);

(4) provide timely advice to the Administrator of the Environmental Protection Agency, the Director of the United States Fish and Wildlife Service, and the chairmen of the regional commissions established under section 201, concerning aquatic nuisance species control methods proposed or in use;

(5) develop and implement educational programs through Sea Grant Marine Advisory Services, and any other available resources that the Secretary of Commerce determines to be appropriate to inform the general public, State governments, governments of political subdivisions of States, and industrial and recreational users of aquatic resources in connection with matters concerning the identification of aquatic nuisance species, and control methods for such species, including the prevention of the further distribution of such species;

(6) notify State governments and the governments of political subdivisions of States, private raw water users (as defined by the Secretary of Commerce), and other interested or affected entities that the Secretary of Commerce determines to be appropriate, of projected rates and directions of the spread of the zebra mussel and other aquatic nuisance species in a manner that will facilitate timely planning to avoid, prevent, or compensate for likely impacts of such aquatic nuisance species;

(7) investigate methods for minimizing the economic impacts of the zebra mussel and other aquatic nuisance species on public, commercial, and private waters;

(8) assist in efforts in the public and private sector to control economic impacts of the zebra mussel and other aquatic nuisance species; and

(9) maintain a current list of control methods in use within the region served by such regional commission and make the list available upon request.

(b) **ROLE OF THE SECRETARY OF THE INTERIOR.**—As part of the regional effort to address aquatic nuisance species in the United States, the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, shall, in response to the recommendation of the regional commissions established under section 201, serve as the head of the lead agency in connection with programs to—

(1) investigate the basic biology of the zebra mussel and other nonindigenous species;

(2) research, and evaluate aquatic nuisance species control methods to protect biodiversity and the fisheries of waters (with emphasis on environmentally sound

methods) and make recommendations concerning such methods;

(3) establish a program with the assistance of the United States Coast Guard for the random sampling of ballast tanks;

(4) monitor the distribution and spread of the zebra mussel and other aquatic nuisance species, generate projections on the rate and direction of the spread of such infestations, and, with the assistance of personnel of the Sea Grant Marine Advisory Services, notify regions where infestations are pending for the purposes of advanced planning;

(5) monitor the effects on human health of the zebra mussel and other aquatic nuisance species;

(6) research and monitor the effects of the zebra mussel and other aquatic nuisance species on biodiversity of the affected regions; and

(7) advise the Administrator of the Environmental Protection Agency, the Administrator of the National Oceanic and Atmospheric Administration, and the chairmen of the regional commissions concerning current aquatic nuisance species control methods proposed or in use.

(c) MEMORANDA OF AGREEMENT CONCERNING LEAD AGENCY STATUS.—To maximize use of existing facilities, lead agency status within the boundaries of a given regional commission designation may be altered or shared by a mutual agreement between the departments or agencies described in subsections (a) and (b) through a memorandum of agreement filed not later than 60 days after the formation of the regional commission that is the subject of the memorandum of agreement. Such memorandum of agreement shall specify the activities for which the signatories to the agreement shall be responsible, and shall contain such provisions as are necessary to ensure the coordinated implementation of such activity. In the absence of a memorandum of agreement, lead agency status shall be determined pursuant to subsections (a) and (b).

(d) In regions for which inland waters (except for the Great Lakes) comprise the majority of the affected waterways (as in water resource regions 10, 11, 13, 14, 15, and 16 of the United States Geological Survey 1982 map of surface water and related land resource development in the United States and Puerto Rico) the United States Fish and Wildlife Service shall cooperate with Federal departments and agencies that implement other related programs in effect on the date of the enactment of this Act to fulfill all lead agency roles (as described in subsections (a) and (b)).

SEC. 203. RESEARCH RESTRICTIONS.

(a) LOCATION OF RESEARCH ACTIVITIES.—The research activities authorized under this Act concerning an aquatic nuisance species shall be carried out in areas specified by the National Cooperative Action Group (as established in section 203(a)).

(b) ALLOCATION OF FUNDING.—To the extent possible, funds for research authorized under this Act shall be allocated to existing facilities within areas with potential or existing infestation by the aquatic nuisance species subject to study.

(c) RESEARCH PRIORITIES.—In funding research related to the basic biology of the aquatic nuisance species, priority shall be given to research to advance the development of applied techniques of aquatic nuisance species prevention and control and the funding of such research efforts should be carried out as soon as possible.

SEC. 204. INTERACTION WITH FOREIGN COUNTRIES.

(a) The Secretary of State, in consultation with the National Cooperative Action Group and the Secretary, shall, to the extent allowable by law, initiate negotiations with the governments of foreign countries concerning the planning and implementation of prevention, research, education, and control programs related to aquatic nuisance species infesting shared water resources.

(b) In the case of the Great Lakes, the activities of the National Cooperative Action Group, the National Oceanic and Atmospheric Administration, the United States Fish and Wildlife Service, and the regional commission for the Great Lakes established under section 201(e) of this Act, shall conform with the goals of the Boundary Waters Treaty of 1909 and the Great Lakes Water Quality Agreement as amended in 1987 and such agencies shall cooperate with the Great Lakes Fishery Commission in all matters affecting Great Lakes fisheries.

SEC. 205. REPORTS.

Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the National Cooperative Action Group shall submit a report to the appropriate committees of the Congress that—

(1) summarizes reports of the regional commissions established under this Act and includes a summary of the progress of the regional commissions in meeting the goals established for such commissions under this Act; and

(2) makes recommendations concerning prevention and control of aquatic nuisance species that the National Cooperative Action Group determines to be appropriate.

SEC. 206. INJURIOUS SPECIES.

In accordance with section 42 of title 18, United States Code, the Secretary of the Interior shall declare the zebra mussel (*Dreissena polymorpha*) an injurious species.

SEC. 207. SEA GRANT SERVICES AND GRANTS TO UNIVERSITIES.

(a) GRANTS FOR UNIVERSITY RESEARCH.—The appropriate lead agency, as determined under this Act, shall allocate funds authorized under this Act for competitive university research grants to be administered through the Sea Grant College program to study aquatic nuisance species.

SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

(g) EDUCATION AND ASSISTANCE SERVICES.—In addition to the education and assistance services described under this Act provided by Sea Grant Marine Advisory Services, the appropriate Sea Grant College Program is authorized to conduct educational and assistance services related to the prevention and control of aquatic nuisance species.

There is authorized to be appropriated for fiscal years 1991, 1992, 1993, 1994, and 1995, in addition to any other amounts that might be authorized—

(1) \$950,000 to fund research at the Great Lakes Environmental Research Laboratory and other laboratories of the National Oceanic and Atmospheric Administration (of which not more than \$200,000 shall be used to fund administrative services by the Great Lakes Commission);

(2) \$1,650,000 to fund Sea Grant competitive university research grants described in section 207 which are conducted in the Great Lakes Region (as defined in paragraph (2) of section 201(a) of this Act);

(3) \$500,000 to fund Sea Grant College Program education and extension services described in section 207 which are conducted in the Great Lakes Region;

(4) \$100,000 to fund administrative services of the Great Lakes Fishery Commission;

(5) \$1,000,000 to fund research authorized under this Act conducted through the United States Fish and Wildlife Service in the Great Lakes Region (as defined in paragraph (2) of section 201(a) of this Act);

(6) \$3,300,000 to fund regulatory activities of the United States Coast Guard authorized under this Act;

(7) \$500,000 to fund Sea Grant Marine Advisory Service national education and extension services;

(8) \$500,000 to fund nationwide monitoring activities by the United States Fish and Wildlife Service; and

(9) such other sums as may be necessary to carry out the purposes of this Act.

NATIONAL HOUSING ACT

WIRTH (AND OTHERS) AMENDMENT NO. 2032

Mr. WIRTH (for himself, Mr. JEFFORDS, and Mr. HEINZ) proposed an amendment to the bill S. 566, supra, as follows:

Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

(v) Develop a Uniform Mortgage Financing Plan for Energy Efficiency.

(1) The Secretary of Housing and Urban Development, in consultation with the Secretary of Energy, shall within two years of the passage of the National Affordable Housing Act (NAHA), promulgate a uniform plan to make housing more affordable through mortgage financing incentives for energy efficiency.

(2) To develop this plan, the Secretary shall form a task force to make recommendation on financing energy efficiency in private mortgages, through the policies of federal agencies and federally-chartered financial institutions, mortgage bankers, homebuilders, real estate brokers, private mortgage insurers, energy suppliers and non-profit housing and energy organizations.

DANFORTH AMENDMENT NO. 2033

Mr. DANFORTH proposed an amendment to the bill S. 566, supra, as follows:

At the appropriate place, insert the following:

Sec. D. Section 408(f) of title 23, United States Code, is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new paragraph:

"(9) for the acquisition of video equipment to be used in detecting persons driving under the influence of alcohol or a controlled substance and in effectively prosecuting those persons."

BRYAN AMENDMENT NO. 2034

(Ordered to lie on the table.)

Mr. BRYAN submitted an amendment intended to be proposed by him to the bill S. 566, supra, as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Depositor Protection and Anti-Fraud Act of 1990".

SEC. 2. LIMITATIONS ON CERTAIN NONDEPOSIT MARKETING ACTIVITIES IN RETAIL BRANCHES OF FDIC-INSURED DEPOSITORY INSTITUTIONS.

(a) **IN GENERAL.**—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following new subsection:

"(o) **REGULATION OF CERTAIN NONDEPOSIT MARKETING ACTIVITIES IN RETAIL BRANCHES OF INSURED DEPOSITORY INSTITUTIONS.**—

"(1) **PROHIBITION ON SELLING CERTAIN INSTRUMENTS.**—No insured depository institution may permit any evidence of indebtedness of, or ownership interest in, that institution or any affiliate to be sold or offered for sale in any of the following:

"(A) A domestic branch of that institution at which insured deposits are accepted.

"(B) That institution's head office, if it accepts insured deposits and is located in the United States.

"(2) **EXCEPTIONS.**—Paragraph (1) shall not apply with respect to any of the following:

"(A) A deposit in an insured depository institution.

"(B) A traveler's check, cashier's check, teller's check, or money order, or other similar negotiable instrument typically sold by insured depository institutions in the ordinary course of business.

"(C) An interest in an investment company registered under the Investment Company Act of 1940.

"(D) The sale of instruments in large dollar amounts to a sophisticated investor.

"(E) The sale of instruments pursuant to a transaction regulated under section 563b of title 12 of the Code of Federal Regulations.

"(F) The exchange or transfer or conversion of an uninsured instrument for another uninsured instrument.

"(3) **REGULATORY EXEMPTIONS.**—The appropriate Federal banking agency may by regulation provide exemptions from paragraph (1) if at a minimum:

"(A) the exemption is in the public interest;

"(B) the purchasers would not be likely to confuse the evidence of indebtedness or ownership interest with an insured deposit because of the manner in which it is sold or offered for sale, or for any other reason;

"(C) the evidence of indebtedness or ownership interest would be sold or offered for sale on terms (including price) no less favorable for depositors than for persons similarly situated who are not depositors;

"(D) the seller or offeror institutes and follows procedures to determine before selling the instrument whether the instrument is appropriate for the purchaser, except to the extent that the agency determines that, in particular cases or classes of transactions, such procedures are not necessary to protect the public;

"(E) no broker or dealer registered under the Securities Exchange Act of 1934 (or any associated person) receives a greater sales commission in connection with a sale described in paragraph (1) than for a sale not described in paragraph (1); and

"(F) none of the following persons (other than a broker or dealer registered under the Securities Exchange Act of 1934, or an associated person) receives what is in substance a sales commission which is greater than

the amount typical for the industry or that exceeds the amount that could have been received by a person subject to paragraph 3(E) in connection with the sale or offer to sell described in paragraph (1):

"(i) The insured depository institution.

"(ii) An affiliate of the insured depository institution.

"(iii) An employee of the insured depository institution or any of its affiliates, or a person under the direction and control of the insured depository institution or any of its affiliates.

"(4) **ANNUAL REPORTS REQUIRED.**—Each appropriate Federal banking agency shall report annually to the Chairman and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Chairman and the ranking minority member of the Committee on Banking, Finance and Urban Affairs of the House of Representatives on any differences between that agency's regulations under this subsection and the regulations adopted by the other agencies under this subsection. Each report shall explain the reasons for any such differences, and shall be published in the Federal Register."

(b) **REGULATIONS.**—Not less than 180 days after the date of enactment of this Act, each appropriate Federal banking agency shall promulgate regulations to administer and carry out the purposes of this section.

(c) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective with respect to depository institutions regulated by each appropriate Federal banking agency immediately upon the effectiveness of final regulations promulgated by that agency under subsection (b), but in no event later than 270 days after the date of enactment of this Act.

SEC. 3. LIMITATIONS ON CERTAIN NONDEPOSIT MARKETING ACTIVITIES IN RETAIL BRANCHES OF FEDERALLY INSURED CREDIT UNIONS.

(a) **IN GENERAL.**—Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end the following new subsection:

"(j) **REGULATION OF CERTAIN NONDEPOSIT MARKETING ACTIVITIES IN RETAIL BRANCHES OF INSURED CREDIT UNIONS.**—

"(1) **PROHIBITION ON SELLING CERTAIN INSTRUMENTS.**—No insured credit union may permit any evidence of indebtedness of, or ownership interest in, any affiliate of that credit union to be sold or offered for sale in any of the following:

"(A) A domestic branch of that credit union at which insured shares are accepted.

"(B) That credit union's head office, if it accepts insured deposits and is located in the United States.

"(2) **EXCEPTIONS.**—Paragraph (1) shall not apply with respect to any of the following:

"(A) An insured share in an insured credit union.

"(B) A traveler's check, cashier's check, teller's check, or money order, or other similar negotiable instrument typically sold by federally insured depository institutions in the ordinary course of business.

"(C) An interest in an investment company registered under the Investment Company Act of 1940.

"(D) The sale of instruments in large dollar amounts to a sophisticated investor.

"(3) **REGULATORY EXEMPTIONS.**—The Board may by regulation provide exemptions from paragraph (1) if at a minimum:

"(A) the exemption is in the public interest;

"(B) the purchasers would not be likely to confuse the evidence of indebtedness or ownership interest with an insured share because of the manner in which it is sold or offered for sale, or for any other reason;

"(C) the evidence of indebtedness or ownership interest would be sold or offered for sale on terms (including price) no less favorable for shareholders than for persons similarly situated who are not shareholders;

"(D) the seller or offeror institutes and follows procedures to determine before selling the instrument whether the instrument is appropriate for the purchaser, except to the extent that the Board determines that, in particular cases or classes of transactions, such procedures are not necessary to protect the public;

"(E) no broker or a dealer registered under the Securities Exchange Act of 1934 (or any associated person) receives a greater commission in connection with a sale described in paragraph (1); and

"(F) none of the following persons (other than a broker or dealer registered under the Securities Exchange Act of 1934, or an associated person) receives what is in substance a sales commission in connection with the sale or offer to sell described in paragraph (1):

"(i) The insured credit union.

"(ii) An affiliate of the insured credit union.

"(iii) An employee of the insured credit union or any of its affiliates, or any person under the direction or control of the insured credit union or any of its affiliates.

"(4) **AFFILIATE DEFINED.**—For the purposes of this subsection, the term "affiliate" means any company that controls, is controlled by, or is under common control with another company.

"(5) **ANNUAL REPORTS REQUIRED.**—The Board shall report annually to the Chairman and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and the Chairman and the ranking minority member of the Committee on Banking, Finance and Urban Affairs of the House of Representatives on any differences between the Board's regulations under this subsection and the regulations adopted by the Federal banking agencies under section 18(o) of the Federal Deposit Insurance Act. The report shall explain the reasons for any such differences, and shall be published in the Federal Register."

(b) **REGULATIONS.**—Not less than 180 days after the date of enactment of this Act, the National Credit Union Administration Board shall promulgate regulations to administer and carry out the purposes of this section.

(c) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall become effective immediately upon the effectiveness of final regulations promulgated under subsection (b), but in no event later than 270 days after the date of enactment of the Act.

● Mr. BRYAN. Mr. President, I rise today to inform my colleagues of my intention to offer an amendment to the House bill. This amendment is a refined version of my legislation S. 2058, the Depositor Protection and Anti-Fraud Act of 1990, which is co-sponsored by a majority of both the Democrats and Republicans on the Senate Banking Committee.

The amendment is intended to minimize potential customer confusion be-

tween federally insured deposits and uninsured securities sold in the same offices. I urge my colleagues to take a close look at this amendment. ●

MANAGEMENT OF NATIONAL PARK SYSTEM RESOURCES

JOHNSTON AMENDMENT NO. 2035

Mr. CRANSTON (for Mr. JOHNSTON) proposed an amendment to the bill (H.R. 2844) to improve the ability of the Secretary of the Interior to properly manage certain resources of the National Park System, as follows:

At the end of section 2, insert the following new subsection (d):

"(d) SCOPE.—The provisions of this section shall be in addition to any other liability which may arise under Federal or State law."

CHACOAN OUTLIERS PROTECTION ACT

JOHNSTON AMENDMENT NO. 2036

Mr. CRANSTON (for Mr. JOHNSTON) proposed an amendment to the bill (S. 798) to amend title V of the act of December 19, 1980, designating the Chaco Culture Archeological Protection Sites, and for other purposes, as follows:

On page 5, lines 5 through 16, strike section 5 in its entirety and insert in lieu thereof:

"SEC. 5. AMENDMENT TO THE MASAU TRAIL.

Section 201 of Public Law 100-225 (101 Stat. 1539, 460uu-11) is hereby amended by striking 'New Mexico and eastern Arizona' wherever it occurs and inserting in lieu thereof 'New Mexico, eastern Arizona, and southwestern Colorado'."

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Thursday, June 21, 1990, beginning at 2 p.m., in 485 Russell Senate Office Building to consider for report to the Senate S. 381 to provide Federal recognition of the Mowa Band of Choctaw Indians in Alabama; S. 1918, to provide Federal recognition of the Jena Band of Choctaws of Louisiana; S. 1289, the Indian Forest and Woodlands Enhancement Act; S. 2167, to reauthorize appropriations for tribal colleges; S. 2213, to amend Tribal College Endowment Program; and S. 2297, the Indian Alcohol and Substance Abuse Prevention and Treatment Act to be followed by a hearing on S. 2451, to establish in the Department of the Interior a Trust Counsel for Indian Assets.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research and Development.

The purpose of the hearing is to receive testimony on the current operations and future mission of the Department of Energy's national laboratories. Testimony will be received on both the status of ongoing programs at the laboratories and the potential for new or enhanced programs in the future. Testimony will also be received on math and science initiatives that could utilize the expertise of the national laboratories.

The hearing will take place on Thursday, July 26, 1990, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to provide written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510, Attn: Mary Louise Wagner.

For further information, please contact Mary Louise Wagner at (202) 224-7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE NUTRITION AND FORESTRY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on June 19 at 2:30 p.m. to hold a business meeting on the 1990 farm bill.

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

SUBCOMMITTEE ON PROJECTION FORCES AND REGIONAL DEFENSE

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Projection Forces and Regional Defense of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, June 19, 1990 at 9:30 a.m. to receive testimony on DOD strategic lift requirements and capabilities in review of S. 2171 the DOD Authorization Act for fiscal year 1991.

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

SUBCOMMITTEE ON THE CONSTITUTION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, June 19, 1990 at 10 a.m., to hold a hearing on S. 34, a bill to amend title 28 of the United States Code to clarify the remedial ju-

risdiction of inferior Federal courts and Senate Joint Resolution 295, a joint resolution proposing an amendment to the Constitution of the United States to prohibit the Supreme Court or any inferior court of the United States from ordering the laying or increasing of taxes.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power Committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate 10 a.m., June 19, 1990, for a hearing to receive testimony on S. 1765, the Mid-Dakota Rural Water System Act of 1989, and S. 2710, a bill to authorize the Secretary of the Interior to construct the Lake Andes-Wagner and Marty II units in South Dakota.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on the nominations of James W. Holsinger to be chief medical director and Stephen A. Trodden to be inspector general, both for the Department of Veterans Affairs on Tuesday, June 19, 1990, at 9:30 a.m. in SR-418.

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

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, June 19, beginning at 10:30 a.m., to conduct a hearing on S. 2244, a bill to prevent and control infestations of the coastal and inland waters of the United States by the zebra mussel, and other nonindigenous aquatic nuisance species.

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

ADDITIONAL STATEMENTS

PISTONS: NBA CHAMPS GO TWO FOR TWO

● Mr. LEVIN. Mr. President, there they go again. The Detroit Pistons rise to the top of the National Basketball Association for the second year in a row is a rare accomplishment in sport; a standard of excellence shared by only two other franchises in basketball history.

The final victory in the five-game series capped a magical season and a

magical collection of championship games. When the Pistons went to Portland with the NBA finals tied at one game apiece, they took with them the memory of not having won a game in Portland since 1974. Nobody expected them to dominate the games in Portland. But through patience, hard work, and the deep reach of determination, the Pistons won game three 121 to 106, with guards Isiah Thomas, Joe Dumars, and Vinnie Johnston combining for 75 points. And the roll was on.

It was fitting that Joe Dumars stardom shone so brightly during the game, leading the team to victory with 33 points. Immediately after game 3, Dumars was told that his father had passed away that afternoon, Isiah Thomas, one of the few people in the Pistons organization who had learned of the death of Joe Dumars, Jr., prior to the beginning of the game, smiled inwardly as he watched Dumars ace an off-balance shot between three defenders and thought, "Your father helped that one in, Joe."

In an act of tremendous courage and strength, Joe Dumars stayed on with the team to play in games 4 and 5. For all that he has endured and all he has given, Joe Dumars is a champion. Our prayers and thoughts will be with him and his family during this most difficult time.

While this season was a team effort of MVP's—equally valuable players—only one man is the MVP, most valuable player, and that man is Isiah Thomas, chosen by unanimous vote. It has been written that his shooting during the finals seemed to come from the gods. Thomas averaged 27.6 points, 7 assists and 5.2 rebounds in 5 games and scored 29 points in the 5th, hitting all 3 of his 3 pointers.

Mr. President, the Detroit Pistons have shown us what grit, determination and hard work can do. Under Bill Davidson and Chuck Daly, the entire Pistons organization has made us doubly proud. All Michigan is thrilled with their back-to-back victories. Through their play, they have taken firm hold of the NBA's Larry O'Brien trophy and told all comers, as the words of the popular song that has become the team's anthem say, "You can't touch this." ●

DOUGLASS CATER, WASHINGTON COLLEGE

● Mr. SARBANES. Mr. President, at the end of June, Douglass Cater will be leaving as president of Washington College in Chestertown, MD. In February 1982, Douglass Cater, former White House aide to President Johnson, author, journalist, and educator, began what he called a very intensive love affair with a small liberal arts college. That love affair has benefited Washington College, its graduates,

students, and faculty as well as Chestertown and the State of Maryland, and I wish to express my personal gratitude for all that Doug Cater has achieved.

Under President Cater's leadership, Washington College, the 10th oldest chartered college in the Nation, has seen a marked growth both in its enrollment and endowment. Over the last 8 years, four new buildings have been added to the campus while existing ones have been renovated. Douglass Cater has brought scores of well-known speakers to the college, enhancing its academic standing throughout the State and the Nation. In 1987, he vigorously defended our small liberal arts schools on the editorial pages of the Washington Post and the New York Times. On a more personal note, he and his wife Libby brought warmth and charm to the academic and historic community of Chestertown.

At the end of this month, Douglass Cater will be leaving Washington College. In the fall, he will begin a fellowship at the National Humanities Center in North Carolina where he will reflect on the past 8 years and begin work on a book dealing with "great little liberal arts colleges."

Mr. President, the presidency of Douglass Cater at Washington College was part of an amazing career matched by few in public or private life. I join with all Marylanders in expressing our deep respect for the years Mr. Cater spent with us at a superb small liberal arts college.

I ask that a retrospective of the Cater years by Dr. Sherry Magill, vice president and deputy to the president of Washington College, and an interview conducted by Sue De Pasquale, a former Sophie Kerr Prize winner and currently assistant editor of the Johns Hopkins Alumni Magazine Consortium, both published in the Washington College magazine, be reprinted in the RECORD along with an editorial, entitled "Washington's Cater," from the May 30, 1990, edition of the Baltimore Sun.

The material follows:

[From the Baltimore Sun, May 30, 1990]

WASHINGTON'S CATER

The tenth oldest chartered college in the United States, Washington College, has cast an influence far greater than its size. And Douglass Cater, who is stepping down as president at age 66, has had an influence on it far greater than the eight years of his tenure.

Arriving in the Eastern Shore school's bicentennial year, 1982, Mr. Cater found a school past its prime, of small size, modest facilities, small endowment, some reputation for lacrosse and writing, and large uncertainty about its future, which was considered to be endangered.

Mr. Cater, after a distinguished career in journalism and government, raised Washington College's profile and self-esteem. He presided over \$41 million in fund-raising for new buildings, laboratories, scholarships

and higher faculty salaries. His leadership has brought distinguished visitors to the campus and sent well-educated and well-rounded graduates from it, raising the quality of the student body while increasing its size from 680 to 850, with better facilities for the 850 than the 680 had enjoyed.

In an era dominated by de-personalized and mass university instruction, the small liberal arts college, valuing education above research and committed wholly to the undergraduate student, has an increasingly important role to play for the nation. During Douglass Cater's time, Washington College has transformed itself back into a self-confident, important small college able and anxious to make its contribution to American education.

[From the Washington College Magazine]

SNAPSHOTS FROM THE CATER YEARS: A RETROSPECTIVE

(By Dr. Sherry Magill)

In February of 1982, Douglass Cater was named the 23rd president of Washington College. In selecting a well-known journalist and former special assistant to Lyndon Baines Johnson, the Board of Visitors and Governors undoubtedly had named a man who could write well and possessed a talent for persuading folks to do what they don't always wish to do. It had also chosen a man of extraordinary vision, intense passion, and inexhaustible energy. In accepting the post, Cater assumed a special burden: would he be capable of leading the institution which bears the name of the country's first president into yet another century?

Cater would meet what often seemed like insurmountable challenges. Early in his administration, he was asked if he enjoyed his job. President Cater laughed heartily, and then flatly stated with characteristic candor: "About 60 percent of the time!"

What carried Douglass Cater that other 40 percent of the time was his intense love affair with Washington College—the history, the idea, the place.

In his Inaugural Address, President Cater noted Washington College's unique history: founded by the Reverend William Smith in 1782, Washington College benefitted from the early patronage of George Washington. What made it unique in its formative years was its mission: it was dedicated not to the work of the Church, but to the work of the Republic. Its role was to educate citizens for the vital tasks of democracy.

The new president alluded to the special distinction Washington College could achieve if its initial mission could be kept alive for the present and preserved for the future.

Over the past eight years, President Cater has labored to bring into focus this education for citizenship responsibilities. Under his leadership, the administration and faculty have established faculty enrichment programs including the Faculty Enhancement Fund and the Wye Faculty Seminar; introduced the Freshman Common Seminar, the Honors Program, Writing Tutorials, and the President's Forum; brought academic computing to campus; and established O'Neill Literary House, International House, and special-interest housing for students interested in science.

And, of course, there is the Master Plan. The vision was to unite the landscape of the Washington College campus, too long separated by a town street which bifurcated its interior. Since his appointment, Douglas Cater has helped move, if not heaven and

earth, at least a water tower, a town street, and tons of Washington College dirt. The Cater Administration has overseen construction of four new buildings and the renovation of an additional six.

To sum up the Cater Years in one word: serendipity.

And what about the man? In a phrase, he never took "no" for an answer.

INTERVIEW—LEAVING A LEGACY: FINAL THOUGHTS FROM PRESIDENT CATER
(By Sue De Pasquale 1987)

Q. As historians look back on the Cater Years at Washington College, what would you most like to be remembered for?

A. If I had to put it in one word, it would be caring. I feel that I've devoted eight years to a very intensive love affair with a small liberal arts college. It will take more time to define what are the things that succeeded or failed, what lasted or went with the wind.

But I do think I managed to bring yeast to the College. One faculty was quoted in Maryland Magazine as saying I brought urban tensions to Chestertown. That's fair commentary because I did bring some tensions here. But I hope that when we look back from a more distant vantage point, they will prove to be creative tensions.

I think the College community believes in its own future more than it did when Libby and I first came to Chestertown. We know that it has received greater national attention and that brings satisfaction to students, faculty, and college presidents alike. We are not the best kept secret in Maryland anymore. I feel there is need to distance myself and to spend at least a year of cogitation on the future of the small liberal arts college in America. That's going to be one of my assignments while at the National Humanities Center this coming year.

Q. You plan to write two books concurrently during your time as a Fellow at the Center?

A. I will be working on one book immediately and this other book—the one dealing with the great little liberal arts colleges—will be on the back burner. But I don't know which one will come off the stove first.

I feel there are many, many strengths and some weaknesses in the way liberal arts institutions in America are governed. This will be a book of, I hope, detachment. I'm not going to be a true believer anymore. I'm going to become a critic of what I did and what others have done over the past decade.

The more immediate book will be memoirs under the theme of my life among the politicians. I was born the son of a city clerk and a state senator in Alabama. I grew up watching the genus *politicus* close up, but never crossing over to become one. Something may have been missing in my genes or my aptitudes. So even when I spent four and a half years in the LBJ White House, I was still the observer.

Q. In what ways have you left your personal stamp on Washington College?

A. I think I left my fingerprints not just in the brick and mortar, not just in the raising of funds.

When I came to the College, I said somewhat facetiously that I was weary of thinking about big insoluble problems, and that I wanted to spend my time thinking about little insoluble problems. And those words came back to haunt me. The destiny of the small liberal arts college is not subject to neat solutions. Yet I have enjoyed, even in periods of high tension, dealing with problems on a scale that can be called human-

sized. It has tested the best of what was in me. In retrospect I can think of a hundred times that I might have been more skillful or more patient or more persistent. But I had a learning curve. It's a great deal different coping with a problem in Bunting Hall than it was helping LBJ launch a major elementary or higher education program.

Looking back on eight years, I could not have stayed the course if it had not been for my wife, Libby, who has served, I believe, as the First Lady par excellence of Washington College. I'm delighted that President Trout has a dynamic wife who means to be involved. In the big universities you can read about the spouses of the presidents—men and women—who lead quite separate lives. Maybe you can get away with that in a big university, but in a small college it really takes a team to give meaning to the office and to the Hynson-Ringgold House.

All of us have grown weary of the winter of discontent when there seemed to be mud stretching every direction. I don't want to be remembered for mud, nor even for brick and mortar, although I do believe a college has to plan its facilities to meet its long-term future. We are buying another century for Washington College, not just gratifying instant desires next week or next semester. It takes some endurance, and it takes a capacity to withstand criticism. There are at least 850 students and a good many faculty who can tell you how to spend those dollars better than we spent them. But time will tell. I'm willing to wait.

Q. You've put into place several new programs that should bear a lasting legacy to your leadership. Would you talk briefly about them?

A. I am very excited about three endowments that will make possible a new dimension of distinction at Washington College.

One is the Goldstein Chair and Fund, which is dedicated to involving students and faculty in the world of public service, by bringing people to campus, by cultivating programs—both domestic and international—that are related to public policy and public service, by having internships that will build on the experience we already have with our Annapolis interns.

The second is the McLain Chair and Fund, which will be dedicated to achieving distinction for the College in fields of interdepartmental research and study that relate to our environment—and more particularly our immediate environment, the great Chesapeake Bay.

And the third, which was named by the Hodson Trust and established this year, is the Cater Fund. It is to be dedicated to creating a Society of Junior Fellows. These will be students of promise and motivation who may be chosen in the second semester of their sophomore year or their junior or senior years.

Those who are chosen for this Fellowship will be able to apply to an endowed fund for grants that will support internships, travel study programs—a great variety of projects that can extend and enhance an upperclassman's educational experience.

Q. How will the grants be awarded?

A. Students will apply to this Endowment the way that you would submit a proposal to a small foundation. With the help of faculty and other advisers, they will have to prepare a project proposal which will be reviewed by the appropriate council and grants will be made.

The Cater Fund can achieve distinction for Washington College by recognizing that the critical time to challenge a student is

after he or she gets to the College, not merely to award bright high school seniors with a giant merit scholarship.

This new endowment is designed to attract the student as he or she approaches mid-career at the College and who may be thinking of going to a bigger university in an urban center. This will offer them the opportunity through the Junior Fellowship and through the grants to design their own projects and to enrich their own education beyond the classroom.

I think it is an idea whose time has come. In five or ten years, this concept can win for the College the same sort of recognition that the Sophie Kerr program has achieved.

The fourth program that has been going for a number of years and has been financed out of discretionary money given to me as President is the Faculty Enhancement Fund. The Dean and I serve as the trustees for the Fund. We receive written applications from faculty members for projects that will enrich their sabbatical leave or their summer work or their work during the winter. It provides an extra inducement to stretch.

With these four programs and with the Sophie Kerr program and the O'Neill Literary House, with the new synergism at the Larrabee Fine Arts Center, with the Academic Computing Program that now reaches to every department and to almost every student, with the International House and the Science Dormitory, we have a capacity to make the whole greater than the sum of the parts.

Q. What immediate challenges do you see looming on the horizon for Washington College?

A. I've said that my successor, Dr. Charles Trout, faces challenges that in some ways are even more formidable than those that faced me.

I was in a crisis situation. There had to be a turnaround in enrollment and in the financial affairs of the College. A dramatic turnaround. This is challenging, but it also permits you to work in a situation where performance is more easily measured.

Now the challenge for the next President is to build on the strengths that the College has, to accomplish reforms—or at least more rethinking of mission and purpose—and to find the funds primarily for endowment that will give a larger nest egg to Washington College.

This College is grossly under endowed. When you compare us to our peer colleges, we need to double our endowment in the next five to seven years.

This is more difficult to do when you're not in a situation of crisis. There is always the temptation of friends and alums and patrons to say, "Well, everything is ticking along, what's the fuss?"

I wish Dr. Trout well. I think very highly of him. The search could not have been better conducted nor had a more successful outcome. He brings academic credentials to the job that will bring honor to the College.

He is not fully tested in the vital field of mendicancy, but neither was I when I got here. You don't know whether you have any aptitude for it until you've tried it. It requires an idea in the brain, a good story on the tongue, and a fire in the belly to be a good fundraiser.

Q. Looking back on your years as President, do you have any regrets?

A. That's what's going to take a year of celebration to measure. I'm too close to it still, and Commencement is still a month away. Until we've passed that last rite, I

cannot get the relaxation or the detachment to begin to measure regrets.

My associates will testify that I pledged last September I would not be a lame duck president this year. I have worked overtime to keep that pledge.

There should be no mystery in the reason for my departure. I said it loud and clear last August that my doctor had confirmed my own intuitive sense that I had grown exhausted in the job. To stick it out just for the purpose of going a full ten years would be threatening not only to my health, but the health of the College. I feel an enormous sense of physical release now that there is somebody already named and ready to come on board this summer.

I do not feel that my exhaustion is a permanent condition. In fact, I already feel less exhausted than I did last August. It is time for a change of pace and a change of pursuit.

I began my career as a writer and I'm looking forward to reclaiming that heritage. Writing is a lonely pursuit. A blank page can stretch out like eternity while you're trying to find something to put on it. But it also brings tremendous excitement and I'm ready to return to that career.

Q. What do you see as Washington College's mission in the constellation of small liberal arts colleges in America?

A. I am convinced now more than when I got here that we have begun to earn another century. We're among the endangered species, and there will be many colleges that fall by the wayside. During the immediate five years ahead we are told there will be a continuing decline in the number of high school graduates. This will mean heightened competition for entering students.

We have put in place programs and professional services that will allow us to go against the stream. I'm proud of the Executive Council that leads the College and believe that Dr. Trout will inherit worthy people in the Administration. He will also inherit a faculty that has proved its worth over more years than I have been here.

The mission of the liberal arts college is not a tidy one. It is continually evolving, responding to the needs of the times. I believe that Washington College has a strong sense of mission. My hope is that its leadership will continue to challenge and to examine and to invigorate that sense of mission.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the latest budget scorekeeping report for fiscal year 1990, prepared by the Congressional Budget Office in response to section 308(b) of the Congressional Budget Act of 1974, as amended. This report was prepared consistent with standard scorekeeping conventions. This report also serves as the scorekeeping report for the purposes of section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by \$3.3 billion in budget authority, and over the budget resolution by \$4.2 billion in outlays. Current level is under the revenue floor by \$5.2 billion.

The current estimate of the deficit for purposes of calculating the maximum deficit amount under section

311(a) of the Budget Act is \$114.8 billion, \$14.8 billion above the maximum deficit amount for 1990 of \$100 billion. The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 18, 1990.

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 1990 and is current through June 14, 1990. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1990 Concurrent Resolution on the Budget (H. Con. Res. 106). 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 11, 1990, the Amtrak Reauthorization and Improvement Act, H.R. 2364, has been vetoed by the President. This action increases the current level estimates of budget authority and revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, 101ST CONG., 2D SESS., AS OF JUNE 14, 1990

(In billions of dollars)

	Current level ¹	Budget resolution H. Con. Res. 106	Current level + / - resolution
FISCAL YEAR 1990			
Budget authority	1,326.1	1,329.4	-3.3
Outlays	1,169.4	1,165.2	4.2
Revenues	1,060.3	1,065.5	-5.2
Debt subject to limit	3,055.1	3,122.7	-67.6
Direct loan obligations	19.1	19.3	-2
Guaranteed loan commitments	115.1	107.3	7.8
Deficit	114.8	100.0	14.8

¹ The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval and is consistent with the technical and economic assumptions of H. Con. Res. 106. In addition, estimates are included of the direct spending effects for all entitlement or other mandatory programs requiring annual appropriations under current law even though 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. In accordance with sec. 102(a) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act (101 Stat. 762) the current level deficit amount compared to the maximum deficit amount does not include asset sales.

² Maximum deficit amount (MDA) in accordance with sec. 3(7)(E) of the Congressional Budget Act, as amended.

³ Current level plus or minus MDA.

THE CURRENT LEVEL REPORT 101ST CONG., 2D SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1990 AS OF CLOSE OF BUSINESS JUNE 14, 1990

(In millions of dollars)

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			1,068,600
Permanent appropriations and trust funds	954,969	791,109	
Other legislation	635,362	638,737	566
Offsetting receipts	233,985	233,985	
Total enacted in previous sessions	1,356,347	1,195,862	1,069,166
II. Enacted this session:			
Direct Emergency Supplemental Appropriations (Public Law 101-302)	2,293	666	

THE CURRENT LEVEL REPORT 101ST CONG., 2D SESS., SENATE SUPPORTING DETAIL, FISCAL YEAR 1990 AS OF CLOSE OF BUSINESS JUNE 14, 1990—Continued

(In millions of dollars)

	Budget authority	Outlays	Revenues
An act making technical amendments to title 5, United States Code (Public Law 101-303)			-1
Total enacted this session	2,293	665	
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory adjustments required to conform with current law estimates in budget resolution:			
Salaries of judges	8	1	
Payment to judicial officers' retirement fund	4	4	
Judicial survivors' annuities fund	3	3	
Fees and expenses of witnesses	5		
Justice assistance	4		
Fisherman's guaranty fund	1	1	
Administration of territories	1		
Firefighting adjustments	1,057	192	
Federal unemployment benefits (FUBA)	5		
Advances to unemployment trust fund	(48)	(48)	
Special benefits	24		
Black Lung disability trust fund	52	31	
Vaccine improvements program trust fund	7	7	
Federal payments to railroad retirement	1	1	
Retirement pay and medical benefits	4		
Supplemental security income program	263	263	
Special benefits, disabled coal miners	21		
Grants to states for Medicaid	-907		
Payments to health care trust funds	(325)	(325)	
Family support payments to States	84	84	
Payments to states for AFDC work programs	15	15	
Payments to states for foster care	83		
Health professions student loan insurance fund	-25	-7	
Guaranteed student loans	-175		
College housing and academic facilities loans	-3	-3	
Rehabilitation services	-79		
Payments to widows and heirs	(¹)	(¹)	
Reimbursement to the rural electrification fund	111	111	
Diary indemnity program	(¹)	(¹)	
Conservation reserve program	720		
Special milk program	2		
Food stamp program	-2,000		
Child nutrition programs	74		
Federal crop insurance corporation fund	(¹)		
Agriculture credit insurance fund	342		
Rural housing insurance fund	(¹)		
Rural communication development fund	(¹)		
Payments to the farm credit system financial assistance corporation	-2		
Coast Guard retired pay	-17		
Payment to civil service retirement	(84)	(84)	
Government payments for annuitants	3	2	
Readjustment benefits	-62		
Compensation	258	208	
Pensions	-62		
Burial benefits	4		
Loan guaranty revolving fund	7		
Disaster relief	-1,100	-883	
Total entitlement authority	2,834	-371	
VI. Adjustment for Economic and Technical Assumptions			
	-28,685	-26,863	-8,900
Total current level as of June 14, 1990	1,326,120	1,169,393	1,060,266
1990 budget resolution H. Con. Res. 106	1,329,400	1,165,200	1,065,500
Amount remaining:			
Over budget resolution		4,193	
Under budget resolution	3,280		5,234

¹ Less than \$500,000.
Notes: Numbers may not add due to rounding. Amounts shown in parenthesis are interfund transactions that do not add to totals.●

LEGISLATING ASSIMILATION: THE ENGLISH-ONLY MOVEMENT

● Mr. SIMON. Mr. President, some weeks ago, I placed an article aside because I wanted to read it later, and the weeks went by, and I finally have read it.

It is an article by Mark R. Halton, assistant editor of the *Christian Century*, that appeared in that publication under the title, "Legislating Assimilation: The English-Only Movement." For those who are interested in this subject and what is taking place, this is a good, well-written, and balanced article.

I would add two things that are not mentioned in the article.

First, when I hear people arguing against bilingual educational opportunities, and I hear them stress that their grandfather came over from Sweden or some other country and got by without a bilingual educational opportunity, they forget that things have changed dramatically since their grandfather came over from Sweden or another country. In those days, you could have a third grade education and drop out of school and still have plenty of job opportunities. Neither requirements for basic skills in reading or mathematics were required nor skills in speaking English.

By the end of World War II, the average laborer had to have a fourth grade education, and now the average laborer has to have ninth grade education, and it is climbing. The demand for unskilled labor has gone down, and for us to develop a huge reservoir of unskilled labor, which we will do if we do not assist young people whose mother tongue is not English, makes no sense at all.

Second, I note that frequently, though not always, those who push hardest for English as an official language or the English-only movement, or whatever the particular twist is, are the same people who oppose appropriations for teaching English to people who want to learn English who have reached our country.

I ask to insert the article by Mark Halton into the *RECORD* at this point, and I urge my colleagues to read it.

The article follows:

LEGISLATING ASSIMILATION: THE ENGLISH- ONLY MOVEMENT

(By Mark R. Halton)

Contention between people who speak different languages is as old as the story of Babel. The ancient Greeks referred to those who spoke in other tongues as "the babblers." Ancient Slavs called the Germans across their border "the mute" or "unspeaking" people. Today, U.S. residents whose primary language is other than English—especially Spanish speakers—are being regarded as "un-American."

A pitched battle is under way between those who consider that, for the sake of America's cohesion, English must be legislated the official language through state or federal constitutional amendments, and

those who consider such attempts bigoted or xenophobic. The main goals of the English-only movement are to eliminate or limit bilingual education in the public schools; to prevent state or local governments from spending funds for translating roads signs or government documents or for translators to assist non-English-speaking patients at public hospitals; and to abolish multilingual ballots—required in 375 jurisdictions by the 1965 Voting Rights Act. Florida, Colorado and Arizona—states with large Hispanic populations—voted in referendums last year to make English the official language, bringing the number of states with such laws to 17.

In contrast, New Mexico's legislature voted down an English-only law last spring and endorsed "English Plus," stating, "Proficiency on the part of our citizens in more than one language is to the economic and cultural benefit of our State and the Nation."

But what does "English only" mean? That question is being raised in California, where voters approved a language law four years ago. This year, a legislative committee rejected a bill that would have banned the use of languages other than English by state and local government agencies. Also, a state senate committee, responding to the U.S. Equal Employment Opportunity Commission, enacted a law prohibiting private companies from restricting their employees' use of non-English languages while at work, unless necessary for business reasons. In 1988 the Los Angeles federal appeals court, countering some companies' English-only rules, said such restrictions are not only a veiled form of discrimination but a way of increasing racism.

The groups that have led the fight "to protect English by declaring it the official language of the United States" are U.S. English (whose co-founder, S. I. Hayakawa, is a former U.S. senator from California and a retired professor of linguistics) and English First, part of the Committee to Protect the Family. These groups are on the offensive, claiming that they are trying to help non-English speakers get ahead economically and socially. U.S. English, which claims 350,000 members, cites the "political upheavals over language that have torn apart Canada, Belgium, Sri Lanka . . . and other nations" as a reason to ban the use of "many languages" for official purposes.

Seventy years ago Theodore Roosevelt expressed a similar resolve: "We have room for but one language here, and that is the English language, for we intend to see that the crucible turns our people out as Americans, and not as dwellers in a polyglot boarding house." He was reacting to the 5.2 million southern Europeans and the 8.8 million middle and eastern Europeans—the new immigrants—who had arrived on American shores in the two decades preceding the First World War. He was also expressing the nationalism that followed the war. By 1924 restrictive quotas were imposed to limit immigration from southern and eastern Europe, thus keeping out the people "not like us." Following World War I many communities banned the teaching of German and restricted its use in public meetings—and even on the telephone. The proponents claimed that they were only promoting unity, but anti-German feelings were evident. Striking down these laws, the U.S. Supreme Court ruled in 1923 that the "protection of the Constitution extends to all, to those who speak other languages as well as to those born with English on their tongue."

Most opponents of the English-only movement—such as the Mexican-American Legal Defense Fund and the U.S. Catholic Conference's Secretariat for Hispanic Affairs—are not against ethnic groups learning English, but against the us-versus-them rhetoric advanced by many English-only advocates. George Munoz, writing in the *Chicago Sun-Times*, has said, "Opposition to English-only is not from a desire to stay apart; most Hispanics want to integrate. But they don't want to be denied access to the mainstream while they're learning English." Munoz argues that it's not the language of communication that should be important to the government but whether the government can make itself understood by all.

The recent English-only movement got its start in Miami—perhaps the most bilingual major city in the U.S.—in 1978, after Emmy Shafer was unable to communicate with any of the clerks at the Dade County municipal offices. They all spoke only Spanish; she, only English. Her protest led to passage of a 1980 county law stipulating that no funds could be used to translate public signs or documents into Spanish or other non-English languages.

But Miami is a special case. It contains the majority of the country's Cuban-Americans, who compose about 5 percent of the U.S. Hispanic population. They have largely avoided assimilating because they consider themselves exiles of Cuba, still awaiting the fall of the Castro government to return home. Puerto Ricans living in Miami, on the other hand, reportedly are learning English quickly, many of them vying for well-paying bilingual jobs.

On the whole, language assimilation in the U.S. has followed a four-generation pattern, according to Kenneth Wilson in *Van Winkle's Return: Change in American English, 1966-1986*. Between 1890 and 1920, for example, hundreds of thousands of Poles emigrated to the U.S. A typical Polish couple (call them the Pomykalskis) might have arrived in New York City in 1909 with an infant son and eventually settled in Chicago where they spoke only Polish at work, at mass, in the shops and of course, at home. But in a few years their son spoke English at school, starting in first grade, while speaking Polish at home and at his afterschool job. He and his Polish friends became bilingual and did not have an accent in either language.

He got married to his high school sweetheart in 1928—a Pole who had emigrated with her parents when she was 13 years old—and the two spoke English at home, she with a slight accent. With their parents they spoke Polish. Their children, the grandchildren of the immigrant Pomykalskis, spoke English at home and at school, and used Polish only when speaking to Grandmother in the kitchen. In each domain of language—school, social life, church and family—the use of Polish diminished.

The original Pomukalskis's great-granddaughter was born in 1956 in a suburb of Columbus, Ohio. She grew up speaking no Polish and has very little connection to her Polish heritage. She is thorough enculturated in American ways and language. As Wilson says, "Wistfully, this generation hopes to recover some linguistic access to a culture that now . . . they wish they knew better."

Some immigrants have defied assimilation. Hasidic Jews in Brooklyn speak Yiddish, and some Amish in the Midwest speak a German dialect; they have chosen to live

on linguistic islands. Finnish and Scandinavian immigrants in rural communities in the northern Midwest did not quickly assimilate for geographical reasons. But the commercial and societal forces shaping Hispanic immigration over the past 35 years suggest a different scenario for these immigrants.

Social and economic constraints have cut off many Hispanics from mainstream American—that is, Anglo—culture. Hispanic women who work only in the home have had limited contact with U.S. culture, and language programs sponsored by local governments or businesses rarely reach them. Furthermore, in many of the largest U.S. cities one finds Spanish-language radio, TV and newspapers, and videocassettes, billboards and even grocery and department store labels in Spanish—not to promote Spanish but simply to sell goods. English-only legislation would not change these realities.

But despite the social and commercial forces leading Hispanics away from assimilation, recent studies have concluded that first- and second-generation Hispanics have learned English as fast as Italians, Russians, Greeks, Romanians or Japanese immigrants did at the turn of the century. An editorialist in the Wall Street Journal reports that an analysis of 1980 census data by professors at the Urban Institute and the University of Chicago reveals that while a great majority of Hispanics over the age of 25 speak Spanish at home, most also speak English with proficiency. And a study by the RAND Corporation reveals that language-assimilation statistics for Hispanic immigrants are in line with the history of the Polish family discussed above. Nearly half the permanent Mexican immigrants living in California speak English well, and only about 25 percent speak Spanish exclusively. For the most part, their American-born children are bilingual and 90 percent are proficient in English. Over half of their grandchildren speak only English. David Lopez, a professor at UCLA, concludes that if immigration from Latin America dried up today (not likely to happen), language assimilation by Hispanics would be complete by the year 2030. Leonard Dinnerstein and David M. Reimers in *Ethnic Americans: A History of Immigration and Assimilation* believe that "with so much more public assistance available than had been given to immigrants in previous generations, it is possible that the newcomers may not need as long a time to move into the mainstream of American society."

The issue that most divides the English-only advocates and their opponents is bilingual education. Former President Reagan spoke against it. Congress has debated it. Newspaper op-ed pages and radio talk shows have discussed it. "Bilingual education" is really a misnomer, since the goal of such programs is not to produce bilingual students, but to make Hispanic, Chinese or Vietnamese students proficient in English while drawing on their own native language as a transitional tool. U.S. English and other groups claim that bilingual education helps perpetuate adherence to non-English tongues. But the National Association for Bilingual Education points to research revealing the advantages of bilingual education: when students participate for an average of two to three years researchers notice "improved academic achievement test scores, reduced rates of school dropout and student absenteeism, increased community involvement in education, and enhanced student self-esteem."

Many older people who emigrated to the U.S. when they were in grade school were thrown into English-only classrooms and made to swim or sink. They claim that all their immigrant peers learned to swim, and quickly. However, no studies were done at the time to determine how many immigrant children sank—dropping out of school or never living up to their potential. Language acquisition can be a slow, arduous process for many. And there is more to education than learning a language. Learning math, science, music or art in one's native language gives a student skills readily transferable to the English-speaking world. A student does not need to relearn the subjects taught in Spanish when later reviewing them in English.

Though the U.S. has never had an official policy of introducing English to immigrants, language assimilation has always been startlingly rapid. Kenji Jakuta in *Mirror of Language: The Debate on Bilingualism* credits economic interests and "benign neglect" of one's own language as the leading causes of immigrants' forsaking their mother tongues. Another reason cited is that educational psychologists urged immigrant parents to avoid speaking a non-English language at home on the false premise that bilingualism stunts the academic growth of children. While no linguists tout this theory today, many proponents of the English-only movement still believe that there is room for but one language in a young person's mind.

When immigrants poured into America in the 19th century one of three scenarios could have played out. American culture could have transformed the immigrants (Americanization or assimilation); the culture could have been transformed by the immigrants (melting pot); or the culture could have split into separatist groups. For over 150 years the pattern has been one of assimilation. "a move," Dinnerstein and Reimers write, "into the mainstream of American life (requiring) the relinquishment of cherished cultural ties." Immigrants start in separate groups—as Hispanics do today by attending Spanish-language churches and marrying other Hispanics—but within four generations they assimilate, no longer calling themselves, for example, Polish-Americans but simply Americans.

Political unity, communication and transportation systems, and financial factors will keep the U.S. an English-speaking nation. English does not need to be legislated the official language; gentler forces than those proposed by English-only proponents will produce that end. As the U.S. enters the '90s, a new awareness of other cultures' music, language, customs, food, electronic goods and even political ways in transforming our life. There is a growing realization that Americans of northern European descent have much to learn from U.S. residents of Latin American or Asian backgrounds. Perhaps in the 21st century the strict assimilation patterns of the past will yield to more "melting"—the mixing of cultures in a way that changes the flavor of the entire society. ●

THE 70TH ANNIVERSARY OF THE WOMEN'S BUREAU

● Mr. HARKIN. Mr. President, earlier this month, on June 5, we marked the 70th anniversary of a very significant segment of the Department of Labor, the Women's Bureau.

Over the decades of its existence, the Women's Bureau of the Labor Department has sought to serve the needs and interests of women in the workplace, beginning with the sweatshops of the early 1900's, through the tumultuous changes of the two world wars, to the present decade of the 1990's where the needs and concerns of women are as different from those of the 1920's as they will be from those of women in 2060.

The year the Women's Bureau was formed—the same year as women gained the right to vote, I might add—only 18 percent of women between the ages of 35 and 64 were employed. They generally went to work to help out the family income, and did not expect to be a permanent part of the work force throughout their lives. In all, the 8.25 million working women made up less than 20 percent of the American work force.

This year, 70 years later, 55 million women make up 44 percent of our country's civilian work force, and we are all familiar with the social changes behind their being very much a permanent, full-time part of that work force.

The accomplishments of the Women's Bureau are many, starting with Mary Anderson, the first Director, who was responsible for the inclusion of women in what we now know as the Fair Labor Standards Act. Under Esther Peterson, who served President Kennedy's administration, passage of the Equal Pay Act of 1963 was achieved. These are just two in a long list of significant milestones and accomplishments.

Today, under the leadership of Jean Curtis, the goals of the Women's Bureau focus on such areas as balancing the conflicting demands of work and family; employer-sponsored child care support systems; the needs of older women, including displaced homemakers; gender based wage discrimination; the employment-related needs of women voters; increasing the employability of handicapped women; preparation of women for the types of jobs that will be available after the turn of the century; and increasing the opportunities for women in management, the professions, and skilled trades.

The accomplishments of the Women's Bureau are many, but their future tasks are no less important because of these accomplishments. I salute the Bureau for what it has been able to accomplish and wish it all success as it continues to carry out its mission. ●

HONORING RATH MANUFACTURING

● Mr. KASTEN. Mr. President, I rise today to honor a genuine small busi-

ness success story. The Rath Manufacturing Co. of Janesville, WI, has established a national reputation for quality, efficiency, and customer service.

Rath Manufacturing makes steel tubing—and the company is also a very important force for good in the Janesville community. The story of Rath Manufacturing—its achievements and the lessons it might provide for other American businesses—are the subject of a justly laudatory article in the *Forbes* magazine of June 25. I ask that this article be printed in the *RECORD* for the benefit of my colleagues.

The article follows:

TOTALLY TUBULAR

(By Joel Millman)

Forty miles south of Madison, Wis. is little Janesville (pop. 51,000). It's a town where mothers still use dinner bells to call the kids in for dinner, and where square dances and high school band concerts fill the entertainment listings of the *Janesville Gazette*. It's also home to Rath Manufacturing Co., Inc., one of the country's best small businesses.

Rath makes high-quality stainless steel tubing, the shiny tubing used in food processing and the pharmaceutical industry. On farms and at dairies, much of the nation's milk passes through Rath's tubing. With over 500,000 feet—or almost 100 miles—of mirror-finish tubing shipped each week, enough per year to stretch from New York to California, Rath's product is sold to the Dannon Co., Johnson & Johnson and Archer Daniels Midland. With 100 employees and estimated sales of \$50 million this year, Rath is easily the metal tubing industry's most efficient producer.

The company is privately owned by its chairman, Duane Rath, 49, and two partners. According to audited statements provided by the company, sales have exploded from \$6 million in 1984 to nearly \$45 million last year. Profit margins exceeded 15% in each of the past two years; the company earned over \$6 million last year. Worker productivity—sales dollars per employee—was \$440,000 in 1989, easily the highest in Rath's segment of the tubing industry.

Someone once called productivity the product of enthusiasm plus experience, and Duane Rath has both in abundance. He calls his upbringing the "businessman's equivalent of the stage-door childhood." As a boy in rural Sac City, Iowa, Rath pulled his red wagon door-to-door selling things like pancake mix and vanilla extract.

That's where the cat comes in. "There was an old schoolteacher who wouldn't ever come to her door," recalls Rath, relishing the story. "One day she came out and said if I got her cat down from a tree, she'd buy my pancake mix. I was 7 years old, but I crawled up that tree and got her cat."

Rath pauses to smile, and adds: "She couldn't possibly have eaten all the pancake mix I sold her." Never in his later business dealings would Rath underestimate the importance of customer service.

Virgil Rath, Duane's father, sold milking machinery. In 1952, while visiting a supplier in Janesville, he leaped into the manufacturing end of the business by buying up the newly bankrupt factory that sold him his wares. It was not a smart move. The machines Rath was selling were becoming obsolete as better technology was developing. The Rath's aftertax profits in 1953 were a

mere \$2,861. "We were riding a dead horse," says Duane today.

By 1957 Duane Rath was 16 and selling harder than ever. The red wagon had been replaced by a battered Plymouth convertible. While earning a degree in English literature from the University of Wisconsin, Duane sold household goods—spatulas, can openers, mixing bowls—around Wisconsin, as well as his own family's dairy farm equipment in sales territories ranging as far from home as New England.

As his graduation present, his mother and father appointed Duane president of Rath Manufacturing. It was more of a present than it seemed. The company was still struggling, but it was about to change direction: Instead of assembling farm machinery out of steel tubing, Rath was going to manufacture the tubing itself.

Virgil Rath, 74, is still remembered in Janesville as a self-taught mechanical genius. With his son installed as president, he set about teaching himself the art of tube making.

For decades tube mills had used a two-step process, forming and welding steel strips into tubes on a mill, then finishing them in a gas-fired furnace. Together with Jim Sanger, a new partner Duane Rath recruited—literally—out of a foxhole during National Guard training, Virgil Rath created the Rath Continuous Processing Mill. Its chief innovation lay in eliminating the need for separate firing in the furnace, or having to wait for the tubing to be cooled; this allowed the tubing to be packaged and shipped immediately from the mill, and also produced a more consistent grade of tubing.

The Raths spent the next three years designating the machinery needed to implement their innovations. By 1979 the new mill machinery was in place. In 1975 Duane bought out his parents for \$112,000, then sold \$2 million in industrial revenue bonds to pay for expansion. Duane made Sanger a partner in 1979, then in 1984 brought in a third partner, Milwaukee investor James Dodson, a retired businessman who had the background Rath needed to begin producing and marketing its tubing.

Rath moved into the production of stainless tubing for the simple reason that supplies were tight, prices high and many suppliers arrogant. "When the market was in very short supply, we would call certain vendors for estimates and they would literally laugh at us," says Duane Rath.

Again the schoolteacher's cat enters the story. Rath developed a computer pricing model. This enabled the company to give potential customers a firm quote for stainless tubing within 10 or 15 minutes of a call. Soon contractors bidding industrial jobs—some involving thousands of feet of tubing—were calling Rath to formulate their bids. For nothing Rath got valuable market research about who needed what item for which purpose, and often converted the knowledge into sales.

"We use Rath because they jump through hoops for us," says Marcia Comerford, purchasing manager for the fabrication divisions of Archer Daniels Midland in the Midwest. "Rath doesn't force us to buy a minimum amount, and they will do just about anything we need in as quick a time as we need it." Annual sales to ADM: in excess of \$1 million.

It helps, of course, that unlike many of its big competitors that have fallen by the wayside, Rath Manufacturing is nonunion. Rath's mill operators voted to decertify their membership in the Sheet Metal Work-

ers union in 1970, and have enjoyed what they call "shared stewardship" with management ever since. Rath's mill operators average close to 50 hours per week, often working weekends and holidays to fill special orders. For their flexible work rules, Rath offers a novel payment system—a weekly bonus based on the amount of tubing shipped from the plant during the week. Rath has paid the bonus every week since 1978, when the system started; last year the bonus averaged \$55 per week.

"Producing the best tubing in the world is job security for me," says Everett Calhoun, a 35-year-old mill operator, with Rath since 1986. Calhoun earned \$40,000 last year—\$36,000 in base pay, plus \$4,000 in bonuses. In a town where three-bedroom homes sell for under \$60,000, that kind of compensation breeds loyalty. Since 1985 only 6 employees have left the company, while 2,000 job applications are on file.

Last Christmas Rath gave employees something even better than a bonus. He gave them a scholarship fund, named for his parents, to pay college expenses for any of his employees' children entering the University of Wisconsin or for any other school, up to \$10,000 a year. Upon hearing of the scholarship plan, Wisconsin Governor Tommy Thompson named Rath guest of honor at his State of the State address. But Rath isn't letting any of the celebrity go to his head.

"The creation of wealth in this environment is inevitable," he says, casting his arm out over the humming mill his family built. "The point is, there is a lot more to life than making money. Then again, you can only take that attitude when you have a certain amount of money." ●

"BREADLINES AND BILLIONAIRES"

● Mr. SIMON. Mr. President, recently, Alan Durning, senior researcher for *World Watch* magazine, wrote an editorial, titled "Breadlines and Billionaires."

It is a not-so-gentle reminder of the inequities that we continue to tolerate in our world.

Unfortunately, we can find those inequities very much present in our own country.

For example, in his editorial he notes:

The richest billion people consume at least 20 times the goods and services that the poorest billion do.

At another point, he notes:

Militarism, meanwhile, adds its own trillion dollar drain. We humans spend \$200 a year for each man, woman, and child on the means of warfare, but we cannot seem to find the \$1 it would cost each of us to save 14 million children who die each year from simple diseases like diarrhea.

I ask to insert the full editorial in the *RECORD*, and I urge my colleagues to read it.

The editorial follows:

[From *World Watch* magazine, May-June 1990]

BREADLINES AND BILLIONAIRES

Every night I pedal home past a van from Martha's Table, a downtown Washington charity that hands out sandwiches to the

homeless. For years now the line on the street corner has been growing steadily. This winter, for the first time, I saw mothers and small children.

The lengthening queue is a personal reminder of the forces that are splitting humanity into haves and have-nots. The statistics are cold and appalling: The world today has 157 billionaires, perhaps 2 million millionaires, and 100 million homeless. It has half a billion who eat too much, and an equal number who eat scarcely enough to stay alive.

At the global level, as in the United States, equity of income distribution is worse today than at any time since records have been kept. The richest billion people consume at least 20 times the goods and services that the poorest billion do.

The reasons are imbedded in the structure of the international economy. For almost a decade, the global marketplace has been acting like Robin Hood in reverse: Each year poor nations are paying rich ones \$50 billion more in debt payments than they receive in new funds.

Worsening this regressive financial flow is the plummet in prices for Third World exports. U.S. import limits on sugar during much of the past decade, for example, have created a situation in which Americans pay several times the world market price to sweeten our coffee with beet sugar from Minnesota while cane cutters nearly starve for lack of work in the Philippines.

Militarism, meanwhile, adds its own trillion dollar drain. We humans spend \$200 a year for each man, woman and child on the means of warfare, but we cannot seem to find the \$1 it would cost each of us to save 14 million children who die each year from simple diseases like diarrhea.

Ending poverty is an environmental priority, too, because those at the bottom of the world's economic ladder are driven by hunger into clearing forests, overgrazing rangeland, and exhausting soil. Saving the earth will remain little more than a pipe dream unless a floor is put under the poorest.

The necessary steps are straightforward: bold debt relief, demilitarization, reduction of import restrictions, and rebuilding social service sectors—both at home and abroad—caught between spiraling needs and shriveling means.

In exchange for a few of our wordly comforts, we the fortunate can gain a planet that is more peaceful, more sustainable, and more humane.

ALAN DURNING,
Senior Researcher. ●

HONORING CAPT. GEORGE P. WOODWORTH

● Mr. ADAMS. Mr. President, I rise today to honor Capt. George P. Woodworth. Captain Woodworth is retiring on July 1, 1990, after 28 years of dedicated service to the United States.

Captain Woodworth, a native of Cottage Grove, OR, was graduated from the U.S. Naval Academy, Annapolis, MD, and commissioned as ensign, U.S. Navy, in June 1962.

While active in the Navy, Captain Woodworth served the United States at sea in both the Atlantic and Pacific Fleets on the U.S.S. *Sculpin*, as well as the U.S.S. *Daniel Boone* and the U.S.S. *Ulysses S. Grant*. He has served

on the submarine support staffs of commander, Submarine Squadron 18 and commander, Submarine Group 6. He has also commanded the U.S.S. *James Monroe*, out of Holy Loch, Scotland, and the U.S.S. *Michigan*, which was the second Trident submarine to be deployed out of Bangor, WA. From May 1986 until May 1988, Captain Woodworth commanded Sub Squadron 17 out of Bangor, WA, as well. Captain Woodworth is currently serving as the Chief, Nuclear and Chemical Division, Plans and Policy Directorate on the Joint Chiefs of Staff.

Through his many years of dedicated service to the U.S. Navy, Captain Woodworth has been bestowed with a number of decorations. Included are the Legion of Merit with two Gold Stars, the Navy Commendation Medal with two Gold Stars, and the Navy Achievement Medal.

After retiring on July 1, 1990, Captain Woodworth and his wife, the former Brenda King, plan to settle in Bremerton, WA. Captain Woodworth's three children, his colleagues, and citizens across this country will look to his achievements with respect, pride, and humility. I, personally, would like to take this opportunity to commend Captain Woodworth for his keen sense of duty as exemplified in his 28 years of dedicated service to this country. ●

A TRIBUTE TO COL. GARY S. ZEIGLER

● Mr. ADAMS. Mr. President, I rise today to pay tribute to Col. Gary S. Zeigler, vice commander of Headquarters Air Weather Service [AWS] Scott AFB, IL. Colonel Zeigler will retire on July 1, 1990, after 26 years of dedicated service to the U.S. Air Force.

Colonel Zeigler's career is distinguished both academically and professionally. After graduating from Washington State University in 1964, and receiving his commission through the Reserve Officer Training Corps the same year, Colonel Zeigler began his meteorology career as a detachment forecaster at Peace AFB, NH, supporting strategic bomber and tanker operations. In 1969, following his assignment as a detachment commander at Whiteman AFB, MO, he was elected to attend graduate training in meteorology at the University of Washington through the Air Force Institute of Technology. Upon completion of graduate school in 1970, Colonel Zeigler served at Scott AFB as deputy chief of the Weather Modification Division, AWS. Following this technically oriented assignment, he returned to supporting aircraft operations as detachment commander of the weather unit at U-Tapao Royal Thai Navy Base, Thailand, from late 1972 to late 1973.

Colonel Zeigler was stationed at Offutt AFB, NE, from 1973 to 1978, performing tours of duty as Chief of

Current Operations, Headquarters 3d Weather Wing and as Global Duty officer at the Air Force Global Weather Control [AFGWC]. Following his departure from Offutt AFB in 1978, he attended the Naval War College in Newport, RI, completing the course as a distinguished graduate.

Colonel Zeigler's next assignment was as chief of Weather Programs, Directorate of Operations, Headquarters U.S. Air Force. In 1981, he became the assistant deputy chief of staff, Systems, AWS, Scott AFB. His primary duties included planning and programming for a worldwide system of military weather and space environmental activities. In 1983, Colonel Zeigler assumed command of the 2d Weather Wing, Kapaun, AS, West Germany, with concurrent duty as staff weather officer for Headquarters USAF in Europe. In 1985, Colonel Zeigler assumed command of the Second Weather Wing, Kapaun AS, West Germany, with concurrent duty as staff weather officer for Headquarters USAF in Europe. He assumed his present position as the vice commander of Headquarters Air Weather Station.

Through his many years of dedicated service in the U.S. Air Force, Colonel Zeigler has been bestowed with a number of decorations. Included are the Legion of Merit, the Bronze Star Medal, Meritorious Service Medal with three oak leaf clusters and the Air Force Commendation Medal with two oak leaf clusters.

Mr. President, Colonel Zeigler's career will serve as a model of achievement to which future officers will strive. I commend him for his keen sense of duty and patriotism. I am certain I speak for the rest of the Senate when I say thank you, Colonel Zeigler, for a job well done. ●

ORDER FOR REFERRAL OF S. 1400

Mr. CRANSTON. Mr. President, I ask unanimous consent that, when the Committee on Commerce, Science, and Transportation reports S. 1400, the Product Liability Reform Act, the bill shall be referred to the Committee on the Judiciary for a period of 60-calendar days for its consideration of those matters within its jurisdiction: Provided that, if the Committee on the Judiciary does not report S. 1400 by the expiration of that 60 calendar day period, the committee shall be discharged from further consideration thereof and the bill shall be placed on the Senate Calendar.

I further ask unanimous consent that, at any time before the expiration of the 60-calendar day period described in the preceding paragraph and at the request of the majority leader after consultation with the mi-

nority leader, S. 1400 shall be referred to the Committee on Labor and Human Resources for its consideration of those matters within its jurisdiction: Provided that, if the Committee on Labor and Human Resources does not report S. 1400 by the expiration of that 60-calendar day period, the committee shall be discharged from further consideration thereof and the bill shall be placed on the Senate Calendar.

I further ask unanimous consent that, if either committee reports the bill, any written report of the Judiciary Committee or the Labor Committee regarding S. 1400 shall be filed no later than the close of business on the first day of session following the August recess.

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

ORDER FOR S. 1379, DEFENSE PRODUCTION ACT AMENDMENTS, TO BE REFERRED AND PLACED ON THE CALENDAR

Mr. CRANSTON. Mr. President, I ask unanimous consent that when the Senate Banking Committee reports S. 1379, the Defense Production Act Amendments of 1990, that the bill be immediately referred to the Committee on Judiciary for consideration of sections 125 and 127 only; and that if the bill is not reported by the Judiciary Committee by July 17, 1990, that it then be automatically discharged and placed on the calendar.

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

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NO. 101-18

Mr. CRANSTON. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a treaty with Poland concerning business and economic relations (Treaty Document No. 101-18), transmitted to the Senate today by the President; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Poland Concerning Business and Economic Relations, with Protocol and four related exchanges of letters, signed March 21, 1990, at Washington. I transmit also,

for the information of the Senate, the report of the Department of State with respect to this treaty.

This treaty is the first to be transmitted to the Senate under my initiative to strengthen economic relations with East European countries, in support of the political and economic reforms taking place there. It will encourage, facilitate, and protect U.S. investment and business activity in Poland. The treaty also will serve to stimulate the growth of the private sector and of market institutions in that country. The treaty is fully consistent with U.S. policy toward international investment. A tenet of this policy, reflected in this treaty, is that U.S. direct investment abroad and foreign investment in the United States should receive fair, equitable, and non-discriminatory treatment. Under this treaty, the parties also agree to international law standards for expropriation and compensation; free financial transfers; and procedures, including international arbitration, for the settlement of disputes.

I recommend that the Senate consider this treaty as soon as possible and give its advice and consent to ratification of the treaty, with protocol and related exchanges of letters, at an early date.

GEORGE BUSH.

THE WHITE HOUSE, June 19, 1990.

NATIONAL PARK SERVICE RESOURCES MANAGEMENT ACT

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 600, H.R. 2844, the National Park Service resources management bill.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2844) to improve the ability of the Secretary of the Interior to properly manage certain resources of the National Park System.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

SECTION 1. DEFINITIONS.

As used in this Act the term:

(a) "Attorney General" means the Attorney General of the United States.

(b) "Damages" includes the following:

(1) Compensation for—

(A) (i) cost of replacing, restoring, or acquiring the equivalent of a park system resource; and

(ii) the value of any significant loss of use of a park system resource pending its resto-

ration or replacement or the acquisition of an equivalent resource; or

(B) the value of the park system resource in the event the resource cannot be replaced or restored.

(2) The cost of damage assessments under section 3(b).

(c) "Response costs" means the costs of actions taken by the Secretary of the Interior to prevent or minimize destruction or loss of or injury to park system resources; or to abate or minimize the imminent risk of such destruction, loss, or injury; or to monitor ongoing effects of incidents causing such destruction, loss, or injury.

(d) "Park system resource" means any living or nonliving resource that is located within or is a living part of a marine regimen or a Great Lakes aquatic regimen (including an aquatic regimen within Voyageurs National Park) within the boundaries of a unit of the National Park System, except for resources owned by a non-Federal entity.

(e) "Regimen" means a water column and submerged lands, up to the high-tide or high-water line.

(f) "Secretary" means the Secretary of the Interior.

SEC. 2. LIABILITY.

(a) **IN GENERAL.**—Subject to subsection (c), any person who destroys, causes the loss of, or injures any park system resource is liable to the United States for response costs and damages resulting from such destruction, loss, or injury.

(b) **LIABILITY IN REM.**—Any instrumentality, including but not limited to a vessel, vehicle, aircraft, or other equipment that destroys, causes the loss of, or injures any park system resource shall be liable in rem to the United States for response costs and damages resulting from such destruction, loss, or injury to the same extent as a person is liable under subsection (a).

(c) **DEFENSES.**—A person is not liable under this section if such person can establish that—

(1) the destruction, loss of, or injury to the park system resource was caused solely by an act of God or an act of war;

(2) such person acted with due care, and the determination, loss, of, or injury to the park system resource was caused solely by an act or omission of a third party, other than an employee or agent of such person; or

(3) the destruction, loss, or injury to the park system resource was caused by an activity authorized by Federal or State law.

SEC. 3. ACTIONS.

(a) **CIVIL ACTIONS FOR RESPONSE COSTS AND DAMAGES.**—The Attorney General, upon request of the Secretary after a finding by the Secretary—

(1) of damage to a park system resource; or

(2) that absent the undertaking or response costs, damage to a park system resource would have occurred

may commence a civil action in the United States district court for the appropriate district against any person who may be liable under section 2 for response costs and damages. The Secretary shall submit a request for such an action to the Attorney General whenever a person may be liable or an instrumentality may be liable in rem for such costs and damages as provided in section 2.

(b) **RESPONSE ACTIONS AND ASSESSMENT OF DAMAGES.**—(1) The Secretary shall undertake all necessary actions to prevent or minimize the destruction, loss of, or injury to

park system resources, or to minimize the imminent risk of such destruction, loss, or injury.

(2) The Secretary shall assess and monitor damages to park system resources.

SEC. 1. USE OF RECOVERED AMOUNTS.

Response costs and damages recovered by the Secretary under the provisions of this Act or amounts recovered by the Federal Government under any Federal, State, or local law or regulation or otherwise as a result of damage to any living or nonliving resource located within a unit of the National Park System, except for damage resources owned by a non-Federal entity, shall be available to the Secretary and without further congressional action may be used as follows:

(a) **RESPONSE COSTS AND DAMAGE ASSESSMENTS.**—To reimburse costs and damage assessments by the Secretary or other Federal agencies as the Secretary deems appropriate.

(b) **RESTORATION AND REPLACEMENT.**—To restore, replace, or acquire the equivalent of resources which were the subject of the action and to monitor and study such resources: Provided, That no such funds may be used to acquire any lands or waters or interests therein or rights thereto unless acquisition is specifically approved in advance in appropriations Acts and any such acquisition shall be subject to any limitations contained in the organic legislation for such park unit.

(c) **EXCESS FUNDS.**—Any amounts remaining after expenditures pursuant to subsections (a) and (b) shall be deposited into the General Fund of the United States Treasury.

(d) **REPORT TO CONGRESS.**—The Secretary shall report annually to the Committee on Appropriations and the Committee on Energy and Natural Resources of the United States Senate and the Committee on Appropriations and the Committee on Interior and Insular Affairs of the United States House of Representatives on funds expended pursuant to this Act. The report shall contain a detailed analysis and accounting of all funds recovered and expended, including, but not limited to, donations received pursuant to section 5, projects undertaken, and monies returned to the Treasury.

SEC. 5. DONATIONS.

The Secretary may accept donations of money or services for expenditure or employment to meet expected, immediate, or ongoing response costs. Such donations may be expended or employed at any time after their acceptance, without further congressional action.

AMENDMENT NO. 2035

Mr. CRANSTON. Mr. President, I send a technical amendment by Senator JOHNSTON to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated:

The assistant legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. JOHNSTON, proposes an amendment numbered 2035.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of section 2, insert the following new subsection (d):

“(d) **SCOPE.**—The provisions of this section shall be in addition to any other liability which may arise under Federal or State law.”

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2035) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

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

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2844) as amended, was passed.

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

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

The motion to lay on the table was agreed to.

CHACOAN OUTLIERS PROTECTION ACT OF 1990

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 577, S. 798, which would designate the Chaco culture archeological protection sites.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 798) to amend title V of the act of December 19, 1990, designating the Chaco culture archeological protection sites, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Their being no objection, the Senate proceeded to consider the bill, which has been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause, and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Chacoan Outliers Protection Act of 1990”.

SEC. 2. AMENDMENT OF PURPOSES.

Subsection (b) of section 501 of the Act of December 19, 1980 (94 Stat. 3228, Public Law 96-550), is hereby amended by striking “San Juan Basin;” and inserting in lieu thereof “San Juan Basin and surrounding areas;”.

SEC. 3. ADDITIONS TO ARCHEOLOGICAL PROTECTION SITES.

Subsection (b) section 502 of the Act of December 19, 1980 (94 Stat. 3228, Public Law 96-550), is hereby amended by deleting it in its entirety and replacing it with the following new subsection (b):

“(b) Thirty-seven outlying sites are hereby designated as ‘Chaco Culture Archeological Protection Sites’. The thirty-seven archeological protection sites totalling approximately thirteen thousand seven hundred sixty-seven acres identified as follows:

Name:	Acres
Allentown.....	380
Andrews Ranch.....	950
Bee Burrow.....	480
Bisa'ani.....	131
Casa del Rio.....	40
Casamero.....	160
Chimney Rock.....	3,160
Coolidge.....	450
Dalton Pass.....	135
Great Bend.....	26
Greenlee Ruin.....	60
Gray Hill Spring.....	23
Guadalupe.....	115
Halfway House.....	40
Haystack.....	565
Hogback.....	453
Indian Creek.....	100
Jaquez.....	26
Kin Nizhoni.....	726
Lake Valley.....	30
Manuelito-Atsee Nitsaa.....	60
Manuelito-Kin Hochoi.....	116
Muddy Water.....	1,090
Navajo Springs.....	260
Newcomb.....	50
Peach Springs.....	1,046
Pierre's Site.....	440
Raton Well.....	23
Salmon Ruin.....	5
San Mateo.....	61
Sanostee.....	1,565
Section 8.....	10
Skunk Springs/Crumbled House.....	533
Standing Rock.....	348
Toh-la-kai.....	10
Twin Angels.....	40
Upper Kin Klizhin.....	60..

SEC. 4. MAP.

A map entitled “Chaco Culture Archeological Protection Sites” generally depicting the thirty-seven outlying sites shall be kept on file and available for public inspection in the office of the Headquarters of the Chaco Culture National Historical Park, the office of the State Director of the Bureau of Land Management in Santa Fe, New Mexico, the Office of the Area Director of the Bureau of Indian Affairs in Window Rock, Arizona, and the offices of the State Historic Preservation Officers of Arizona and New Mexico.

SEC. 5. AMENDMENTS TO THE MASAU TRAIL.

(a) Section 201 of the Act of December 31, 1987 (101 Stat. 1539, Public Law 100-225) is hereby amended by striking “New Mexico and eastern Arizona” wherever it occurs and inserting in lieu thereof “New Mexico, eastern Arizona, and southwestern Colorado”.

(b) The first sentence of section 202 of the Act of December 31, 1987 (101 Stat. 1539, Public Law 100-225), as amended is further amended by striking “and Zuni-Cibola Na-

tional Historical Park" and inserting "Zuni-Cibola National Historical Park, and Petroglyph National Monument".

AMENDMENT NO. 2036

Mr. CRANSTON. Mr. President, on behalf of Senator JOHNSTON, I send a technical 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 California [Mr. CRANSTON], for Mr. JOHNSTON, proposes an amendment numbered 2036.

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, lines 5 through 16, strike section 5 in its entirety and insert in lieu thereof:

"SEC. 5. AMENDMENT TO THE MASAU TRAIL.

"Section 201 of Public Law 100-225 (101 Stat. 1539, 460uu-11) is hereby amended by striking 'New Mexico and eastern Arizona' wherever it occurs and inserting in lieu thereof 'New Mexico, eastern Arizona, and southwestern Colorado'."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2036) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I urge the Senate to approve the Chacoan Outliers Protection Act of 1990, S. 798. This legislation would expand the Chaco Culture Archeological Protection Sites to include an additional 4,996 acres containing structures and artifacts associated with the Chacoan Anasazi Indian culture of the San Juan Basin of New Mexico.

The San Juan Basin is an area of major significance to the cultural history of North America. It is here that a people that we now call the Anasazi, which is Navajo for "the ancient ones," mysteriously appeared, flourished, and suddenly disappeared in the space of 400 years, from 900 to 1300 A.D. The center of this civilization was Chaco Canyon, a remote and barren site.

The Anasazi built many pueblos and structures around Chaco Canyon and established a large network of outlying communities, known as Chacoan outliers. The Chacoan outliers were spread over an area of over 30,000 square miles and linked by an extensive system of roads.

Archeologists debate the purpose of Chaco Canyon and its outlying communities. The traditional view is that Chaco was a trade center, but an

emerging body of evidence, bolstered by the archeoastronomy work of the Solstice Project, points to Chaco as a religious and ceremonial site.

Chaco Canyon has long been recognized as being a nationally and internationally significant site. In 1907 Chaco Canyon was designated a national monument. The United Nations demonstrated the international significance of Chaco Canyon when it recently designated Chaco Canyon and five Chacoan outliers as World Heritage Cultural Properties.

In 1980, I introduced and the Congress passed the Chaco Cultural National Historical Park Establishment Act, which became Public Law 96-550. This act enlarged the park and reestablished it as the Chaco Culture National Historical Park, consisting of the main body of the park and three noncontiguous units. The act also mandated procedures for the protection, preservation, and administration of archeological remnants of the Chacoan culture.

When Chaco Canyon was first afforded Federal protection in 1907, numerous archeological sites were known to exist outside the boundaries of the national monument. Their relationship to Chaco Canyon, however, was unclear. Archeologists subsequently determined that many of these sites—some as far as 100 miles from Chaco Canyon—were part of the Chacoan culture.

To the untrained eye, the physical remains of the Chacoan outliers are difficult to discern. At some of the sites, walls still stand. At most sites, however, the magnificent structures of the Anasazi people have collapsed into a mound of rubble, which over the years have been buried by the desert sands.

Unfortunately, over the years, many of these sites were vandalized by unscrupulous pot-hunters or degraded by development activities.

In order to protect these outliers, the Chaco Culture National Historical Park Establishment Act designated 33 sites as Chaco Culture Archeological Protection Sites. The Secretary of the Interior is charged with managing these sites in order to preserve them and provide for their interpretation and study. Activities that would endanger the cultural values of the sites are prohibited.

Ownership of the lands containing the archeological protection sites is a checkerboard of private, State, Federal, and Indian interests. The Indian interests include trust, allotted, and fee parcels. In addition, some surface and subsurface ownerships are divided between two or more entities. Therefore, the act mandated that these lands be protected by cooperative agreements, rather than Federal acquisition, where possible.

The Chacoan outliers are not included in the National Park System. Rather, they are managed primarily by the Bureau of Indian Affairs and the Bureau of Land Management. These entities are responsible for resource protection and preservation at the sites.

As introduced, the Chacoan Outliers Protection Act would have expanded the existing Chaco Culture Archeological Protection Sites system to provide protection to five new sites. It also would have expanded the boundaries of 13 of the existing protection sites.

After hearing testimony on the Chacoan Outliers Protection Act, the Energy and Natural Resources Committee amended the bill to add a total of 7 new sites to the 33 existing sites in the Chaco Culture Archeological Protection Sites system. Those sites are: Casamero, Chimney Rock, Guadalupe, Manuelito-Atsee Nitsaa, Manuelito-Kin Hochoi, Navajo Springs, and Salmon Ruins.

Included in these new archeological protection sites is the first Forest Service site, Chimney Rock in southern Colorado. The Manuelito sites have been designated as priority 1 national historic landmarks because severe erosion has damaged the sites.

In addition, the bill would add a total of 2,328 acres to the boundaries of 13 other sites: Allentown; Andrews Ranch; Bee Burrow; Coolidge; Dalton Pass; Great Bend; Grey Hill Spring; Haystack; Hogback; Newcomb; Peach Springs; San Mateo; and Standing Rock.

Three sites—Las Ventanas, Morris 41, and Squaw Springs—would be deleted from the system, and four sites—Jaquez, Muddy Water, Section 8, and Skunk Springs/Crumbled House—would be reduced by a total of 219 acres.

The net result of the changes to be made by the Chacoan Outliers Protection Act would be to increase the number of Chaco Culture Archeological Protection Sites from 33 to 37 and to increase the acreage of the system by 4,996 acres to 13,767 acres.

The bill also includes technical changes to the Chaco Culture National Historical Park Establishment Act to clarify that some sites lie outside the San Juan Basin, to correct the spelling of the name of the Jaquez site, and to direct that maps of the sites be filed with various agencies that have management responsibility for the sites.

The bill also has been amended to include a technical correction of Public Law 100-225, the El Malpais Act, to clarify that the Masau Trail automobile touring route established by that act may extend into southwestern Colorado.

These changes, which are the result of 9 years of research by Federal,

State, and Indian archeologists, were recommended by the Interagency Management Group for the Chaco Culture Archeological Protection Sites, consisting of the National Park Service, the Bureau of Indian Affairs, the Bureau of Land Management, the Forest Service, the Navajo Nation, and the State of New Mexico. They also are in accordance with the 1983 joint management plan for the Chaco Culture Archeological Protection Sites.

Mr. President, the Chacoan Outliers Protection Act would preserve sites of major cultural significance for future generations and assure that the sites are protected from further degradation. These sites are part of the cultural heritage of all Americans and we must act to preserve them, for cultural resources, once lost, can never be restored or regained.

Finally, Mr. President, I would like to thank Senator BINGAMAN and Senator BRADLEY for their cosponsorship of this bill. These sites are not in Senator BRADLEY'S State, but he has always been a strong and eloquent advocate of the preservation of the remains of the Chacoan civilization.

I yield the floor.

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 amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 798

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 "Chacoan Outliers Protection Act of 1990".

SEC. 2. AMENDMENT OF PURPOSES.

Subsection (b) of section 501 of the Act of December 19, 1980 (94 Stat. 3228, Public Law 96-550), is hereby amended by striking "San Juan Basin;" and inserting in lieu thereof "San Juan Basin and surrounding areas;"

SEC. 3. ADDITIONS TO ARCHEOLOGICAL PROTECTION SITES.

Subsection (b) of section 502 of the Act of December 19, 1980 (94 Stat. 3228, Public Law 96-550), is hereby amended by deleting it in its entirety and replacing it with the following new subsection (b):

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SEC. 4. MAP.

A map entitled "Chaco Culture Archeological Protection Sites" generally depicting the thirty-seven outlying sites shall be kept on file and available for public inspection in the office of the Headquarters of the Chaco Culture National Historical Park, the office of the State Director of the Bureau of Land Management in Santa Fe, New Mexico, the Office of the Area Director of the Bureau of Indian Affairs in Window Rock, Arizona, and the offices of the State Historical Preservation Officers of Arizona and New Mexico.

SEC. 5. AMENDMENT TO THE MASAU TRAIL.

Section 210 of Public Law 100-225 (101 Stat. 1539, 460uu-11) is hereby amended by striking "New Mexico and eastern Arizona" wherever it occurs and inserting in lieu thereof "New Mexico, eastern Arizona, and southwestern Colorado".

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

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

The motion to lay on the table was agreed to.

ORDER FOR STAR PRINT—S. 1224

Mr. CRANSTON. Mr. President, I ask unanimous consent that the report of the Commerce Committee on S. 1224, the Motor Vehicle Fuel Efficiency Act, be star printed to include the additional views that I now send to the desk.

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

ORDER TO INDEFINITELY POSTPONE CERTAIN MEASURES

Mr. CRANSTON. I ask unanimous consent that Calendar Order Nos. 592 and 595 be indefinitely postponed.

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

ORDER REFERRING S. 209 TO THE JUDICIARY COMMITTEE

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Banking Committee be discharged from further consideration of S. 209, a bill amending the United States Code concerning financial transactions, be referred to the Judiciary Committee.

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

ORDERS FOR WEDNESDAY, JUNE 20, 1990

Mr. CRANSTON. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m., Wednesday, June 20; that following the time for the two leaders there be a period for morning business not to extend beyond 10 a.m., with Senators permitted to speak therein; and that the Senate resume consideration of S. 566, the housing bill, at 10 a.m.

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

ORDER OF PROCEDURE ON TOMORROW

Mr. CRANSTON. Mr. President, I ask unanimous consent that when we return to the Housing bill, which I believe will be at 10 a.m. tomorrow, that the first amendment to be considered will be the amendment relating to a homeless conference offered by the Senator from Tennessee who is presently the Presiding Officer of the Senate.

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

RECESS UNTIL TOMORROW AT 9 A.M.

Mr. CRANSTON. If the acting distinguished Republican leader, my colleague from California, has no further business, and if no Senator is seeking recognition, I now ask unanimous consent the Senate stand in recess under the previous order until 9 a.m., Wednesday, June 20.

There being no objection, the Senate, at 6:52 p.m., recessed until Wednesday, June 20, 1990, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate June 19, 1990:

