

SENATE—Tuesday, January 29, 1991

(Legislative day of Thursday, January 3, 1991)

The Senate met at 8:30 p.m., on the expiration of the recess, and was called to order by the Honorable KENT CONRAD, a Senator from the State of North Dakota.

PRAYER

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

Let us pray:

*** and his name shall be called Wonderful, Counsellor, the mighty God, the everlasting Father, the Prince of Peace. Of the increase of his government and peace there shall be no end ***—Isaiah 9:6, 7.

Eternal God, perfect in wisdom, justice, and love, thank Thee for Isaiah's word promising Messiah who will bring a perfect government and everlasting peace. As we gather this evening with the awful cloud of war permeating everything, everyday, we ask for special manifestation of Thy presence. Cover the Capitol with a spirit of grace and love. Grant to the President, the Congress and all gathered in the House Chamber the awareness that Thou art present and manifest. Help us to realize that Thou art the sovereign Lord overruling the affairs of nations and people.

We remember prayerfully all who are engaged in combat in the Middle East, ally and enemy. And in spite of the circumstances grant, Lord, that tonight will have great significance in the life of our Nation and the world.

In the name of Him who is the Prince of Peace. 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, January 29, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KENT CONRAD, a Senator from the State of North Dakota, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADER TIME

Mr. FORD. Mr. President, I ask unanimous consent that the time for the two leaders be reserved.

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for morning business.

INTERPRETIVE SERVICES FOR STATE OF THE UNION

Mr. DOLE. Mr. President, there can be no question that, given the situation in the gulf, tonight's State of the Union speech is one of great interest to America. Therefore, it is especially important that all of our citizens are able to hear the President's words.

For this reason, I was especially delighted that for the first time in the history of the Presidential State of the Union Address, interpreter services for hearing-impaired individuals had been made available.

Unfortunately, Mr. President, the networks apparently will not take advantage of this service.

My colleague from Wisconsin, Senator KASTEN—who worked with me on this matter—and I are confident, however, that in the future, the networks will join with the Senate in allowing all Americans to participate fully in future Presidential addresses.

DEAF INTERPRETER FOR PRESIDENT'S SPEECH

Mr. KASTEN. Mr. President, tonight the President of the United States will make a major State of the Union Address to America. It is important that all of our citizens—including the 24 million U.S. citizens who are hearing impaired—hear the President's words.

For the first time in the history of the Presidential State of the Union Address, interpreter services for the hearing impaired will be available.

Mr. President, there are students at Delavan School for the Deaf in Wisconsin who have loved ones sacrificing their lives in the Persian Gulf. Those students, along with thousands of other hearing-impaired Americans, want to have an opportunity to "listen" to their President speak.

By airing the interpretive services made available by the U.S. Senate, the television networks can ensure that, for the first time, millions of hearing-impaired Americans can fully participate in the President's report to the Nation.

My friend and colleague from Kansas, Senator DOLE, and I are proud of the role we have played in making this service available. I am very hopeful that the networks will join with us in taking this historic step.

COMMENDING SOLDIERS OF FORT JACKSON AND COMMUNITY LEADERS OF COLUMBIA, SC

Mr. HOLLINGS. Mr. President, last Friday, January 25, 1991, I was fortunate enough to be able to visit Fort Jackson, SC, and spend some time with its soldiers and the community leaders of Columbia, SC.

I have now been associated with the Army for some 52 years—from joining ROTC at the Citadel in 1938, through service in World War II, and continuing as Governor and now as a U.S. Senator. I have seen the Army mobilize and demobilize, grow large or grow small, many times. Now, because of Operation Desert Storm, both the Army and Fort Jackson are again growing. They greet civilian recruits and in a short 9 weeks send them out as confident, proud, and able young soldiers, as Fort Jackson always has.

But they are also bringing Army reservists and National Guard soldiers, men and women, processing them and readying them for deployment to Southwest Asia. I learned this is a complex operation, running the gamut from boots being issued to teeth being repaired. We as a country are truly indebted for the fine work Maj. Gen. John Renner, Command Sgt. Maj. Russell Anderson, and their superb staff of officers, noncommissioned officers, and civilians are accomplishing to support Operation Desert Storm.

Commendations are also in order for the citizens of the Columbia area, including the Association of the U.S. Army, led by Mr. Bob McCoy; to the former mayor of Columbia, Mr. Patton Adams; to television station WIS, and to many others, for the great job they did taking care of soldiers at Fort Jackson over the 1990 holiday period. Over \$32,000 was raised for use of the soldiers, and their holiday season was made much more joyous because of the caring concerns of Columbia's citizenry.

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

Mr. President times such as these bring out the best in Americans as demonstrated, once again, by the soldiers and citizens in and around Columbia, SC. We are eternally grateful for their service to our Nation.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on January 24, 1991, during the recess of the Senate, received a message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 24, 1991 are printed in today's RECORD at the end of the Senate proceedings.)

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT—PM 7

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was ordered to lie on the table:

To the Congress of the United States:

Mr. President, Mr. Speaker, Members of the United States Congress. I come to this House of the people, to speak to you and all Americans, certain that we stand at a defining hour.

Halfway around the world, we are engaged in a great struggle in the skies and on the seas and sands. We know why we're there. We are Americans: part of something larger than ourselves.

For two centuries, we've done the hard work of freedom. And tonight, we lead the world in facing down a threat to decency and humanity.

What is at stake is more than one small country; it is a big idea: a new world order—where diverse nations are drawn together in common cause, to achieve the universal aspirations of mankind: peace and security, freedom, and the rule of law. Such is a world worthy of our struggle and worthy of our children's future.

The community of nations has resolutely gathered to condemn and repel lawless aggression. Saddam Hussein's unprovoked invasion—his ruthless, systematic rape of a peaceful neighbor—violated everything the community of nations holds dear. The world has said this aggression would not stand—and it will not stand.

Together, we have resisted the trap of appeasement, cynicism, and isolation that gives temptation to tyrants. The world has answered Saddam's invasion with 12 United Nations resolutions, starting with a demand for Iraq's immediate and unconditional withdrawal—and backed up by forces from 28 countries of six continents. With few

exceptions, the world now stands as one.

The end of the Cold War has been a victory for all humanity. A year and a half ago, in Germany, I said our goal was a Europe whole and free. Tonight, Germany is united. Europe has become whole and free—and America's leadership was instrumental in making it possible.

Our relationship with the Soviet Union is important, not only to us, but to the World. That relationship has helped to shape these and other historic changes. But like many other nations, we have been deeply concerned by the violence in the Baltics, and we have communicated that concern to the Soviet leadership.

The principle that has guided us is simple: our objective is to help the Baltic peoples achieve their aspirations, not to punish the Soviet Union. In our recent discussions with the Soviet leadership, we have been given representations, which, if fulfilled, would result in the withdrawal of some Soviet forces, a reopening of dialogue with the Republics, and a move away from violence.

We will watch carefully as the situation develops. And we will maintain our contact with the Soviet leadership to encourage continued commitment to democratization and reform.

If it is possible, I want to continue to build a lasting basis for U.S.-Soviet cooperation, for a more peaceful future for all mankind.

The triumph of democratic ideas in Eastern Europe and Latin America—and the continuing struggle for freedom elsewhere around the world—all confirm the wisdom of our Nation's founders.

Tonight, we work to achieve another victory—a victory over tyranny, and savage aggression.

We in this Union enter the last decade of the 20th century thankful for our blessings, steadfast in our purpose, aware of our difficulties, and responsive to our duties at home and around the world.

For two centuries, America has served the world as an inspiring example of freedom and democracy. For generations, America has led the struggle to preserve and extend the blessings of liberty. And today, in a rapidly changing world, American leadership is indispensable. Americans know that leadership brings burdens and requires sacrifice.

But we also know why the hopes of humanity turn to us.

We are Americans: we have a unique responsibility to do the hard work of freedom. And when we do—freedom works.

The conviction and courage we see in the Persian Gulf today is simply the American character in action. The indomitable spirit that is contributing to this victory for world peace and justice

is the same spirit that gives us the power and the potential to meet our toughest challenges at home.

We are resolute and resourceful. If we can selflessly confront evil for the sake of good in a land so far away, then surely we can make this land all that it should be.

If anyone tells you America's best days are behind her, they're looking the wrong way.

Tonight, I come before this House, and the American people, with an appeal for renewal. This is not merely a call for new government initiatives, it is a call for new initiative in government, in our communities, and from every American—to prepare for the next American century.

America has always led by example. So who among us will set this example? Which of our citizens will lead us in this next American century? Everyone who steps forward today, to get one addict off drugs. To convince one troubled teenager not to give up on life . . . to comfort one AIDS patient . . . to help one hungry child.

We have within our reach the promise of a renewed America. We can find meaning and reward by serving some purpose higher than ourselves—a shining purpose, the illumination of a thousand points of light. It is expressed by all who know the irresistible force of a child's hand, of a friend who stands by you and stays there—a volunteer's generous gesture, an idea that is simply right.

The problems before us may be different, but the key to solving them remains the same: it is the individual—the individual who steps forward. And the state of our Union is the union of each of us, one to the other: the sum of our friendships, marriages, families, and communities.

We all have something to give. So if you know how to read, find someone who can't. If you've got a hammer, find a nail. If you're not hungry, not lonely, not in trouble—seek out someone who is.

Join the community of conscience. Do the hard work of freedom. That will define the state of our Union.

Since the birth of our Nation, "We the people" has been the source of our strength. What government can do alone is limited—but the potential of the American people knows no limits.

We are a Nation of rock-solid realism and clear-eyed idealism. We are Americans: We are the Nation that believes in the future. We are the Nation that can shape the future.

And we've begun to do just that—by strengthening the power and choice of individuals and families.

Together, these last two years, we've put dollars for child care directly in the hands of parents, instead of bureaucracies. Unshackled the potential of Americans with disabilities. Applied the creativity of the marketplace in

the service of the environment, for clean air. And made homeownership possible for more Americans.

The strength of a democracy is not in bureaucracy. It is in the people and their communities. In everything we do, let us unleash the potential of our most precious resource—our citizens. We must return to families, communities, counties, cities, states, and institutions of every kind the power to chart their own destiny, and the freedom and opportunity provided by strong economic growth. That's what America is all about.

I know, tonight, in some regions of our country, people are in genuine economic distress. I hear them.

Earlier this month, Kathy Blackwell of Massachusetts wrote me about what can happen when the economy slows down, saying "My heart is aching, and I think that you should know—your people out here are hurting badly."

I understand. And I'm not unrealistic about the future. But there are reasons to be optimistic about our economy.

First, we don't have to fight double-digit inflation. Second, most industries won't have to make big cuts in production, because they don't have big inventories piled up. And third, our exports are running solid and strong. In fact, American businesses are exporting at a record rate.

So let's put these times in perspective. Together, since 1981, we've created almost 20 million jobs, cut inflation in half, and cut interest rates in half.

Yes, the largest peacetime economic expansion in history has been temporarily interrupted. But our economy is still over twice as large as our closest competitor.

We will get this recession behind us, and return to growth—soon. We will get on our way to a new record of expansion and achieve the competitive strength that will carry us into the next American century.

We should focus our efforts today on encouraging economic growth, investing in the future, and giving power and opportunity to the individual.

We must begin with control of Federal spending. That's why I'm submitting a budget that holds the growth in spending to less than the rate of inflation. And that's why, amid all the sound and fury of last year's budget debate, we put into law new, enforceable spending caps—so that future spending debates will mean a battle of ideas, not a bidding war.

Though controversial, the budget agreement finally put the Federal government on a pay-as-you-go plan—and cut the growth of debt by nearly 500 billion dollars. And that frees funds for saving and job-creating investment.

Now, let's do more. My budget again includes tax-free family savings accounts; penalty-free withdrawals from I.R.A.'s for first-time home-buyers;

and, to increase jobs and growth, a reduced tax for long-term capital gains.

I know there are differences among us about the impact and the effects of a capital gains incentive. So tonight, I am asking the congressional leaders and the Federal Reserve to cooperate with us in a study—led by Chairman Alan Greenspan—to sort out our technical differences so that we can avoid a return to unproductive partisan bickering.

But just as our efforts will bring economic growth now, and in the future, they must also be matched by long-term investments for the next American century.

That requires a forward-looking plan of action—and that's exactly what we will be sending to the Congress. We have prepared a detailed series of proposals that include:

- A budget that promotes investment in America's future—in children, education, infrastructure, space, and high technology.

- Legislation to achieve excellence in education—building on the partnership forged with the 50 governors at the Education Summit—enabling parents to choose their children's schools—and helping to make America #1 in math and science.

- A blueprint for a new National Highway System—a critical investment in our transportation infrastructure.

- A research and development agenda that includes record levels of Federal investment and a permanent tax credit to strengthen private R & D and create jobs.

- A comprehensive National Energy Strategy that calls for energy conservation and efficiency, increased development, and greater use of alternative fuels.

- A banking reform plan to bring America's financial system into the 21st century—so that our banks remain safe and secure and can continue to make job-creating loans for our factories, businesses and home-buyers. I do think there has been too much pessimism. Sound banks should be making more sound loans, now—and interest rates should be lower, now.

In addition to these proposals, we must recognize that our economic strength depends upon being competitive in world markets. We must continue to expand America's exports. A successful Uruguay Round of world trade negotiations will create more real jobs and more real growth—for all nations. You and I know that if the playing field is level, America's workers and farmers can out-work and out-produce anyone, anytime, anywhere.

And with a Mexican Free Trade Agreement, and our Enterprise for the Americans Initiative, we can help our partners strengthen their economies

and move toward a free trade zone throughout this entire hemisphere.

The budget also includes a plan of action right here at home to put more power and opportunity in the hands of the individual. That means new incentives to create jobs in our inner cities, by encouraging investment throughout enterprise zones. It also means tenant control and ownership of public housing. Freedom and the power to choose should not be the privilege of wealth. They are the birthright of every American.

Civil rights are also crucial to protecting equal opportunity. Every one of us has a responsibility to speak out against racism, bigotry, and hate. We will continue our vigorous enforcement of existing statutes, and I will once again press the Congress to strengthen the laws against employment discrimination without resorting to the use of unfair preferences.

We're determined to protect another fundamental civil right—freedom from crime and the fear that stalks our cities. The Attorney General will soon convene a Crime Summit of our Nation's law enforcement officials. And to help us support them, we need tough crime control legislation, and we need it now.

As we fight crime, we will fully implement our National Strategy for Combating Drug Abuse. Recent data show we are making progress, but much remains to be done. We will not rest until the day of the dealer is over, forever.

Good health care is every American's right and every American's responsibility. So we are proposing an aggressive program of new prevention initiatives—for infants, for children, for adults, and for the elderly—to promote a healthier America and to help keep costs from spiraling.

It's time to give people more choice in government, by reviving the ideal of the citizen politician who comes not to stay, but to serve. One of the reasons there is so much support for term limitations is that the American people are increasingly concerned about big-money influence in politics. We must look beyond the next election, to the next generation. The time has come to put the national interest above the special interest—and totally eliminate Political Action Committees.

That would truly put more competition in elections, and more power in the hands of individuals. And where power cannot be put directly in the hands of the individual, it should be moved closer to the people—away from Washington.

The Federal government too often treats government programs as if they are of Washington, by Washington, and for Washington. Once established, Federal programs seem to become immortal.

It's time for a more dynamic program life cycle: Some programs should increase. Some should decrease. Some should be terminated. And some should be consolidated and turned over to the States.

My budget includes a list of programs for potential turnover totalling more than \$20 billion. Working with Congress and the Governors, I propose we select at least \$15 billion in such programs and turn them over to the States in a single consolidated grant—fully funded—for flexible management by the States.

The value of this turn-over approach is straightforward. It allows the Federal government to reduce overhead. It allows States to manage more flexibly and more efficiently. It moves power and decisionmaking closer to the people. And it reinforces a theme of this Administration: appreciation and encouragement of the innovative power of "States as Laboratories."

This Nation was founded by leaders who understood that power belongs in the hands of people. They planned for the future. And so must we—here and around the world.

As Americans, we know there are times when we must step forward and accept our responsibility to lead the world away from the dark chaos of dictators, toward the brighter promise of a better day.

Almost 50 years ago we began a long struggle against aggressive totalitarianism. Now we face another defining hour for America and the world.

There is no one more devoted, more committed to the hard work of freedom, than every soldier and sailor, every Marine, airman, and Coastguardsman—every man and woman now serving in the Persian Gulf.

Each of them has volunteered to provide for this Nation's defense—and now they bravely struggle, to earn for America, for the world, and for future generations, a just and lasting peace.

Our commitment to them must be the equal of their commitment to their country. They are truly America's finest.

The war in the Gulf is not a war we wanted. We worked hard to avoid war. For more than five months we, along with the Arab League, the European Community, and the United Nations, tried every diplomatic avenue. U.N. Secretary General Perez de Cuellar; Presidents Gorbachev, Mitterrand, Ozal, Mubarak, and Bendjedid; Kings Fahd and Hassan; Prime Ministers Major and Andreotti—just to name a few—all worked for a solution. But time and again, Saddam Hussein flatly rejected the path of diplomacy and peace.

The world well knows how this conflict began and when: It began on August 2nd, when Saddam invaded and sacked a small, defenseless neighbor.

And I am certain of how it will end. So that peace can prevail, we will prevail.

Tonight, I'm pleased to report that we are on course. Iraq's capacity to sustain war is being destroyed. Our investment, our training, our planning—all are paying off. Time will not be Saddam's salvation.

Our purpose in the Persian Gulf remains constant: to drive Iraq out of Kuwait, to restore Kuwait's legitimate government, and to ensure the stability and security of this critical region.

Let me make clear what I mean by the region's stability and security. We do not seek the destruction of Iraq, its culture, or its people. Rather, we seek an Iraq that uses its great resources, not to destroy, not to serve the ambitions of a tyrant, but to build a better life for itself and its neighbors. We seek a Persian Gulf where conflict is no longer the rule, where the strong are neither tempted nor able to intimidate the weak.

Most Americans know instinctively why we are in the Gulf. They know we had to stop Saddam now, not later. They know this brutal dictator will do anything; will use any weapon; will commit any outrage, no matter how many innocents must suffer.

They know we must make sure that control of the world's oil resources does not fall into his hands, only to finance further aggression. They know that we need to build a new, enduring peace—based not on arms races and confrontation, but on shared principles and the rule of law.

And we all realize that our responsibility to be the catalyst for peace in the region does not end with the successful conclusion of this war.

Democracy brings the undeniable value of thoughtful dissent—and we have heard some dissenting voices here at home—some reckless, most responsible. But the fact that all voices have the right to speak out is one of the reasons we've been united in purpose and principle for 200 years.

Our progress in this great struggle is the result of years of vigilance, and a steadfast commitment to a strong defense. Now, with remarkable technological advances like the Patriot missile, we can defend against ballistic missile attacks aimed at innocent civilians.

Looking forward, I have directed that the SDI program be refocused on providing protection from limited ballistic missile strikes—whatever their source. Let us pursue an SDI program that can deal with any future threat to the United States, to our forces overseas, and to our friends and allies.

The quality of American technology, thanks to the American worker, has enabled us to successfully deal with difficult military conditions and help minimize loss of life. We have given our men and women the very best. And they deserve it.

We all have a special place in our hearts for the families of our men and women serving in the Gulf. They are represented here tonight by Mrs. Norman Schwarzkopf. We are very grateful to General Schwarzkopf and to all those serving with him. And to the families, let me say our forces in the Gulf will not stay there one day longer than is necessary to complete their mission.

The courage and success of the RAF pilots—of the Kuwaiti, Saudi, French, the Canadians, Italians, the pilots of Qatar and Bahrain—all are proof that for the first time since World War II, the international community is united. The leadership of the United Nations, once only a hoped-for ideal, is now confirming its founders' vision.

I am heartened that we are not being asked to bear alone the financial burden of this struggle. Last year, our friends and allies provided the bulk of the economic costs of Desert Shield, and having now received commitments of over \$40 billion for the first three months of 1991, I am confident they will do no less as we move through Desert Storm.

But the world has to wonder what the dictator of Iraq is thinking. If he thinks that by targeting innocent civilians in Israel and Saudi Arabia, that he will gain advantage—he is dead wrong. If he thinks that he will advance his cause through tragic and despicable environmental terrorism—he is dead wrong. And if he thinks that by abusing the coalition POW's, he will benefit—he is dead wrong.

We will succeed in the Gulf. And when we do, the world community will have sent an enduring warning to any dictator or despot, present or future, who contemplates outlaw aggression.

The world can therefore seize this opportunity to fulfill the long-held promise of a new world order—where brutality will go unrewarded, and aggression will meet collective resistance.

Yes, the United States bears a major share of leadership in this effort. Among the nations of the world, only the United States of America has had both the moral standing, and the means to back it up. We are the only Nation on this Earth that could assemble the forces of peace.

This is the burden of leadership—and the strength that has made America the beacon of freedom in a searching world.

This Nation has never found glory in war. Our people have never wanted to abandon the blessings of home and work, for distant lands and deadly conflict. If we fight in anger, it is only because we have to fight at all. And all of us yearn for a world where we will never have to fight again.

Each of us will measure, within ourselves, the value of this great struggle. Any cost in lives is beyond our power to measure. But the cost of closing our

eyes to aggression is beyond mankind's power to imagine.

This we do know: Our cause is just. Our cause is moral. Our cause is right.

Let future generations understand the burden and the blessings of freedom. Let them say, we stood where duty required us to stand.

Let them know that together, we affirmed America, and the world, as a community of conscience.

The winds of change are with us now. The forces of freedom are united. We move toward the next century, more confident than ever that we have the will at home and abroad to do what must be done—the hard work of freedom.

May God bless the United States of America.

GEORGE BUSH.
THE WHITE HOUSE, January 29, 1991.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on January 25, 1991, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 3. An act to amend title 38, United States Code, to revise, effective as of January 1, 1991, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans; and

H.R. 4. An act to extend the time for performing certain acts under the internal revenue laws for individuals performing services as part of the Desert Shield Operation.

Under the authority of the order of the Senate of January 3, 1991, the enrolled bills were signed on January 25, 1991, during the recess of the Senate, by the President pro tempore (Mr. BYRD).

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on January 29, 1991, during the recess of the Senate, received a message from the President of the United States announcing that pursuant to the provisions of 20, United States Code, 42 and 43 the Speaker appoints as members of the Board of Regents of the Smithsonian Institution the following Members on the part of the House: Mr. WHITTEN, Mr. MINETA, and Mr. CONTE.

The message further announced that pursuant to the provisions of section 1505 of Public Law 99-498, the Speaker appoints to the Board of Trustees of the Institute of American Indian and Alaska Native Culture and Arts Development the following Members on the part of the House: Mr. KILDEE and Mr. YOUNG of Alaska.

The message also announced that pursuant to section 2(a) of the National

Cultural Center Act (20 U.S.C. 76h(a)), the Speaker appoints as members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following Members on the part of the House: Mr. YATES, Mr. WILSON, and Mr. MCDADE.

The message further announced that pursuant to the provisions of section 5(b) of Public Law 93-642, the Speaker appoints as members of the Board of Trustees of the Harry S. Truman Scholarship Foundation the following Members on the part of the House: Mr. SKELTON and Mr. COLEMAN of Missouri.

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-459. A communication from the Administrator of the Farmers Home Administration, transmitting, pursuant to law, a report on the use of contracts for legal services by the Farmers Home Administration; to the Committee on Agriculture, Nutrition, and Forestry.

EC-460. A communication from the Deputy Secretary of Agriculture, transmitting, pursuant to law, the fiscal year 1990 report on advisory and assistance services; to the Committee on Agriculture, Nutrition, and Forestry.

EC-461. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the wildfire rehabilitation report for lands administered by the Department of Agriculture for fiscal year 1989; to the Committee on Agriculture, Nutrition, and Forestry.

EC-462. A communication from the President of the United States, transmitting, pursuant to law, notice that he has granted authority to the service Secretaries to order to active duty units and individual members not assigned to units of the Ready Reserve; to the Committee on Armed Services.

EC-463. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, documentation from the Government of Brazil relative to the lease of the naval landing ship ALAMO; to the Committee on Armed Services.

EC-464. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the expansion of foreign policy controls on certain chemicals which can be used in the production of chemical weapons; to the Committee on Banking, Housing, and Urban Development.

EC-465. A communication from the Secretary of Commerce, transmitting, pursuant to law, notice of the extension export controls maintained for foreign policy purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-466. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, a report on the projection of real economic growth of less than zero in the last calendar quarter of 1990 and the first calendar quarter of 1991; to the Committee on the Budget.

EC-467. A communication from the Assistant Secretary of Energy (Conservation and Renewable Energy), transmitting, pursuant

to law, notice of the delay in the submission of a report on research and development activities under the Steel and Aluminum Conservation and Technology Competitiveness Act; to the Committee on Energy and Natural Resources.

EC-468. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a project negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-469. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a project negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-470. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a project negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-471. A communication from the U.S. Trade Representative, transmitting, pursuant to law, the annual report on the International Coffee Agreement for coffee year 1989/90; to the Committee on Finance.

EC-472. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report relative to prospective payments for hospital outpatient services; to the Committee on Finance.

EC-473. 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 January 17, 1991; to the Committee on Foreign Relations.

EC-474. A communication from the Administrator of the Agency for International Development, transmitting, pursuant to law, the annual report on the Private Sector Revolving Fund for fiscal year 1990; to the Committee on Foreign Relations.

EC-475. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report and a Presidential determination with respect to El Salvador; to the Committee on Foreign Relations.

EC-476. A communication from the Secretary of State, transmitting, pursuant to law, a report stating that Israel is not being denied its right to participate in the activities on the International Atomic Energy Agency; to the Committee on Foreign Relations.

EC-477. A communication from the Chairman of the Board for International Broadcasting, transmitting, pursuant to law, the annual report of the Board for fiscal year 1990; to the Committee on Foreign Relations.

EC-478. A communication from the Chairperson of the Martin Luther King, Jr. Federal Holiday Commission, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Government Affairs.

EC-479. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-480. A communication from the Executive Secretary of the Barry M. Goldwater

Scholarship and Excellence in Education Foundation, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-481. A communication from the Acting Secretary of Education, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-482. A communication from the President and Chief Executive Officer of the Farm Credit System Assistance Board, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-483. A communication from the Chairman of the Postal Rate Commission, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-484. A communication from the Executive Director of the National Commission on Libraries and Information Science, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-485. A communication from the U.S. Commissioner of the Susquehanna River Basin Commission, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-486. A communication from the Chairman of the Administrative Conference of the United States, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-487. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-488. A communication from the Administrator and Chairman of the Cost Accounting Standards Board, transmitting, pursuant to law, the first annual report of the Cost Accounting Standards Board, to the Committee on Governmental Affairs.

EC-489. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of the reports issued by the General Accounting Office during December 1990; to the Committee on Governmental Affairs.

EC-490. A communication from the Chairman and the General Counsel of the National Labor Relations Board, transmitting jointly, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-491. A communication from the Chairman of the Occupational Safety and Health Review Commission, transmitting, pursuant to law, a report on the system of internal accounting and administrative controls in effect during fiscal year 1990; to the Committee on Governmental Affairs.

EC-492. A communication from the Deputy Assistant to the President for Management and Director of the Office of Administration, transmitting, pursuant to law, a report on the system of internal accounting and adminis-

trative controls in effect for each of the Executive Office of the President for fiscal year 1990; to the Committee on Governmental Affairs.

EC-493. A communication from the Attorney General of the United States, transmitting, pursuant to law, recommendations relative to coordination of overall policy and development of objectives and priorities for all Federal juvenile delinquency programs and activities; to the Committee on the Judiciary.

EC-494. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Immigration Management—Strong Leadership and Management Reforms Needed to Address Serious Problems;" to the Committee on the Judiciary.

EC-495. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the biennial report of the National Center on Child Abuse and Neglect covering fiscal years 1987 and 1988; to the Committee on Labor and Human Resources.

EC-496. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fourth report of the Department of Health and Human Services Council on Alzheimer's Disease; to the Committee on Labor and Human Resources.

EC-497. A communication from the Acting Under Secretary of Defense (Acquisition), transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for fiscal year 1990; to the Committee on Small Business.

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-7. A resolution adopted by the City Council of Seattle, Washington calling for a negotiated settlement in the Middle East and a redirection of resources to the cities of the United States; to the Committee on Foreign Relations.

POM-8. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Foreign Relations.

"JOINT RESOLUTION

"Whereas, the firm commitment and courageous dedication of American men and women in the United States Armed Forces deserve the nation's highest respect and commitment to a just and peaceful resolution of the Persian Gulf Crisis; and

"Whereas, the United Nations has condemned Iraq's invasion and occupation of Kuwait, has called for the withdrawal of Iraq from Kuwait, has imposed strict sanctions against Iraq, and has authorized all necessary means after January 15, 1991, to gain Iraq's compliance with the United Nations' resolutions; and

"Whereas, war between Iraq and the United States and its allies will lead to much bloodshed and the loss of life of thousands of servicemen and servicewomen, as well as civilians, on all sides of the conflict; and

"Whereas, the economic impact of war in the Persian Gulf could cost the United States and its allies \$1 billion a day, cause serious international economic disarray and prolonged worldwide recession, and divert necessary funds from health care, housing, education, economic development, and human services; and

"Whereas, war between Iraq and the United States and its allies may expand to a conflict beyond the borders of Iraq and Kuwait; and

"Whereas, more than 1,000 Montanans from the active forces, reserves, and national guard have been deployed to support Operation Desert Shield, leaving behind their homes and families. Now, therefore, be it

Resolved by the Senate and the House of Representatives of the state of Montana:

(1) That this Legislature endorse the actions of the United Nations.

(2) That the Legislature recognize the sacrifices and hardships of separation on Montana families who have sons or daughters, mothers or fathers, and sisters or brothers called to service in the present crisis.

(3) That this Legislature express its heartfelt support and gratitude to all men and women serving our country in Operation Desert Shield and offer its sincere prayer for their safe return.

(4) That it is the hope and prayer of the people of Montana that the leadership of Iraq, the United States, and all nations involved in the Persian Gulf Crisis negotiate a just and peaceful solution to the dispute for the mutual security of all people.

(5) That this Legislature call upon Congress and the President of the United States to continue to work together, thereby resolving this conflict peacefully.

(6) That copies of this resolution be sent by the Secretary of State to the President of the United States, to the presiding officer of the United States Senate, and to each member of Congress."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 19. An original resolution authorizing expenditures by the Committee on Energy and Natural Resources; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably three nomination lists in the Coast Guard which were printed in full in the CONGRESSIONAL RECORD of January 10, 1991, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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. SARBANES:

S. 273. A bill to recognize the organization known as the 29th Division Association, Incorporated; to the Committee on the Judiciary.

By Mr. GRAHAM:

S. 274. A bill to amend the Federal Deposit Insurance Act with respect to the procedures relating to the approval of deposit insurance and risk based premium assessments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE (for himself, Mr. ROTH, Mr. DURENBERGER, and Mr. MOYNIHAN) (by request):

S. 275. A bill to provide for the implementation of a tariff preference regime affecting certain articles from Andean countries, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH (for himself and Mr. BOND):

S. 276. A bill to designate the Federal building located at 1520 Market Street in St. Louis, Missouri, as the "L. Douglas Abram Federal Building"; to the Committee on Environment and Public Works.

By Mr. SIMON:

S. 277. A bill to assure equal justice for women in the courts; to the Committee on the Judiciary.

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. 278. A bill to provide for certain notice and procedures before the Social Security Administration may close, consolidate, or recategorize certain offices; to the Committee on Finance.

By Mr. BRYAN (for himself, Mr. GORTON, Mr. HOLLINGS, Mr. MITCHELL, Mr. ADAMS, Mr. BENTSEN, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. D'AMATO, Mr. DASCHLE, Mr. DECONCINI, Mr. DODD, Mr. FOWLER, Mr. GORE, Mr. GRAHAM, Mr. HEINZ, Mr. KERREY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Mr. MCCAIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. REID, Mr. ROBB, Mr. RUDMAN, Mr. SANFORD, Mr. SIMON, Mr. WELLSTONE, and Mr. WIRTH):

S. 279. A bill to amend the Motor Vehicle Information and Cost Savings Act to require new standards for corporate average fuel economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for himself, Mr. SASSER, and Mrs. KASSEBAUM):

S. 280. A bill to provide for the inclusion of foreign deposits in the deposit insurance assessment base, to permit inclusion of non-deposit liabilities in the deposit insurance assessment base, to require the FDIC to implement a risk-based deposit insurance premium structure, to establish guidelines for early regulatory intervention in the financial decline of banks, and to permit regulatory restrictions on brokered deposits; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY (for himself, Mr. JEFFORDS, Mr. DODD, Mr. SIMON, Mr. ADAMS, Mr. HARKIN, Mr. PELL, Ms. MIKULSKI, Mr. KOHL, Mr. WELLSTONE, and Mr. METZENBAUM):

S. 281. A bill to provide school-based education and support services and comprehensive family support services to families of members of the Armed Forces of the United States who are serving on active duty, to provide continued coverage under group

health plans for the families of members of the Armed Forces serving on active duty during the Persian Gulf conflict, and for other purposes; to the Committee on Armed Services.

By Mr. BINGAMAN:

S. 282. A bill to direct the Director of the General Services Administration to make paper with recycled content available to the Secretary of Agriculture and for the Secretary of Agriculture to establish a pilot program within the Forest Service for the use of paper with recycled content; to the Committee on Governmental Affairs.

By Mr. KOHL:

S. 283. A bill to direct the Secretary of Defense to prescribe regulations with respect to the stationing of military personnel who are solely responsible for dependents at locations where facilities for dependents are not reasonably available; to the Committee on Armed Services.

By Mr. SARBANES:

S.J. Res. 49. Joint resolution to designate 1991 as the "Year of Public Health" and to recognize the 75th Anniversary of the founding of the Johns Hopkins School of Public Health; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself and Mr. DURENBERGER):

S.J. Res. 50. Joint resolution to designate April 6, 1991, as "National Student-Athlete Day"; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Mr. GLENN, Ms. MIKULSKI, Mr. WARNER, Mr. ROBB, Mr. ADAMS, Mr. BUMPERS, Mr. BRADLEY, Mr. HEINZ, Mr. BURDICK, Mr. CONRAD, Mr. CHAFEE, Mr. LAUTENBERG, Mr. WELLSTONE, Mr. JEFFORDS, Mr. RIEGLE, Mr. MOYNIHAN, Mr. NUNN, Mr. MURKOWSKI, Mr. HOLLINGS, Mr. AKAKA, Mr. THURMOND, Mr. COHEN, Mr. SASSER, Mr. LEAHY, Mr. D'AMATO, Mr. PELL, Mr. BOREN, Mr. KERRY, Mr. STEVENS, Mr. LEVIN, Mr. ROTH, Mr. GORE, Mr. KENNEDY, Mr. DECONCINI, Mr. REID, and Mr. DODD):

S.J. Res. 51. Joint resolution to designate the week beginning March 4, 1991, as "Federal Employees Recognition Week"; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 52. Joint resolution to designate the months of April 1991 and 1992 as "National Child Abuse Prevention Month"; 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. JOHNSTON from the Committee on Energy and Natural Resources:

S. Res. 19. An original resolution authorizing expenditures by the Committee on Energy and Natural Resources; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. 273. A bill to recognize the organization known as the 29th Division Association, Inc.; to the Committee on the Judiciary.

29TH DIVISION ASSOCIATION, INC.

● Mr. SARBANES. Mr. President, I am reintroducing legislation today with my colleague from Maryland, Senator BARBARA MIKULSKI, which provides recognition to the 29th Division Association, Inc. and grants the association a Federal charter. The 29th Division has a long and remarkable history and a close association with the citizens of Maryland. I am proud to introduce this bill recognizing one of our Nation's most notable military organizations.

The 29th Division Association, Inc. is a nonprofit corporation organized under the laws of the State of New Jersey. Its objects and purposes as expressed in its articles of incorporation, include: First, the promotion of fellowship among its members; second, the perpetuation of the record of the 29th Division, U.S. Army, in the World Wars; third, the promotion of the welfare of its members; fourth, the consideration of questions concerning the military policy of the United States; fifth, to uphold and defend the Constitution of the United States. The 29th Division Association was organized in 1921 by veterans of World War I who served with the 29th Division in Europe. It now has a membership of 3,500 including veterans from World War I and World War II, as well as young men and women now serving in the 29th Division.

The 29th Infantry Division was organized at Camp McClellan, AL in August 1917 during World War I. Comprised of National Guard units of citizen soldiers from Maryland, Delaware, Virginia, the District of Columbia, and New Jersey, the division consisted of two brigades with two infantry regiments, an artillery brigade and supporting units. The division arrived in France in June 1918 and fought in the Alsace and Meuse-Argonne campaigns, suffering over 5,700 casualties.

In World War II, the 29th Division was mobilized in February 1941 at Fort Meade, MD. This time it included soldiers from Maryland, Virginia, the District of Columbia, and Pennsylvania. The division sailed for England in 1942 after stateside training. Further training ensued in England. On D-day, June 6, 1944, the 29th Infantry Division stormed ashore on Omaha Beach to win a beachhead, taking heavy casualties in the process. The division then participated in four major campaigns including Normandy, Northern France, Rhineland, and Central Europe, suffering 19,814 killed, wounded, and missing. It compiled one of the most distinguished war records of any of our infantry divisions.

In 1985 the division was again reactivated as the 29th Infantry Division (Light) with citizen soldiers from Maryland and Virginia. It is continuing the proud tradition established by the 29th in two World Wars.

The 29th Infantry Division has played a key role in the defense of this country and is still doing so. It is my hope that this legislation to grant the 29th Infantry Division Association a Federal charter will be approved, and I urge my colleagues to join in this effort to honor this distinguished military unit.●

By Mr. GRAHAM:

S. 274. A bill to amend the Federal Deposit Insurance Act with respect to the procedures relating to the approval of deposit insurance and risk-based premium assessments; to the Committee on Banking, Housing, and Urban Affairs.

BANK DEPOSIT INSURANCE LEGISLATION

● Mr. GRAHAM. Mr. President, this Congress will be asked to take a series of actions designed to solidify, to strengthen, and to make less vulnerable the Federal Deposit Insurance Corporation [FDIC] fund, so that in the fall of 1992 we will not be bemoaning the fact that we had again missed the clear call for action.

There are a number of legislative actions that need to occur to assist the fund. Some of that legislation was advanced last fall and will again be put forward this spring. The bill I am introducing today will do two things. First, it will give the FDIC the authority to deny insurance coverage to nationally chartered and State chartered Federal Reserve System member banks. Second, the bill will give FDIC the authority to implement a risk-based insurance system.

The concept that I introduced last year as S. 3075 and which I am again introducing today should, I think, be part of any legislation. It would give the FDIC the authority to deny insurance to any newly chartered national banks and Federal Reserve System member banks. This concept would carry out a recommendation that has been made by the current Chairman of the FDIC, Mr. William Seidman. Mr. Seidman, on July 31 of last year, speaking before the Senate Banking Committee, said that he believed "that as a basic principle the insurer should decide which institutions it insures and that that is the ultimate protection that ought to be afforded to the taxpayer. So we have that now with the savings and loans. We don't have that with the banks." "As a matter of principle, the insurer should determine what institutions qualify for insurance."

Currently the FDIC is required to provide insurance coverage to newly chartered national banks, and State chartered banks which are members of the Federal Reserve System. Also all savings associations chartered after August 9, 1989, and all newly chartered State nonmember banks must apply for FDIC coverage.

The bill today conforms the FDIC's current authority that it acquired for savings associations under the 1989 savings and loan bill to banks.

Second, Mr. President, if we are going to make the FDIC fund truly an insurance fund and not a disgusted subsidy, then the premiums paid in this fund must meet some actuarial standards of adequacy in proportion of the risk assumed. If you are a good driver, you pay lower premiums than a driver who has had a series of accidents. If you are older, you pay higher life insurance rates than younger individuals. If you operate a risky business, you pay higher premiums than that individual who operates a more tranquil enterprise.

We ought to be moving forward with a proposal to make the insurance premiums risk based; that is to relate the degree of risk for individual institutions to the amount of premiums that those institutions pay. In March 1989, Chairman Seidman stated that he felt that the FDIC should have the authority to develop a risk-based insurance system. We did not act on his request in March 1989. I hope we will not miss the opportunity to do so this Congress.

Mr. President one of the lessons we have learned from the savings and loan debacle is the fact that we cannot allow the deposit insurance fund to remove from the management of institutions their sense of personal responsibility and financial accountability for their actions. The way the insurance fund has operated in the past has been characterized as privatizing profits and socializing losses—that is, if things went well the institution would reap the benefit of the profit. If things went badly, that was the taxpayers' responsibility. That is an unacceptable allocation of risk and reward.

The legislation I have filed today will fill two pieces of that anomaly by providing to the Federal deposit insurance fund the capacity to deny coverage where it feels that a federally chartered institution does not warrant that degree of Federal assumption of financial responsibility and to set up a risk based insurance premium system.●

By Mr. DOLE (for himself, Mr. ROTH, Mr. DURENBERGER and Mr. MOYNIHAN) (by request):

S. 275. A bill to provide for the implementation of a tariff preference regime affecting certain articles from Andean countries, and for other purposes; to the Committee on Finance.

ANDEAN TRADE INITIATIVE ACT

Mr. DOLE. Mr. President, today I am pleased to introduce President Bush's Andean Trade Initiative Act.

As we all know too well, the Andean nations are engaged in a serious struggle to combat narcotics trafficking within their borders. As the preferred customer, I believe it is important that the United States aid and encourage

these efforts with economic incentives to replace the unfortunately lucrative narcotics trade.

This legislation authorizes the President to offer legitimate trading opportunities, comparable to the trade preferences granted to our Caribbean Basin neighbors, to reward those Andean nations which join us in the fight to eliminate the production, processing, and shipment of illegal drugs. It will also increase the prospects for economic growth and prosperity in the Andean region and throughout the hemisphere.

Under this initiative, direct imports from a beneficiary nation are eligible for duty-free treatment if at least 35 percent of their value was added in one or more of the beneficiary countries, including the CBI countries.

Products which are particularly import sensitive and are excluded under the CBI are also excluded under this initiative. These include textiles and apparel, footwear, petroleum and petroleum products, canned tuna, watches and watch parts. Other sensitive items are subject to the gradual duty reductions already provided in the CBI.

Finally, the legislation provides for import relief to safeguard domestic industries, such as producers of live plants, cut flowers, fruits, vegetables, and juices.

Mr. President, if we are to win the war on drugs, we must support the efforts of our Andean neighbors. Their struggle is our struggle.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 275

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 "Andean Trade Initiative Act".

SEC. 2. AUTHORITY TO GRANT DUTY-FREE TREATMENT.

The President may proclaim duty-free treatment for all eligible articles from any beneficiary country in accordance with the provisions of this Act.

SEC. 3. BENEFICIARY COUNTRY.

(a) DEFINITIONS.—For purposes of this Act—

(1) The term "beneficiary country" means any country listed in subsection (b) of this section with respect to which there is in effect a proclamation by the President designating such country as a beneficiary country for purposes of this Act. If the President designates any country as a beneficiary country for purposes of this Act, he shall notify the House of Representatives and the Senate of such designation, together with the considerations entering into such decision, no later than 30 days after the date of such designation.

(2) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(3) The term "HTS" means the Harmonized Tariff Schedule of the United States (19 U.S.C. 3007).

(b) DESIGNATION OF BENEFICIARY COUNTRY.—In designating countries as "beneficiary countries" under this Act, the President shall consider only the following countries or successor political entities:

Bolivia
Ecuador
Colombia
Peru

(c) CRITERIA FOR DESIGNATION.—In determining whether to designate any country as a beneficiary country under this Act, the President shall take into account—

(1) whether such country is a Communist country;

(2) whether such country—

(A) has nationalized, expropriated or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify—

(i) any existing contract or agreement with, or

(ii) any patent, trademark, or other intellectual property of,

a United States citizen or a corporation, partnership, or association, which is 50 percent or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property, unless the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good-faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association, over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum;

(3) whether such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards which are in favor of United States citizens or a corporation, partnership, or association which is 50 percent or more beneficially owned by United States citizens, and which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute;

(4) whether such country affords preferential treatment to the products of a developed country, other than the United States, and whether such preferential treatment has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to the President that such preferential treatment will be eliminated or that

action will be taken to assure that there will be no such significant adverse effect;

(5) whether a government-owned entity in such country engages in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent or such country fails to work towards the provision of adequate and effective protection of intellectual property rights;

(6) whether such country is a signatory to a treaty, convention, protocol, or other agreement regarding the extradition of United States citizens;

(7) whether such country has or is taking steps to afford internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974, 19 U.S.C. 2462(a)(4)) to workers in the country (including any designated zone in that country);

(8) whether such country has met the narcotics cooperation certification criteria set forth in section 481(h)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(h)(2)(A)) for eligibility for United States assistance;

(9) an expression by such country of its desire to be so designated;

(10) the economic conditions in such country, the living standards of its inhabitants, and any other economic factors which the President deems appropriate;

(11) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country;

(12) the degree to which such country follows the accepted rules of international trade provided for under the General Agreement on Tariffs and Trade, as well as applicable trade agreements approved under section 2(a) of the Trade Agreements Act of 1979 (19 U.S.C. 2503(a));

(13) the degree to which such country uses export subsidies or imposes export performance requirements or local content requirements which distort international trade;

(14) the degree to which the trade policies of such country as they relate to other beneficiary countries are contributing to the revitalization of the region;

(15) the degree to which such country is undertaking self-help measures to promote its own economic development;

(16) the extent to which such country provides under its law adequate and effective means for foreign nationals to secure, exercise, and enforce exclusive rights in intellectual property, including patent, trademark, and copyright rights;

(17) the extent to which such country prohibits its nationals from engaging in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(18) the extent to which such country is prepared to cooperate with the United States in the administration of the provisions of this Act.

(d) PRODUCTS OF INSULAR POSSESSIONS.—General Note 3(a)(iv) of the HTS (relating to products of the insular possessions) is amended by adding at the end thereof the following:

"(E) Subject to the provisions in section 4 of the Andean Trade Initiative Act goods which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such goods when they are imported from a beneficiary country under such Act."

(e) WITHDRAWAL OF SUSPENSION OF DESIGNATION.—

(1) The President may—

(A) withdraw or suspend the designation of any country as a beneficiary country, or

(B) withdraw, suspend, or limit the application of duty-free treatment under this Act to any article of any country, if, after such designation, the President determines that as a result of changed circumstances such a country should be barred from designation as a beneficiary country.

(2)(A) The President shall publish in the Federal Register notice of the action the President proposes to take under paragraph (1) at least 30 days prior to taking such action.

(B) The United States Trade Representative shall, within the 30-day period beginning on the date on which the President publishes under subparagraph (A) notice of proposed action—

(i) accept written comments from the public regarding such proposed action,

(ii) hold a public hearing on such proposed action, and

(iii) publish in the Federal Register—

(I) notice of the time and place of such hearing prior to the hearing, and

(II) the time and place at which such written comments will be accepted.

SEC. 4. ELIGIBLE ARTICLES.

(a) IN GENERAL.—

(1) Unless otherwise excluded from eligibility by this Act, the duty-free treatment provided under this Act shall apply to any article which is the growth, product, or manufacture of a beneficiary country if—

(A) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(B) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries under this Act, or a beneficiary country under the Caribbean Basin Economic Recovery Act, or two or more such countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries (under this Act or the Caribbean Basin Economic Recovery Act) is not less than 35 percent of the appraised value of such article at the time it is entered.

For purposes of determining the percentage referred to in subparagraph (B), the term "beneficiary country" includes the Commonwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B).

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out subsection (a) including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this Act, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(A) simple combining or packaging operations, or

(B) mere dilution with water or mere dilution with another substance that does not

materially alter the characteristics of the article.

(3) As used in this subsection, the phrase "direct costs of processing operations" includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, interest, and salesmen's salaries, commissions or expenses.

(4) Pursuant to section 223 of the Caribbean Basin Economic Recovery Expansion Act of 1990, if the President considers that the implementation of revised rules of origin for products of beneficiary countries designated under the Caribbean Basin Economic Recovery Act (19 U.S.C. 2701 et seq.), would be appropriate, the President may include similarly revised rules of origin for products or beneficiary countries designated under this Act in any suggested legislation transmitted to the Congress that contain such rules of origin for products of beneficiary countries under the Caribbean Basin Economic Recovery Act.

(b) **LIMITATION ON DUTY-FREE TREATMENT.**—The duty-free treatment provided under this Act shall not apply to—

(1) textile and apparel articles which are subject to textile agreements;

(2) footwear not designated at the time of the effective date of this Act as eligible for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

(3) tuna, prepared or preserved in any manner, in airtight containers;

(4) petroleum, or any product derived from petroleum, provided in heading 2709 or 2710 of the HTS;

(5) watches and watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or watch parts contain any material which is the product of any country with respect to which HTS column 2 rates of duty apply;

(6) articles to which reduced rates of duty apply under subsection (c); or

(7) sugars, syrups, and molasses classified in subheading 1701.11.03, 1701.12.02, 1701.99.02, 1702.90.32, 1806.10.42, or 2106.90.12 of the HTS.

(c) **REDUCTION IN CERTAIN RATES OF DUTY.**—

(1) Subject to paragraph (2), the President shall proclaim reductions in the rates of duty on handbags, luggage, flat goods, work gloves, and leather wearing apparel that—

(A) are the product of any beneficiary country; and

(B) were not designated on August 5, 1983, as eligible articles for purposes of the generalized system of preferences under title V of the Trade Act of 1974.

(2) The reduction provided for under paragraph (1) in the rate of duty on any article may—

(A) result in a rate that is equal to 80 percent of the rate of duty that applies to the article on December 31, 1991, except that, subject to the limitations in paragraph (3), the reduction may not exceed 2.5 percent ad valorem; and

(B) be implemented in 5 equal annual stages with the first one-fifth of the aggregate reduction in the rate of duty being applied to entries, or withdrawals from warehouse for consumption, of the article on or after January 1, 1992.

(3) The reduction provided for under this subsection with respect to the rate of duty on any article is in addition to any reduction in the rate of duty on that article that may be proclaimed by the President as being required or appropriate to carry out any trade agreement entered into under the Uruguay Round of trade negotiations; except that if the reduction so proclaimed—

(A) is less than 1.5 percent ad valorem, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed 3.5 percent ad valorem; or

(B) is 1.5 percent ad valorem or greater, the aggregate of such proclaimed reduction and the reduction under this subsection may not exceed the proclaimed reduction plus 1 percent ad valorem.

(d) **SUSPENSION OF DUTY-FREE TREATMENT.**—

(1) The President may by proclamation suspend the duty-free treatment provided by this Act with respect to any eligible article and may proclaim a duty rate for such article if such action is provided under chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251–2253) or section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862).

(2) In any report by the International Trade Commission to the President under section 202(f) of the Trade Act of 1974 (19 U.S.C. 2252(f)) regarding any article for which duty-free treatment has been proclaimed by the President pursuant to this Act, the Commission shall state whether and to what extent its findings and recommendations apply to such article when imported from beneficiary countries.

(3) For purposes of section 203 of the Trade Act of 1974 (19 U.S.C. 2253), the suspension of the duty-free treatment provided by this Act shall be treated as an increase in duty.

(4) No proclamation providing solely for a suspension referred to in paragraph (3) of this subsection with respect to any article shall be taken under section 203 of the Trade Act of 1974 unless the United States International Trade Commission, in addition to making an affirmative determination with respect to such article under section 202(b) of the Trade Act of 1974, determines in the course of its investigation under such section that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the duty-free treatment provided by this Act.

(5)(A) Any action taken under section 203 of the Trade Act of 1974 that is in effect when duty-free treatment pursuant to section 1 of this Act is proclaimed shall remain in effect until modified or terminated.

(B) If any article is subject to any such action at the time duty-free treatment is proclaimed pursuant to section 1 of this Act, the President may reduce or terminate the application of such action to the importation of such article from beneficiary countries prior to the otherwise scheduled date on which such reduction or termination would occur pursuant to the criteria and procedures of section 203 of the Trade Act of 1974.

(e) **PETITION FILED WITH THE UNITED STATES INTERNATIONAL TRADE COMMISSION.**—

(1) If a petition is filed with the United States International Trade Commission pursuant to the provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) regarding a perishable product and alleging injury from imports from beneficiary countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted pursuant to paragraph (3) of this subsection with respect to such article.

(2) Within 14 days after the filing of a petition under paragraph (1) of this subsection—

(A) if the Secretary of Agriculture has reason to believe that a perishable product from a beneficiary country is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, the Secretary shall advise the President and recommend that the President take emergency action; or

(B) the Secretary of Agriculture shall publish a notice of the Secretary's determination not to recommend the imposition of emergency action and so advise the petitioner.

(3) After the President receives a recommendation from the Secretary of Agriculture to take emergency action pursuant to paragraph (2) of this subsection, the President may issue a proclamation withdrawing the duty-free treatment provided by this Act or publish a notice of the President's determination not to take emergency action.

(4) The emergency action provided by paragraph (3) of this subsection shall cease to apply—

(A) upon the taking of action under section 203 of the Trade Act of 1974,

(B) on the day a determination by the President not to take action under section 203(b)(2) of such Act becomes final,

(C) in the event of a report of the United States International Trade Commission containing a negative finding, on the day the Commission's report is submitted to the President, or

(D) whenever the President determines that because of changed circumstances such relief is no longer warranted.

(5) For purposes of this subsection, the term "perishable product" means—

(A) live plants and fresh cut flowers provided for in chapter 6 of the HTS;

(B) fresh or chilled vegetables provided for in headings 0701 through 0709 (except subheading 0709.52.00) and heading 0714 of the HTS;

(C) fresh fruit provided for in subheadings 0804.20 through 0810.90 (except citrons in subheading 0805.90.00, tamarinds and kiwi fruit in subheading 0810.90.20, and cashew apples, mameyes colorados, sapodillas, soursops, and sweetsops in subheading 0810.90.40) of the HTS; or

(D) concentrated citrus fruit juice provided for in subheading 2009.11.00, 2009.19.40, 2009.20.40, 2009.30.20, or 2009.30.60 of the HTS.

(f) **FEES IMPOSED UNDER AGRICULTURE ADJUSTMENT ACT.**—No proclamation issued pursuant to this Act shall affect fees imposed pursuant to section 22 of the Agriculture Adjustment Act (7 U.S.C. 624).

SEC. 5. CONFORMING AMENDMENTS TO HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES.

(a) General Note 3(c)(i)(A) of the Harmonized Tariff Schedule of the United States

is amended by adding at the end of the table the following new item:

"Andean Trade Initiative Act F or F*".

(b) General Note 3(c) of the Harmonized Tariff Schedule of the United States is amended by adding at the end thereof the following:

"(ix) Products of Countries Designated as Beneficiary Countries for Purposes of the Andean Trade Initiative Act (ATIA).

"(A) The following countries or successor political entities are designated beneficiary countries for the purposes of the ATIA, pursuant to section 3 of that Act;

"Bolivia
"Colombia
"Ecuador
"Peru

"(B)(1) Unless otherwise excluded from eligibility by the provisions of subdivisions (c)(ix)(D) or (c)(ix)(E) of this note, any article which is the growth, product, or manufacture of a beneficiary country shall be eligible for duty-free treatment if that article is provided for in a subheading for which a rate of duty of 'Free' appears in the 'Special' subcolumn followed by the symbol 'F' or 'F*' in parentheses, and if—

"(I) that article is imported directly from a beneficiary country into the customs territory of the United States; and

"(II) the sum of (A) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries under the ATIA, or a beneficiary country under the Caribbean Basin Economic Recovery Act, or two or more such countries, plus (B) the direct costs of processing operations performed in a beneficiary country or countries (under the ATIA or the Caribbean Basin Economic Recovery Act) is not less than 35 percent of the appraised value of such article at the time it is entered.

For purposes of determining the percentage referred to in subparagraph (II), the term 'beneficiary country' includes the Commonwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 percent of the appraised value of the article at the time it is entered that is attributed to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (II).

"(2) Pursuant to section 4(a)(2) of the ATIA, the Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out subdivision (c)(ix) of this note including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under the ATIA, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country, and must be stated as such in a declaration by the appropriate party; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

"(I) simple combining or packaging operations, or

"(II) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

"(3) As used in subdivision (c)(ix)(B) of this note, the phrase 'direct costs of processing operations' includes, but is not limited to—

"(I) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

"(II) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (aa) profit, and (bb) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, interest, and salesmen's salaries, commissions or expenses.

"(C) Articles provided for in a provision for which a rate of duty of 'Free' appears in the 'Special' subcolumn followed by the symbols 'F' or 'F*' in parentheses are eligible articles for purposes of the ATIA pursuant to section 4 of that Act. The symbol 'F' indicates that all articles provided for in the designated provision are eligible for preferential treatment except those described in subdivision (c)(ix)(E) of this note. The symbol 'F*' indicates that some articles provided for in the designated provision are not eligible for preferential treatment, as further described in subdivision (c)(ix)(D) of this note. Whenever an eligible article is imported into the customs territory of the United States in accordance with the provisions of subdivision (c)(ix)(B) of this note from a country or territory listed in subdivision (c)(ix)(A) of this note, it shall be eligible for duty-free treatment as set forth in the 'Special' subcolumn, unless excluded from such treatment by subdivision (c)(ix)(D) or (c)(ix)(E) of this note.

"(D) Articles provided for in a provision for which a rate of duty of 'Free' appears in the 'Special' subcolumn followed by the symbol 'F*' in parentheses shall be eligible for the duty-free treatment provided for in subdivision (c)(ix) of this note, except textile and apparel articles—

"(1) of cotton, wool, or fine animal hair, man-made fibers, or blends thereof in which those fibers, in the aggregate, exceed in weight each other single component fiber thereof; or

"(2) in which either the cotton content or the man-made fiber content equals or exceeds 50 percent by weight of all component fibers thereof; or

"(3) in which the wool or fine animal hair content exceeds 17 percent by weight of all components fibers thereof; or

"(4) containing blends of cotton, wool, or fine animal hair, or man-made fibers, which fibers, in the aggregate, amount to 50 percent or more by weight of all component fibers thereof;

except that beneficiary country exports of handloom fabrics of the cottage industry, or handmade cottage industry products made of such handloom fabrics, or traditional folklore handicraft textile products, if such products are properly certified under an arrangement established between the United States and such beneficiary country, are eligible for the duty-free treatment provided for in subdivision (c)(ix) of this note.

"(E) The duty-free treatment provided under the ATIA shall not apply to watches and to watch parts (including cases, bracelets, and straps), of whatever type including, but not limited to, mechanical, quartz digital, or quartz analog, if such watches or

watch parts contain any material which is the product of any country with respect to which column 2 rates of duty apply."

SEC. 6. INTERNATIONAL TRADE COMMISSION REPORTS ON IMPACT OF THE ANDEAN TRADE INITIATIVE ACT.

(a) REPORT TO CONGRESS.—The United States International Trade Commission (hereafter in this section referred to as the "Commission") shall prepare, and submit to the Congress, a report regarding the economic impact of this Act on United States industries and consumers during—

(1) the twenty-four month period beginning with the date of the enactment of this Act; and

(2) each calendar year occurring thereafter until duty-free treatment under this Act is terminated under section 8(b).

For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States shall be considered to be United States industries.

(b) CONTENT OF REPORT.—

(1) Each report required under subsection (a) shall include, but not be limited to, an assessment by the Commission regarding—

(A) the actual effect, during the period covered by the report, of this Act on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and

(B) the probable future effect that this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate.

(2) In preparing the assessments required under paragraph (1), the Commission shall, to the extent practicable—

(A) analyze the production, trade and consumption of United States products affected by this Act, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production; and

(B) describe the nature and extent of any significant change in employment, profit levels, and use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned, which it believes are attributable to this Act.

(c) DATE FOR SUBMITTING REPORT.—

(1) Each report required under subsection (a) shall be submitted to the Congress before the close of the nine-month period beginning on the day after the last day of the period covered by the report.

(2) The Commission shall provide an opportunity for the submission by the public, either orally or in writing, or both, of information relating to matters that will be addressed in the reports.

SEC. 7. IMPACT STUDY BY SECRETARY OF LABOR.

The Secretary of Labor, in consultation with other appropriate Federal agencies, shall undertake a continuing review and analysis of the impact that the implementation of the provisions of this Act has with respect to United States labor; and shall make an annual written report to Congress on the results of such review and analysis.

SEC. 8. EFFECTIVE DATE AND TERMINATION OF DUTY-FREE TREATMENT.

(a) **EFFECTIVE DATE.**—This Act shall take effect on the date of the enactment of this Act.

(b) **TERMINATION OF DUTY-FREE TREATMENT.**—No duty-free treatment extended to beneficiary countries under this Act shall remain in effect on or after the date that is 10 years after the date of the enactment of this Act.

• **Mr. ROTH.** Mr. President, I am pleased to join the distinguished Republican leader in introducing the Andean Trade Initiative Act, which is being introduced on behalf of the administration. In helping to promote greater economic opportunities for the four Andean countries, Bolivia, Colombia, Ecuador, and Peru, this legislation will fulfill the commitment made by our President during the Cartagena summit last summer, and is a critical component to supporting these countries' efforts to eliminate the production, processing, and shipment of illicit drugs.

The provisions of this act establish a trade preference regime for certain products from the Andean countries. It is closely modeled after the Caribbean Basin Initiative [CBI], which was renewed and extended by Congress just last year. It is carefully crafted to take into account the need for protecting highly import sensitive products by maintaining duties on such products.

In addition to helping eliminate the illegal drug business, the United States will benefit from other provisions contained in this legislation. For example, the President must consider various factors important to U.S. business and labor concerns prior to designating a beneficiary country. These include the extent to which such country provides adequate protection of intellectual property rights, assures equitable and reasonable market access to U.S. goods and services, and is taking steps to afford internationally recognized worker rights. These and other criteria should prompt positive constructive economic change in the region.

If we expect Andean countries to eliminate their significant economic dependency on, and involvement in, illegal drugs, then we must be willing to help them bring about an expanding pattern of normal economic growth and development. Ultimately, we will reap substantial benefits through growing export opportunities and reduced illegal drug activity. The Andean Trade Initiative Act will be a strong step in this direction and I urge my colleagues to support it.●

By **Mr. DANFORTH** (for himself and **Mr. BOND**):

S. 276. A bill to designate the Federal building located at 1520 Market Street in St. Louis, MO, as the "L. Douglas Abram Federal Building"; to the Committee on Environment and Public Works.

L. DOUGLAS ABRAM FEDERAL BUILDING

• **Mr. DANFORTH.** Mr. President, on behalf of myself and **Mr. BOND**, I am introducing legislation to designate the Federal building at 1520 Market Street, St. Louis, MO, as the "L. Douglas Abram Federal Building."

Mr. Abram, a special agent with the Federal Bureau of Investigation, was killed in the line of duty on January 19, 1990. Special Agent Abram entered on duty as an agent on June 6, 1976. During his 14-year career with the FBI, he had been assigned to the Columbus, OH, Resident Agency and Washington Field Office. In 1983, he was assigned to the St. Louis office and was a member of the special weapons and tactics [SWAT] team.

Mr. Abram lost his life in a shootout that began when officials tried to serve a search warrant on a suspected bank robber's home. Special Agent Abram was the first agent in the St. Louis office to die in the line of duty, and the 40th in the Nation.

Mr. Abram was an outstanding, dedicated professional who gave his life in the performance of his duty. He was known for his courage and loyalty and was considered a role model by many of the agents he helped train.

The war against drugs and crime is on-going. It is the dedication and persistence of our men and women in the law enforcement arena that will enable us to win this war. Special Agent Abram gave his life in the service of his country and I think he deserves to be honored in a significant way.

I offer this tribute to one of our Nation's heroes and urge your support of this bill.●

By **Mr. SIMON**:

S. 277. A bill to assure equal justice for women in the courts; to the Committee on the Judiciary.

EQUAL JUSTICE FOR WOMEN IN THE COURTS ACT

• **Mr. SIMON.** Mr. President, I rise today to introduce the Equal Justice for Women in the Courts Act of 1991. This bill addresses one of the remaining barriers to equal justice in our State and Federal judicial proceedings—gender bias by judges and court personnel. I first introduced this bill in the 101st Congress, and it was unanimously approved by the Judiciary Committee as an amendment to Senator Biden's Violence Against Women Act.

The Equal Justice for Women in the Courts Act authorizes funding for the State Justice Institute and the Federal Judicial Center to develop and disseminate model programs designed to train judges and their personnel on rape laws, sexual assault, domestic violence, and crimes of violence motivated by gender.

Training would include such topics as the physical, economic, and psychological effects of rape and domestic violence on the victim and the resulting

costs to society; statistics on the nature and incidence of domestic violence; and the application of the rape shield laws and other limits on the introduction of evidence in court. Both the State and the Federal model programs would be developed with the assistance of law enforcement officials, victim's advocates, prosecutors, defense attorneys, and recognized experts on gender bias in the courts.

The Federal Courts Study Committee report released in April 1990 noted the crucial need for the type of judicial education and training this bill will provide. The study committee found that studies of many State systems reveal the presence of gender bias in State judicial proceedings. The committee concluded, "[w]e believe education is the best means of sensitizing judges and supporting personnel to their own possible inappropriate conduct and to the importance of curbing such bias when shown by attorneys, parties, and witnesses."

Two and one-half years ago, the Illinois State Bar Association, the Illinois Women's Bar Association, and the Chicago Bar Association established the task force to study gender bias in the courts. Last year the task force released its exhaustive study of the manifestations of gender bias in domestic relations cases, criminal cases, civil damage awards, and courtroom dynamics in the Illinois system. The report notes such specific instances of bias as a judge's comments in a case where a man chased his estranged wife and her companion by car. The woman and her companion were killed while trying to elude the defendant. As he sentenced the defendant to probation, the presiding judge stated, "[t]his was no drunken idiot trying to run someone off the road. This was a sober man trying to reclaim his wife."

But this is just one of many examples of blatant gender bias uncovered by the task force. The report also cites other, far more subtle, instances of gender bias throughout the justice system and strongly recommends judicial education as an important part of any meaningful effort to eliminate such bias.

I, too, believe that educational training for State and Federal judges on the legal issues and practical aspects surrounding sexual assault, domestic violence, rape, and crimes of violence motivated by gender is vital if judges and court personnel are to have a true understanding of the traumatic effects of these crimes on the victims.

Mr. President, last year my colleague, Senator **BIDEN** of Delaware, introduced the first comprehensive measure aimed at making our Nation's streets, college and university campuses, and homes safer for women. Following extensive hearings, the Judiciary Committee unanimously approved the Violence Against Women Act. The

Equal Justice for Women in the Courts Act was included as an amendment to the bill. Senator BIDEN has reintroduced the Violence Against Women Act this year, and I am pleased to note that the Equal Justice for Women in the Courts Act is included as title V of the bill.

Statistics compiled by the Judiciary Committee reveal that in 1989, more women were abused by their husbands than the number of women who got married. Since 1974, the rate of assaults against young women age 20 to 24 has risen 48 percent. In that same period of time, assaults against young men age 20 to 24 dropped 12 percent. In my home State of Illinois, the rate of sexual assaults has risen roughly 18 percent since 1986.

Yet rape is the most under-reported of all major crimes—it is believed that only about 7 percent of all rapes are reported to the police. One of the reasons they go unreported is the actual and perceived insensitivity of law enforcement officers and officers of the court to the victims of these crimes.

Enactment of the Equal Justice for Women in the Courts Act will provide meaningful protection to the rights of those who are victimized by sex crimes, domestic violence, and crimes of violence motivated by gender and take us one step closer to making equal justice under the law a living reality.

Mr. President, I commend this bill to my colleagues and invite their cosponsorship and support.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following this statement.

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

S. 277

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 "Equal Justice for Women in Courts Act of 1991".

TITLE I—EDUCATION AND TRAINING FOR JUDGES AND COURT PERSONNEL IN STATE COURTS

SEC. 101. GRANTS AUTHORIZED.

The State Justice Institute is authorized to award grants for the purpose of developing, testing, presenting, and disseminating model programs to be used by States in training judges and court personnel in the laws of the State on rape, sexual assault, domestic violence, and other crimes of violence motivated by the victims' gender.

SEC. 102. TRAINING PROVIDED BY GRANTS.

Training provided pursuant to grants made under this title may include current information, existing studies, or current data on—

- (1) the nature and incidence of rape and sexual assault by strangers and nonstrangers, marital rape, and incest;
- (2) the underreporting of rape, sexual assault, and child sexual abuse;
- (3) the physical, psychological, and economic impact of rape and sexual assault on

the victim, the costs to society, and the implications for sentencing;

(4) the psychology of sex offenders, their high rate of recidivism, and the implications for sentencing;

(5) the historical evolution of laws and attitudes on rape and sexual assault;

(6) sex stereotyping of female and male victims of rape and sexual assault, racial stereotyping of rape victims and defendants, and the impact of such stereotypes on credibility of witnesses sentencing and other aspects of the administration of justice;

(7) application of rape shield laws and other limits or introduction of evidence that may subject victims to improper sex stereotyping and harassment in both rape and nonrape cases, including the need for sua sponte judicial intervention in inappropriate cross-examination;

(8) the use of expert witness testimony on rape trauma syndrome, child sexual abuse accommodation syndrome, post-traumatic stress syndrome, and similar issues;

(9) the legitimate reasons why victims of rape, sexual assault, and incest may refuse to testify against a defendant;

(10) the nature and incidence of domestic violence;

(11) the physical, psychological, and economic impact of domestic violence on the victim, the costs to society, and the implications for court procedures and sentencing;

(12) the psychology and self-presentation of batterers and victims and the implications for court proceedings and credibility of witnesses;

(13) sex stereotyping of female and male victims of domestic violence, myths about presence or absence of domestic violence in certain racial, ethnic, religious, or socioeconomic groups, and their impact on the administration of justice;

(14) historical evolution of laws and attitudes on domestic violence;

(15) proper and improper interpretations of the defenses of self-defense and provocation, and the use of expert witness testimony on battered women syndrome;

(16) the likelihood of retaliation, recidivism, and escalation of violence by batterers, and the potential impact of incarceration and other meaningful sanctions for acts of domestic violence including violations of orders of protection;

(17) economic, psychological, social and institutional reasons for victims' inability to leave the batterer to report domestic violence or to follow through on complaints, including the influence of lack of support from police, judges, and court personnel, and the legitimate reasons why victims of domestic violence may refuse to testify against a defendant;

(18) the need for orders of protection, and the implications of mutual orders of protection, dual arrest policies, and mediation in domestic violence cases;

(19) recognition of and response to gender-motivated crimes of violence other than rape, sexual assault and domestic violence, such as mass or serial murder motivated by the gender of the victims; and

(20) current information on the impact of pornography on crimes against women, or data on other activities that tend to degrade women.

SEC. 103. COOPERATION IN DEVELOPING PROGRAMS IN MAKING GRANTS UNDER THIS TITLE.

The State Justice Institute shall ensure that model programs carried out pursuant to grants made under this title are developed with the participation of law enforcement of-

ficials, public and private nonprofit victim advocates, legal experts, prosecutors, defense attorneys, and recognized experts on gender bias in the courts.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for fiscal year 1991, \$600,000 to carry out the purposes of this title. Of amounts appropriated under this section, the State Justice Institute shall expend no less than 40 percent on model programs regarding domestic violence and no less than 40 percent on model programs regarding rape and sexual assault.

TITLE II—EDUCATION AND TRAINING FOR JUDGES AND COURT PERSONNEL IN FEDERAL COURTS

SEC. 201. EDUCATION AND TRAINING GRANTS.

(a) **STUDY.**—The Federal Judicial Center shall conduct a study of the nature and extent of gender bias in the Federal courts, including in proceedings involving rape, sexual assault, domestic violence, and other crimes of violence motivated by gender. The study shall be conducted by the use of data collection techniques such as reviews of trial and appellate opinions and transcripts, public hearings, and inquiries to attorneys practicing in the Federal courts. The Federal Judicial Center shall publicly issue a final report containing a detailed description of the findings and conclusions of the study, including such recommendations for legislative, administrative, and judicial action as it considers appropriate.

(b) **MODEL PROGRAMS.**—(1) The Federal Judicial Center shall develop, test, present, and disseminate model programs to be used in training Federal judges and court personnel in the laws on rape, sexual assault, domestic violence, and other crimes of violence motivated by the victim's gender.

(2) The training programs developed under this subsection shall include—

(A) all the topics listed in section 102 of title I; and

(B) all procedural and substantive aspects of the legal rights and remedies for violent crime motivated by gender including such areas as the Federal penalties for sex crimes, interstate enforcement of laws against domestic violence and civil rights remedies for violent crimes motivated by gender.

SEC. 203. COOPERATION IN DEVELOPING PROGRAMS.

In implementing this title, the Federal Judicial Center shall ensure that the study and model programs are developed with the participation of law enforcement officials, public and private nonprofit victim advocates, legal experts, prosecutors, defense attorneys, and recognized experts on gender bias in the courts.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for fiscal year 1991, \$400,000 to carry out the purposes of this title. Of amounts appropriated under this section, no less than 25 percent and no more than 40 percent shall be expended by the Federal Judicial Center on the study required by section 201(a) of this title. •

By Mr. SARBANES (for himself and Ms. MIKULSKI):

S. 278. A bill to provide for certain notice and procedures before the Social Security Administration may close, consolidate, or recategorize certain offices; to the Committee on Finance.

SOCIAL SECURITY ADMINISTRATION SERVICES PRESERVATION ACT

• Mr. SARBANES. Mr. President, today I am reintroducing legislation

that would establish procedures to be used when the Social Security Administration proposes to close or move a field office.

My legislation, the Social Security Administration Services Preservation Act of 1991, would establish a process for ensuring that interested organizations, employees, and social security beneficiaries all receive adequate notice of proposed changes in field offices.

This bill would also require the agency to list, as part of its annual budget submission, those offices which have been closed in the preceding year as well as any that the agency plans to close. Currently, there is no readily available source of this information even though it is clearly important if we in Congress are to be informed about the agency's service to the American people.

The procedures in this legislation are based both on procedures employed by the U.S. Postal Service for office closings and on guidelines that the Social Security Administration issued on April 25, 1980. Those guidelines, part of an administrative directives system, outlined the agency's policy and I want to quote briefly from them:

The prime purpose of any service area or facility change will be to directly improve public service, increase operational or administrative efficiency, or both. The assumption is that improvements in operational or administrative efficiency can be shown to result at least indirectly in improved public service, but where change would bring these two concepts or goals into conflict with one another, public service considerations should be carefully weighed in light of the costs involved.

The guidelines go on to specify that shifts in population, demand for personal service, socioeconomic changes, transportation availability, and public reaction to the proposal should all be considered in decisions to close or relocate facilities. If the Social Security Administration consistently adhered to these guidelines, the need for the legislation I am introducing would not be as pressing. However, the guidelines have been repeatedly revised and, more importantly, there have been a number of cases where the agency has violated its own procedures.

Mr. President, public confidence in the Social Security Program is vital to its effectiveness and is based largely on the service the agency provides. The agency's extensive network of offices plays an important role in providing quality service to the millions of Americans who depend upon Social Security programs. The agency recognized, as early as 1958, that the location of its offices around the country contributes both to public confidence and to public cooperation.

As my colleagues know, the Social Security Administration closed, moved, and recategorized a number of service offices during the 1980's. A

number of those closings, including one in my own State of Maryland, were made without adequate consideration of the public interest.

In the fall of 1987, the agency decided to close its Dunbar office located on the east side of Baltimore. That office had been opened in the late 1960's as part of an effort to provide a variety of community services at one central location—a former high school in the Dunbar community. The Social Security office served as the focal point of the center and received frequent referrals from State and local agencies located there. The demand for services from this community was noticeably high.

With the closing of that office, residents of the area still receive many other services from the Dunbar location. However, it is now necessary for them to go outside of their community for Social Security assistance. The Dunbar office served a community that includes many elderly and disabled residents who find it almost impossible to travel across town to other offices.

The agency's decision to close this particular office was never fully justified. They maintained that their quality of service and operating efficiency would be enhanced by telephone and computer modernization. However, Mr. President, I do not need to remind this body of the widespread reports of serious problems with the new equipment and with telephone accessibility. Many serious concerns about the teleservice program have been expressed to me and to my casework staff.

Even assuming that problems with the telephone systems are eventually resolved, the agency itself noted that more than 15 percent of households in the east Baltimore area do not have telephones. Therefore, those residents now have no choice except to travel the extra distance to the downtown office. The agency's arguments for closing the Dunbar office were especially unconvincing since it had been handling a heavy caseload very efficiently and effectively. At the time it was shut down, the branch office employed eight people who had a reputation throughout the Baltimore area for the quality of their service and the personal assistance they provided for clients.

The service delivery review that the agency used to justify the closing of the office included little serious analysis and did not consider alternative field office arrangements. However, the most surprising thing about the review process was its failure to involve the community in assessing its own service needs. The agency did not provide community groups or Social Security beneficiaries in the Dunbar area with an opportunity to participate in the service review process.

The Social Security Administration clearly did not follow its written procedures in this particular decision to

close an office. Mr. President, I am confident that many of my colleagues are aware of situations in their own States in which a service office was closed or downgraded without input from community groups and without adequate consideration of the public interest. As many of us so painfully remember, the last Administration proposed closing more than 750 service offices in mid-1985. Thanks to the congressional and public outrage sparked by that proposal, the mass closings were not done. However, since that time the agency has continued to target many of those same offices for closure or recategorization.

My legislation would assure that the need for personal attention of many Social Security beneficiaries, such as senior citizens and handicapped persons, is considered before an office is closed. It recognizes that residents of areas that are characterized by low levels of income or education often have a greater need for personal assistance. In the 1960's and 1970's, the agency opened many offices in areas that are socially or economically disadvantaged. It disturbs me that many of those very offices are among the ones that the agency has targeted for closure in recent years.

This act would also ensure that all decisions to close, recategorize, or move a Social Security office are considered using a fair process. It would prevent the Administration from basing such decisions on political interests instead of on the needs of this Nation's citizens.

Mr. President, I am pleased that my colleague from Maryland, Senator MIKULSKI, is again joining as a cosponsor of this legislation. It is my hope that all of my other colleagues will join us in supporting this important bill so that it can be promptly approved by the Senate.●

By Mr. BRYAN (for himself, Mr. GORTON, Mr. HOLLINGS, Mr. MITCHELL, Mr. ADAMS, Mr. BENTSEN, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. CONRAD, Mr. D'AMATO, Mr. DASCHLE, Mr. DECONCINI, Mr. DODD, Mr. FOWLER, Mr. GORE, Mr. GRAHAM, Mr. HEINZ, Mr. KERREY, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LIEBERMAN, Mr. MCCAIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PELL, Mr. REID, Mr. ROBB, Mr. RUDMAN, Mr. SANFORD, Mr. SIMON, Mr. WELLSTONE, and Mr. WIRTH):

S. 279. A bill to amend the Motor Vehicle Information and Cost Savings Act to require new standards for corporate average fuel economy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MOTOR VEHICLE FUEL EFFICIENCY ACT

• Mr. BRYAN. Mr. President, today I, together with 34 original cosponsors, am introducing the Motor Vehicle Fuel Efficiency Act of 1991. It is one of the most effective energy conservation measures available to reduce our growing dependence on imported oil.

These are tense and frustrating days for all of us. We all have struggled with the proper response to the Iraqi invasion of Kuwait, and now that war has begun we all hope and pray for a quick resolution and for peace. At the same time, we know that this war may continue for some time, with a painfully high human and economic cost.

We are limited in what we can do in the short term to assist in the day-to-day war effort. But there is much we can do in the longer term to change the conditions that make us so dependent on the unstable Middle East, and on the oil that we know ultimately is a finite resource. We have been without an energy policy in this country for over 10 years. We now import well over 40 percent of the oil we use, and we import more of our oil from the Persian Gulf than we did at the time of the 1973 embargo. The fuel economy of passenger vehicles is declining, rather than improving, at a rate of 4 percent in just the last 2 years.

These patterns are deeply troubling, and inaction in the face of these facts would be irresponsible. The consequences of such inaction, for the citizen individually and for the Nation as a whole, can be severe. The legislation I introduce today is one step, and indeed the first step for the 102d Congress, to reverse the pattern of inertia that has existed for much too long.

This legislation is very similar to S. 1224, which I introduced in the 101st Congress, and which had the support of 57 Members of the Senate. It will improve the fuel efficiency of the new passenger vehicle fleet by 40 percent over the next decade by requiring increases in the corporate average fuel efficiency, or CAFE, requirements of current law. By 2005, these improvements will save more than 2 million barrels of oil each day. This is over four times the amount of oil we imported from Iraq and Kuwait prior to the invasion. This legislation also addresses the serious environmental threat of global warming. Since each gallon of gasoline burned emits almost 20 pounds of carbon dioxide, these savings will dramatically reduce emissions of this greenhouse gas by 500 million tons per year.

While this bill will require effort on the part of the auto industry, it also has been crafted with industry's needs in mind. No increase is required until model year 1996, an additional year beyond that which would have been required by legislation that I introduced in the last Congress. This is in recognition of the considerable lead time the

industry says it needs to alter its product plans. The bill does not require precise annual increases, as the current CAFE law did, but sets standards 5 years apart to permit the industry maximum flexibility in reaching the standards.

In recognition of the fact that surgical precision in setting standards 10 years in the future is difficult, the bill provides considerable discretion to the Department of Transportation to increase or reduce the standards to the maximum feasible levels of fuel economy. However, it provides strict guidance to the agency in carrying out this responsibility, to prevent the abusive and unnecessary reductions in the standards that were permitted by the administration in the late 1980's.

The legislation also will correct the unfairness in the current CAFE law, which is unduly burdensome to those manufacturers who make a full range for vehicle sizes. It will require each manufacturer to improve by the same percentage, so that all those who sell cars in the United States will have to do their fair share toward energy conservation. However, it also contains a numerical maximum, or cap, on the standards, so that those manufacturers who already have high fuel economy achievements will not be unreasonably affected.

On the other hand, the bill contains necessary deterrents to discourage violation of the standards. The bill adjusts the civil penalties chargeable to violators by an inflation factor, since the penalties have not been increased since 1975 and now are worth about one-half of what they were when enacted. Additionally, since some manufacturers repeatedly ignore the standards and simply pay penalties every year, the bill will make the standards more difficult to ignore by doubling the penalties for such repeat violators.

Finally, the bill will require several studies—on the technological potential for fuel economy improvements beyond the next decade; on the optimum formula for establishing CAFE standards; and on the accuracy of EPA fuel economy testing procedures. These studies will give Congress the information it needs to continually improve both fuel economy and the structure of our energy policy.

The standards set by this bill strike a balance between the needs of the country to save oil and reduce carbon dioxide emissions, and the needs of the industry and the consumer for a full range of vehicle types and sizes, and for the time necessary to improve the product. The standards can be achieved even if no new technology becomes available within the next 10 years, and without significant changes in the size mix of the fleet. However, there are extremely promising technologies, such as the two stroke engine, on the verge of coming into production, which will

enhance the ability of manufacturers to meet these standards.

Many have suggested that by establishing increased fuel economy standards this bill mandates a new kind of vehicle fleet for the American consumer. Rather, the flexibility and lead time provided by this bill lets the industry and the consumer determine the type of fleet that will be driven into the next decade, and that is as it should be. These standards insure only that the fleet of the future is as fuel efficient as possible. One way to achieve that is to hold the line on horsepower. The horsepower of the fleet has increased by 10 percent in just 2 years—between 1988 and 1990. This, and a 6-percent weight increase, has resulted in a 4-percent decline in fuel economy. Such declines are not acceptable given the need for conservation. In my view, the elimination of one tenth of a second off the 0-to-60-miles-per-hour record should not be national policy. However, under my bill if increased horsepower and speed is provided by the industry, it must be done without sacrificing fuel economy.

Many have joined the cry for conservation, particularly since the war began in the Persian Gulf. Yet there is a disturbing tendency by some to suggest that conservation should be practiced by everyone else, or that proven conservation measures should not be instituted until conservation measures for every sector of the economy are in place. The auto industry may make such suggestions in response to this legislation. However, it is important to recognize that we cannot significantly reduce our oil use without addressing the transportation sector. The light-duty-vehicle fleet covered by this legislation accounts for almost 40 percent of U.S. oil consumption. It must be part of the solution.

In addition, CAFE standards are a proven means of conservation in this area—many say the most effective conservation measure ever enacted in this country. Since enactment in 1975, CAFE standards—and the industry's impressive achievement in meeting them—have saved 1.8 million barrels of oil each day, and \$40 billion of consumers' money. There is no rational reason to delay further improvements while other conservation measures are debated. This one works, it will not preclude other measures later, and it needs some lead time for implementation. We can, and should, move forward now.

Some suggest that the cost of improved fuel economy is too high, and that the consumer and the industry cannot bear such a burden. Evidence indicates that the cost of meeting these standards would be well under \$500 per car, a cost largely offset by fuel savings. But I would suggest that we have paid, and will continue to pay, a much higher cost for ignoring con-

servation. In purely economic terms, the Department of Defense estimates that, prior to the beginning of the War, Operation Desert Shield had already cost \$10 billion in calendar year 1990 alone. The taxpayers—including automobile consumers and the auto industry—will pay these costs, which will undoubtedly increase dramatically. The much higher price, of course, is paid in noneconomic terms—by the presence of half a million U.S. troops deployed in the Persian Gulf.

We must get serious about energy policy and conservation, and we must do it now. Solutions to this problem take time. We cannot wait to begin.

I want to acknowledge the assistance and support of the chairman of the Commerce Committee, Senator HOLLINGS, who had the foresight to recognize the original need for fuel economy standards and lead the way to their enactment in 1975. I also want to thank the ranking Republican member of the Consumer Subcommittee, Senator GORTON, who has worked with me on this legislation from its inception in the last Congress and whose hard work and support has been vital to the progress of this proposal. I urge my colleagues to join me and the 34 original cosponsors in supporting this legislation, and ensuring its expeditious enactment into law.

• Mr. HOLLINGS. Mr. President, I am pleased to offer my strong support to my Commerce Committee colleague Senator BRYAN, and to be an original cosponsor of this legislation to increase the corporate average fuel economy, or CAFE, standards. I also was an original cosponsor of S. 1224, which had the support of a majority of the Senate in the last Congress. Today we continue the work we began in the 1970's on fuel economy for the passenger vehicle fleet.

In 1975, I cosponsored legislation that established the current CAFE standards. At the time that legislation was proposed, it was an untested and unprecedented plan. However, we believed we could effectively promote national energy security by mandating that the passenger vehicle fleet achieve a certain fuel economy.

At that time, we heard predictions from the automobile industry about the consequences of the legislation on the U.S. economy and on the consumer's choice of vehicles. It was suggested then that, if we adopted the standards that are now law, everyone would have to drive a vehicle the size of a Ford Pinto. Of course, the events of the last decade have proven that the automobile industry has the ability to meet such a challenge.

I am glad we were not deterred by those predictions, and that we proceeded to legislate fuel economy standards, which have made a significant contribution to energy conservation. They have resulted in a doubling of the

fuel economy of the fleet without any loss of interior size or performance of the vehicles. It is estimated that these improvements in fuel economy save 2.5 million barrels of oil per day, and save the consumer at least \$40 billion per year in gasoline costs.

We need to continue the work we started 15 years ago. The levels of fuel economy established by that law have not increased since 1985, and the fuel economy of some manufacturers' fleets is actually decreasing. In the meantime, the need for energy conservation has not diminished. Rather, we have been forcefully reminded that we cannot rely on unlimited imported oil. The oil is not really unlimited, and the owners of that oil are fully prepared to hold us hostage to obtain it. If we are prepared to send our troops to risk their lives in the Middle East, the least we can do is continue to use our best technology at home to reduce our reliance on imported oil.

Imported oil is often over 50 percent of consumption, and we recently have seen what happens to gasoline prices when there is even a threat to that supply. Of equal concern to me is the fact that energy imports are major contributors to our intolerably high trade deficit, adding almost \$40 billion per year.

In addition to the ongoing, and increasing, problem of national energy security, we have another reason to continue the progress in fuel efficiency—the threat of global warming. Every gallon of gasoline that is burned emits almost 20 pounds of carbon dioxide, and we know that carbon dioxide is a primary contributor to global warming. While we may not be certain of all the consequences of the warming that is predicted, we are certain that concentrations of carbon dioxide are increasing.

I am working to enhance the research necessary to know more about the effects of this warming. In the last Congress we enacted the Global Change Research Act of 1990, which I introduced. This legislation provides for improved coordination of the research efforts to understand the Earth system and effects of changes in that system. This legislation also provides for a national plan to advance this research.

However, I am convinced that, while this research proceeds, we must immediately take the steps available to us to reduce carbon dioxide emissions. Since the transportation sector is responsible for about one-third of the country's carbon dioxide emissions, fuel economy is an important part of the solution to this problem.

The auto industry is saying the same things it said in 1975—that the standards will force all Americans into tiny cars. That did not happen as a result of that legislation, and it will not happen as a result of this legislation. In Commerce Committee hearings on this subject in the last Congress, we heard im-

pressive testimony from a variety of experts, including the Department of Energy, that the technology exists to accomplish considerable improvements in fuel economy without noticeable size reductions or unreasonable cost.

This bill is fair, it is practical, and it balances the needs of the national energy security, the environment, the economy, and the consumer. It is the product of thoughtful work in the Commerce Committee, where we have spent years developing an expertise in the area of fuel economy. I urge my colleagues to support this important response to the country's long-term energy needs.

• Mr. D'AMATO. Mr. President, I rise today to join with several of my colleagues in introducing the Motor Vehicle Fuel Efficiency Act. This legislation is similar to S. 1224 which died at the end of the 101st Congress.

The perilous situation in the Persian Gulf has served once again to highlight our dangerous reliance upon imported oil. It appears as if the lessons of the 1970's have been forgotten, or worse, ignored in the 1990's. Instead of getting better, our dependence has only gotten worse. In 1973, we imported 37 percent of our oil. In 1990, we imported 50 percent of our oil. Now, more than ever, we must begin to focus on ways to reduce our dependence on foreign oil, look to other sources of energy, and enact serious energy conservation measures.

Unfortunately, New York and the entire Northeast, rely very heavily upon imported oil. The New York State Energy Office reported in 1989 that foreign oil provided more than 70 percent of New York's petroleum needs. That figure is up from 60 percent from only 3 years ago. Obviously, New York is very vulnerable in the face of oil supply disruptions or price escalations. For this reason, corporate average fuel economy standards are important for New York and the rest of the Northeast.

Much has been said about our lack of a comprehensive energy plan. While the Department of Energy has presented such a plan to President Bush, its implementation will come too late to be of any assistance in our present situation. Nevertheless, it is essential that any energy plan incorporate a diversity of energy options and fuels. While we cannot immediately end our love affair with oil, we can focus our attention and efforts upon other energy sources such as natural gas, coal, nuclear, and renewables such as wind and solar.

The Motor Vehicle Fuel Efficiency Act presents us with a unique opportunity. It will allow us to curb our reliance on foreign oil, while at the same time help to reduce carbon dioxide emissions from vehicles which contribute to global warming. This legislation proposes to increase the current corporate average fuel economy, or CAFE,

requirements for new cars and light trucks sold in the United States by 40 percent in 2001, with an interim increase of 20 percent in 1996. This would save 2.8 million barrels of oil when fully implemented.

Since 1975 when Congress first enacted CAFE standards, the auto industry has been fighting them. The current CAFE standards have not increased since 1985, and were actually reduced between 1986 and 1989. In 1974, the year before Congress passed a fuel efficiency law that raised new car miles per gallon from 12.5 to 27.5 over 10 years, the auto industry claimed that higher gas mileage would "outlaw most full-sized sedans and station wagons" and require all cars to be "sub-Pinto sized." Obviously that prediction has proved quite false. Yet this has not prevented the industry from making this and other claims today. Questions about the feasibility of higher CAFE standards are currently being addressed in a National Academy of Sciences study. I look forward to the results of this study which is due to be released in June of this year.

We must not overlook the environmental benefits that will come with the enactment of this legislation. It is a known fact that vehicular emissions contribute to our global warming problem. A tank of gasoline produces up to 400 pounds of carbon dioxide, a major greenhouse gas. Although the world's motor vehicles now produce only 14 percent of all CO₂ derived from fossil fuels, the vehicular contribution in industrialized countries is higher, reaching a peak of 24 percent in the United States. Enacting this legislation would be the single largest step to curbing global warming by reducing CO₂ emissions by 20 percent by the year 2000.

The Motor Vehicle Fuel Efficiency Act represents just one step we can take to free ourselves from the shackles of foreign oil while at the same time addressing the problem of global warming. I urge my colleagues to join with us in supporting this important legislation.

• Mr. GORTON. Mr. President, I am pleased to join with my colleague, Senator BRYAN, the chairman of the Consumer Subcommittee of the Senate Commerce Committee, in introducing the Motor Vehicle Fuel Efficiency Act. As the ranking Republican of the Consumer Subcommittee, I am happy to continue my work with Senator BRYAN on this vital legislation.

With America's attention focused on the events in the Persian Gulf, it is difficult to maintain a focus on the everyday workings of the Congress. Yet, there are actions we should actively pursue to make us less dependent on both foreign oil and a region of the world which contains approximately two-thirds of the known oil reserves. Let me make it clear at the onset; we are not engaged in a war in the Persian

Gulf for cheap oil. Our intervention on behalf of Kuwait is to support the U.N. resolution and the overwhelming number of nations of the world who condemn the unprecedented and abhorrent aggression of Saddam Hussein.

Nonetheless, even before Saddam Hussein's intolerable actions, it was very clear that America was sliding toward a dangerous dependence upon foreign oil. In 1973, during the OPEC oil embargo, we imported 36 percent of our oil. In January 1990, we imported 54 percent of the oil we consumed. Two years ago, former President Reagan informed the Congress under section 232 of the Trade Expansion Act that, "Petroleum imports threaten to impair the national security." Those words ring only too true today. Saddam Hussein would have had little interest in Kuwait if the world was not so dependent upon Middle East oil.

The first CAFE bill was enacted in 1975. At that time, automobiles averaged only 13.5 miles per gallon (mpg). Despite the auto companies' claims that the standards could not be met, manufacturers did reach the act's goal of 27.5 mpg by 1985. The CAFE bill is considered one of the most efficient energy saving measures ever enacted. But CAFE has not increased in the last 6 years and was actually rolled-back for a few years in the mid-eighties. Fuel efficiency for all models sold in America peaked at 28.7 mpg in 1988; the average for all 1990 models has dropped to only 28.2 mpg. Deep concern both with energy security and environmental degradation require a reversal of this trend.

The bill we are introducing today requires that each manufacturer to increase its fleet performance by 20 percent by 1996 and by 40 percent by the year 2001. It will also require light trucks, the fastest selling vehicles today, to increase their fuel economy by a like percentage over their 1988 fuel efficiency levels. When fully implemented, this bill will save 2.8 million barrels of oil per day—significantly less than the 17 million barrels of oil we presently use each day.

While today's events tend to focus our attention on the importance of reducing our Nation of our dependence on imported oil, we should not overlook the very beneficial effects this bill would have on the environment. By lessening our dependence on imported oil, we will decrease the number of supertankers in our waters and lower the chances of a disastrous oil spill. When fully implemented, the Bryan-Gorton bill will eliminate 852 trips per year by a supertanker the size of the *Exxon-Valdez*.

Of all the steps that we can take to reduce global warming, this bill is thought to be the most important. Each gallon of gasoline used typically produces 18 pounds of carbon dioxide. Carbon dioxide is the primary green-

house gas which contributes to global warming. Over its lifetime, an 18 mpg car pumps 58 tons of carbon dioxide into the air; a 40 mpg car emits 26 tons, less than half that amount.

Last year, Senator BRYAN and I led the debate in support of increased CAFE requirements. A majority of Senators, 57, supported our attempt to pass this vital legislation. I hope that, especially now given the events in the Persian Gulf, many more Senators will see the necessity of taking a step forward toward energy independence.

In the future, there may be many difficult votes this body will take in addressing our country's energy and environmental needs. Approving this bill, however, should not be a difficult decision. This is a modest measure, the goals of which can be achieved with technology already used in fuel efficient cars today. To me, it makes sense to use our resources wisely and to practice conservation. The Bryan-Gorton CAFE bill is a responsible measure which I hope will have the widespread support of my colleagues in the Senate.

• Mr. MCCAIN. Mr. President, as co-chairman of the Congressional Energy and Environmental Study Conference, I am acutely aware of the need for a comprehensive energy policy. We certainly cannot continue to be so heavily dependent on oil, as recent events have dramatically illustrated. To its credit, the administration began working on such a policy even before Iraq's invasion of Kuwait. I am looking forward to reviewing their recommendations.

In the meantime, I believe that this legislation sends a clear and unambiguous message to the citizens of the United States that we are serious about moving forward with a strategy to reduce energy consumption. Any comprehensive energy plan involves conservation, and given that the transportation sector accounts for over 60 percent of our oil consumption, improving the fuel efficiency of the vehicles on our roads must be an integral part of our efforts.

While I wholeheartedly believe we must increase the fuel efficiency of passenger cars and light trucks, I do remain somewhat concerned about the issue of safety. Despite the testimony given by various expert witnesses to the Commerce Committee during the last session of Congress, the automobile manufacturers continue to maintain that the standards set forth in this bill cannot be achieved without significantly downsizing their fleets. That is, by making smaller and lighter weight, and, therefore more unsafe, vehicles.

Much of this rhetoric is the same that was heard 15 years ago when CAFE standards were first enacted. Regardless of these claims, however, fuel economy has doubled since that time, with no loss of interior volume or per-

formance. Interior space and vehicle weight have been constant since 1979. In addition, traffic fatalities have been reduced from 3.5 per 100 million vehicle miles traveled in 1974, when CAFE was first enacted, to 2.4. I hope, as in our prior experience, that the automobile manufacturers' assertions will prove unfounded.

Some manufacturers also continue to voice objections to the percentage approach taken in the bill. They believe it unfairly impacts those who have already done the most to attain higher standards. We have tried to address this issue by placing a "cap" on the maximum level of fuel economy required. We have also given the Secretary of Transportation the discretion and flexibility to reduce the established standards. I recognize that some industry members still may not find this to be the best solution. Perhaps, as we debate the issue this year, we can craft an approach that addresses their continuing concerns.

Mr. President, I believe that the goals embodied in this legislation represent clear and positive steps toward realizing a sensible, economically and environmentally sound energy policy. It is imperative that we move forward to solve our long-term energy problems through conservation and the development of alternative fuels. This bill is an excellent starting place, and I am pleased to be a cosponsor of this effort.

• Mr. LAUTENBERG. Mr. President, I rise to join Senator BRYAN and others in introducing the Motor Vehicle Fuel Efficiency Act. The bill would increase fuel economy standards by 40 percent over the next decade, saving 2.8 million barrels of oil per day. It builds on the success of the Corporate Average Fuel Economy or CAFE law enacted in 1975—one of the most effective energy efficiency measures ever passed by Congress.

We are the most wasteful society in the world. The United States uses twice the amount of energy per unit of GNP than Japan or West Germany. Mr. President, if we trimmed oil consumption by just 15 percent, we would displace all the oil America imports from the Persian Gulf. This bill alone once fully implemented would more than achieve that drop in oil consumption.

That's why Senator BRYAN's bill is so important. It expands on the original 1975 Corporate Average Fuel Economy [CAFE] Act which has been one of the most important steps we've taken to protect the global environment and promote a healthier U.S. economy. It resulted in more efficient vehicles and reducing our dependence on foreign oil than it otherwise would have been. Since the CAFE measures were enacted there has been an approximate doubling in automobile fuel efficiency. It has saved 2.5 million barrels of oil per day and \$40 billion per year for con-

sumers. Despite the auto industry's fears that the standards would harm them, they managed to meet those standards.

But fuel efficiency in the United States is slipping and legislation is necessary to continue the progress in energy conservation, environmental protection, and balancing the trade deficit that was initiated by the 1975 CAFE law. Unfortunately, the success of the 1975 CAFE standards began to level off in 1985. The average new vehicle fuel efficiency in 1988 was actually lower than the standards set in 1985. And we have witnessed a decline in fuel efficiency of some manufacturers.

The Bryan bill will reverse this decline. And it establishes standards which are technologically feasible. The Office of Technology Assessment says that the technology exists now to make these improvements without sacrificing performance or switching to smaller cars.

Higher fuel efficiency makes sense for many other reasons. This Nation faces considerable economic difficulties because of our trade deficit. Forty percent of our trade deficit is due to oil imports alone! Driving cars that consume less fuel will help wean the United States from our dependence on foreign oil.

In addition to saving oil, the Bryan bill is an important step in saving our planet. Carbon dioxide emitted from motor vehicles is a significant contributor to the threat of global warming or "the greenhouse effect." The combustion of a single gallon of gas produces almost 20 pounds of carbon dioxide. And it is estimated that an average car emits about 58 tons of CO₂ over its lifetime. The United States emits more CO₂ than any other nation—about 20 percent of the world's CO₂ emissions. Automobiles account for 25 percent of the U.S. contribution of CO₂ emissions.

Carbon dioxide is accountable for almost half of the gases that contribute to the greenhouse effect. As greenhouse gases become trapped in the Earth's atmosphere, temperatures will increase around the globe. The impacts are far reaching. Mass extinctions will result as species are unable to adapt to rapidly changing environmental conditions. Reduced soil moisture and altered weather patterns will disrupt U.S. and world agricultural cycles. Rising sea levels due to melting of the polar ice caps will inundate coastal areas around the world, resulting in loss of low lying coastal lands where millions of people reside.

Although there is some disagreement as to the rate and magnitude of change, there is a remarkable degree of scientific consensus that global climate change is upon us. This change presents a serious threat to the continuation of life on Earth as we know it.

The standards proposed in this bill would decrease carbon dioxide by about 500 million tons per year by the year 2005. By setting these new CAFE standards, the United States can assume a leadership role for the development of efficient technologies that can help us to reduce greenhouse gas emissions and address the problem of global climate change.

Mr. President, the Motor Vehicle Fuel Efficiency Act gives us the opportunity to fight wasteful energy consumption and unstable supplies of oil, to reduce our trade imbalance and curb global warming. The decline in auto fuel efficiency poses a serious threat to the Nation's economy, to our national security and to the health of the global environment. Increasing auto fuel efficiency is the single most important step Congress can take to reduce our dependence on foreign oil, enhance our economy and protect the natural systems that support life on this planet. I urge my colleagues to support this legislation.

• Mr. KERRY. Mr. President, the need to reduce our dependence on foreign oil can no better be illustrated than by witnessing what is at stake in the Persian Gulf.

I rise today to join with Senator BRYAN and more than 30 of my colleagues in refiling legislation to jumpstart the auto fuel efficiency program. The legislation we are reintroducing today is absolutely critical in order to improve the Nation's energy situation, reduce air pollution, protect our consumers and enhance our national security.

The issue of conserving gasoline is one that many of us tried to raise during the Clean Air debate; and it is an issue that holds equal importance today, particularly in view of the energy situation in the gulf.

The energy situation in the Middle East has sadly made this debate a timely one. Our dependence on foreign oil is demonstrated each day by the news we receive from the gulf—by the risks being taken by our soldiers in the desert—and by the fears of their families and friends each day at home. At home, every one of us notices the additional costs to us from our dependence on foreign oil, from the direct cost of gasoline at the pump, to those passed on costs for heating and transportation that increase the price of airline travel, food, health care, and every manufacturing industry in the Nation.

The United States is the largest consumer of oil in the world, accounting for almost 25 percent of the consumption. Oil imports have grown from 28 percent consumption in 1982 to more than 50 percent this year. That amount exceeds our previous high of 48 percent set in 1977. This excessive dependence on foreign oil clearly reflects a lost decade with no national energy strategy. The President is expected to make

reference to his forthcoming energy strategy tonight in the State of the Union Address. However, if the stories coming out of the White House are true, the President's energy strategy will provide an economic infusion for the ailing domestic oil business and stalled nuclear power industry, and reflects a myopic view of a few advisors that conservation and renewables be excluded from the energy equation. Such shortsighted vision during the Reagan years resulted in the unfortunate situation we find ourselves in today.

Many recall that during the oil embargo of 1973 Democrats and Republicans alike got serious about conservation and renewable energy resources. In 1975 Congress, through the leadership of Senator HOLLINGS and others, enacted CAFE standards which increased automobile fuel efficiency from 14 miles per gallon to today's 27.5 miles per gallon. Funds poured into research and development for renewable sources. Congress passed tax credits for conservation initiatives. Today after a decade of neglect, a decade with no energy policy, we have arrived at the economically risky and environmentally dangerous position we are in today. In the past decade funds for renewable energy sources were cut from \$557 million in 1981 to \$94 million last year. Meanwhile the price of the Persian Gulf war ranges from \$500 million to \$1 billion a day. In the 1980s tax credits for renewables such as the solar hot water heating were eliminated. And as our R&D dollars dried up for America's universities and research institutions the Japanese and the Germans passed us by to become the world's leaders in exporting technologies. It is disgraceful that complacency and the lack of an energy crisis permitted not only our competitive edge to slip away, but shelved the Nation's conservation efforts.

With new problems come new opportunities. The Persian Gulf war highlights the need for action, and provides a new chance to renew our conservation effort and to continue to curb environmental degradation.

Mr. President, before we debate the merits of the CAFE approach, I want to address the fact that many of my colleagues have received frightening and distorted and exaggerated assessments of the measuring impact on our automobile industry. Let me put this into perspective.

Fifteen years ago Congress enacted legislation which adopted CAFE standards designed to improve automobile fuel efficiency by 100 percent in just a decade. Ten years later the automobile industry to their credit, achieved that 100 percent improvement standard and in some instances went beyond.

Let's review what the automobile industry told us 15 years ago when CAFE

standards first passed. In 1974 the Ford Motor Co. told us:

This proposal would require a Ford product line consisting of either all sub-Pinto-sized vehicles or some mix of vehicles ranging from a sub-sub-compact to perhaps a Maverick.

Chrysler stated that the provision "would outlaw a number of engine lines and car models, including most full-size sedans and station wagons."

Needless to say, these dire predictions proved false. But that does not prevent the automobile manufacturers from recycling them again. For example, General Motors has suggested that the new CAFE targets "would force us to consider drastic measures, such as cutting production of our larger, family-sized cars."

Well, Mr. President, they were wrong in 1974 and they are wrong now. Because of the success of the CAFE standards, new cars rolling off the assembly line today average over 28 versus only 14 miles per gallon in 1975.

More important, these standards have saved the Nation 2.5 million barrels of oil every day and, in 1989 alone, lowered carbon dioxide emissions by over 360 million tons. This means savings from the pocket book of virtually every American family, not some abstract national oil account.

Contrary to what the auto industry says, the availability of this fuel saving technology means that the size of vehicles need not be reduced and that there is no trade off of fuel economy with safety. In fact, the Center for Auto Safety, long time watchdog of auto safety, assures us that this amendment will not compromise safety. Moreover, experts tell us that our bill will offer buyers the same size and comforts as automobile models from 1987. Certainly consumers will continue to have choices in the cars they buy.

Increasing our fuel efficiency will decrease our dependence on foreign oil. This dependency not only poses the economic threat to consumer pocketbooks, as we witnessed in October when oil prices rose to \$40 a barrel, but is a direct threat to the overall economic security of our Nation. Oil imports account for close to 55 percent of our trade deficit. If you eliminate oil imports and automobile imports, we actually have a national trade surplus.

The legislation before us today will reduce our Nation's oil consumption by 2.8 million barrels of oil per day by 2006. This accounts for close to four times the amount of oil we have been importing from Kuwait and Iraq combined.

Increasing our fuel efficiency also makes sense because it will decrease the pressure to drill in environmentally sensitive areas, such as the Arctic National Wildlife Refuge in Alaska. Some predict that if we reduce our oil consumption by 2.8 million barrels per day as set out in this legisla-

tion, by the year 2006 we will save 10 times the amount of oil they expect to produce in ANWAR. It will minimize the need for off shore oil and gas drilling in environmentally sensitive coastal areas such as Georges Bank and the California coast.

Increased fuel efficiency would save consumers hundreds of dollars every year at the gas pump. It is estimated that the additional cost to produce a car achieving 40 miles per gallon may be \$500. This sum would be offset by savings of more than \$2,000 per year from lower gas use. And with continued rising prices of gasoline maybe even more.

In addition to saving oil, raising our CAFE standards is the single biggest step Congress can take to reduce global warming.

There is no one panacea for addressing global warming. Although experts may disagree on the extent of global warming no one will dispute the overall benefits of reducing carbon dioxide. We need a broad strategy to achieve CO₂ reduction. Our utilities must be made more efficient. We must take action to promote industrial efficiency. Deforestation must be limited while reforestation should become a priority. But cars and light trucks are the major contributors to global warming and we must move immediately to improve their efficiency.

Today, the United States is responsible for 23 percent of all carbon dioxide emissions produced by human activities worldwide. Cars and light trucks generate about 20 percent of the Nation's carbon dioxide emissions.

Every single gallon of gasoline our cars and light trucks burn produces nearly 20 pounds of carbon dioxide, the primary global warming gas. According to calculations by Environmental Action Foundation, the average car on the road today produces 58 tons of CO₂ over its lifetime. In stark contrast, cars averaging 40 mpg would emit only 26 tons of CO₂ over their lifetimes. That's right. Each and every car will produce 32 tons less CO₂ if this legislation is enacted.

More than half of America's Nobel laureates and 700 members of the prestigious National Academy of Sciences earlier last year called global warming "the most serious environmental threat of the 21st century."

These distinguished scientists were not extreme to express such alarm. Last spring a meeting of the UN's Intergovernmental Panel on Climate Change confirmed the general consensus of the world's scientific community: the earth's temperature is expected to rise 3 to 8 degrees by the early part of the next century.

Such a temperature rise could have devastating consequences for the Earth's fragile environment—sea levels could rise; droughts may occur; and extreme weather conditions could pre-

vail. The economic, social, and political implications of these climatic changes would be enormous, even apart from the environmental losses.

The legislation that we are introducing today requires each manufacturer to increase the fuel efficiency of its fleet by 20 percent over 1988 levels by 1996 and by 40 percent by 2000. These increases would result in an overall national new car average of 34.4 mpg in 1996 and 40 mpg in 2000. The measure also sets new efficiency standards—an average of 25 mpg in 1995, 30 in 2000—for light trucks. Raising the efficiency of light trucks is especially critical since they currently account for a third of all new vehicle sales, yet on average are 25 percent less efficient than cars. By 2006, these standards would help curb global warming by reducing U.S. carbon dioxide emissions by over 300 million tons per year.

Mr. President, we need to act now and move this bill through the 102d Congress as soon as possible. The Motor Vehicle Fuel Efficiency Act of 1991 is not just about energy efficiency, but also about our national security, improving our environment, and protecting our consumers.

• Mr. CHAFEE. Mr. President, I am pleased to join today as an original cosponsor of the Motor Vehicle Fuel Efficiency Act, which Senator BRYAN is introducing today. I am cosponsoring this bill because it realizes important energy and environmental goals.

This legislation is an essential part of what must now be a renewed effort towards fuel efficiency and conservation. The crisis in the Persian Gulf reminds all of us just how vulnerable the United States is to political disruptions in oil-producing countries.

Mr. President, the oil embargoes of the seventies gave us our first warnings of the dangers of dependence on foreign oil. For a time, the Federal Government and consumers focused on conservation as one solution. But, again, in the eighties we were lulled into complacency about the future of the energy supply with cheap prices and plentiful supplies. It is my strong hope that, this time, the United States will heed the most recent alarm by making some serious efforts at energy conservation.

As Senator BRYAN has indicated, the Motor Vehicle Fuel Efficiency Act would require that current corporate average fuel economy [CAFE] standards be improved by 40 percent over the next decade. When fully implemented, the savings in fuel will be many times the amounts that used to be imported from Iraq and Kuwait combined.

Mr. President, in addition to addressing our energy conservation needs, the Motor Vehicle Efficiency Act seeks to solve a serious environmental problem as well. Requiring improvements in fuel economy will force a significant decrease in emissions of carbon diox-

ide, a greenhouse gas that many scientists have found contributes to global warming.

I had hoped that the 101st Congress would have included a carbon dioxide emissions standard in the final clean air bill that was sent to the President. I was a strong backer of a CO₂ standard, because it would have begun to address the global warming problem, while bringing about much-needed energy conservation at the same time.

Unfortunately, the carbon dioxide standard became too controversial and was dropped. Then, at the end of the Congress, Senator BRYAN's bill amending the CAFE law was also derailed, despite his persistent efforts and the support of many Senators, myself included.

Senator BRYAN, I commend you for your leadership on this important subject, and for bringing this legislation back before the Senate early in the new Congress. I plan to work with you and the many other cosponsors of this bill to make this year the year we improve automobile fuel efficiency.

• Mr. LIEBERMAN. Mr. President, I rise to speak in favor of the fuel economy bill introduced by Senator BRYAN of which I am privileged to be an original cosponsor. I commend my colleague from Nevada for his leadership and perseverance on this very crucial issue to the Nation's energy, environmental, and economic problems.

This is a critical bill for energy conservation. Fuel economy measures must be a central part of a national energy strategy. Oil is a finite resource, and most of it comes from a region of the world which is politically unstable, to say the least. This bill would, when fully implemented, save 2.8 million barrels of oil per day, and that would have a profound impact on our economy, and on our national security.

This is also a critical bill for the environment because it takes a large step forward in addressing the potentially catastrophic consequences of global warming. By making millions of automobiles burn less gas, we can dramatically reduce the amount of carbon dioxide that goes into the atmosphere. We can take 500 million tons of CO₂ out of our air each year and that will have dramatic, positive effect on our efforts to reduce global warming.

This bill also means economic relief for millions of American motorists. Simply put, the better the fuel efficiency of automobiles, the less money consumers will have to pay to operate them.

American consumers and our economy are being held hostage by the big oil and OPEC oil producers. We must act now to break their hold over us. There are short term measures we can pursue. But in the long term, we need to reduce our dependence on oil itself. Raising the fuel efficiency of automobiles is one major way to do just

that. We as a nation depend too much on oil, no matter where it comes from. It does us little good to reduce reliance on foreign oil if the price of oil from Alaska or Texas still goes through the roof everytime the global price of crude goes up. We need to reduce our reliance on all oil. And by reducing how much gasoline goes into the tanks of our cars, we can do just that.

Despite the oil shock of the 1970's, the Nation has not responded by reducing our dependence on petroleum in vehicles. While records show that oil consumption has declined in many major sectors of our economy: In electricity generation it is down 50 percent, industrial use of oil has dropped 10 percent, but the use of petroleum in transportation has grown 20 percent since the boycott of 1973. In 1989, transportation accounted for 63 percent of the total oil consumed in this country every day, with more than half the amount allocated to transportation consumed by automobiles.

The energy conservation numbers associated with this bill are dramatic. The Department of Transportation estimates that if we pass the bill now by the year 2000 we would save a total of more than 49 billion gallons of gasoline. By 2005, the bill would save more than 2.8 million barrels of oil every single day.

Mr. President, these savings would have dramatic effects on protecting the independence of our economy and our ability as Americans to protect the quality of our life and our standard of living.

I believe it is especially significant that we are introducing this bill several days before the start of the Intergovernmental Negotiating Committee on a Framework Convention on Climate Change which will be held in Washington. That committee is seeking a world agreement on reducing greenhouse gases, including carbon dioxide. Many other countries throughout the world already have acted and committed to reducing carbon dioxide emissions. Yet this administration has steadfastly refused to make any such commitment.

Prime Minister Brundtland of Norway, I think said it well when he stated:

The importance of climate change may be greater and more drastic than any challenge mankind has faced, with the exception of nuclear war.

In a handful of generations our scientists are now telling us, we have unleashed a potentially lethal mix of pollutants into our atmosphere which will literally—not just symbolically—threaten us for generations to come.

Nothing in history provides us with precedents to deal with this kind of threat. But the bill before us allows us to act decisively and responsibly to address global climate change by signifi-

cantly reducing carbon dioxide emissions.

Carbon dioxide is, everyone agrees, a dangerous greenhouse gas. It accounts for almost 50 percent of the gases that contribute to global warming. The United States, with about 5 percent of the world's population, generates more than 20 percent of all manmade emissions of carbon dioxide. We are doing more than our part, unfortunately, to pollute the atmosphere.

Transportation accounts for almost one-third of all of the American carbon dioxide emissions. Remarkably, we in this country generate more than most other developed countries produce from all sources.

This bill is the biggest single step that we can take to control the carbon dioxide emissions that contribute to global warming.

The testimony of scientific experts clearly indicates that it is time for us to act on this problem. Last year, 49 Nobel laureates and 700 members of the National Academy of Sciences called on Members of Congress to act as soon as possible to prevent the warming of the planet. In May 1990 the U.N. Intergovernmental Panel on Climate Change issued a report, adopted by delegates from 39 countries which concluded that scientists were certain that emissions resulting from human activities are substantially increasing the greenhouse effect, and that if nothing were done, the global mean temperature would rise by 5.4 degrees Fahrenheit by the end of the next century, bringing the Earth to its warmest level in at least 150,000 years.

The report states that with this temperature rise, ocean water would expand and ice at the poles would melt, raising the level of the sea by as much as 25.6 inches. That would be enough to submerge the Maldives and inundate the coastal planes.

An average temperature rise of only 5 percent Fahrenheit could, in addition to causing the thermal expanding of oceans, cause the melting of land-based ice and increase sea levels by 2.5 feet, which is more than enough to flood vast unprotected coastal lands, inundate low-lying areas, erode shorelines, worsen coastal flooding, and increase the salinity of rivers, bays, and aquifers.

The cost of holding back the sea in countries such as The Netherlands and ours—where a large and growing proportion of the population lives in coastal areas, cannot even be estimated in this country.

This administration's failure to take any leadership role on global warming stands in sharp contrast to the conclusions of its own Environmental Protection Agency. In its recently released report "Reducing Risk: Setting Priorities and Strategies for Environmental Protection," EPA's Scientific Advisory Board examined and ranked 31 environ-

mental risks. Global warming ranked as one of the four highest risks to our natural ecology and human welfare. Administrator Reilly told the Environment and Public Works Committee last week that the areas of highest risks are those where he believes the Nation should be devoting its resources.

Mr. President, this is what we have the opportunity to stall and hopefully overcome, by taking an enormous step forward in the effort to control carbon dioxide emissions.

The automobile industry will argue that the improvements from this bill are not possible and that improved fuel economy requires smaller, less safe vehicles. But the evidence is clear that the standards in this bill can be accomplished by using the full range of fuel economy technology currently available and that consumers will not be forced into smaller or less safe cars.

There's been a lot of talk about our advances in weaponry lately and I am extremely proud of what American technology has accomplished in helping our military forces respond more quickly, accurately and efficiently in wartime.

But if we can make smart bombs, we can make smart cars. We can use American technology to improve the performance of America's automobiles, to make our environment cleaner, to conserve energy, to save consumers money, and to protect our national security. We can make our cars more fuel efficient; all we need now is a policy to make it happen.

In conclusion, Mr. President, mandating better fuel economy is one of the most effective ways to deal with the oil crises that continue to wreak havoc with our lives and our environment.●

By Mr. DOLE (for himself, Mr. SASSER, and Mrs. KASSEBAUM):

S. 280. A bill to provide for the inclusion of foreign deposits in the deposit insurance assessment base, to permit inclusion of nondeposit liabilities in the deposit insurance assessment base, to require the FDIC to implement a risk-based deposit insurance premium structure, to establish guidelines for early regulatory intervention in the financial decline of banks, and to permit regulatory restrictions on brokered deposits; to the Committee on Banking, Housing, and Urban Affairs.

DEPOSIT INSURANCE FAIRNESS ACT

Mr. DOLE. Mr. President, today I am joining with my distinguished colleagues, Senator KASSEBAUM and Senator SASSER, in introducing legislation which will inject a strong dose of fairness into our Nation's deposit insurance system. For too long, banks have competed on a playing field which is tilted heavily in favor of the large money center and superregional insti-

tutions, at the expense of smaller, community-based banks.

Without a doubt, the too-big-to-fail doctrine is alive and well today. How many times do we need to see Federal banking regulators protect all liabilities at the large banks, like the Bank of New England, and then tell depositors at a smaller institution, like the Freedom National Bank of Harlem, that they are subject to the \$100,000 insurance limit? How can we justify "making whole" unassessed deposits in the Bahamian branch of the National Bank of Washington, while depositors in a failing community bank somewhere in rural America do not receive the same guarantee? Mr. President, the too-big-to-fail doctrine has created a two-tiered deposit insurance system, one that protects big banks and treats community banks as "too small to save." That's unfair. The system must be changed.

Mr. President, the Deposit Insurance Fairness Act of 1991 attempts to level the deposit-insurance playing field in the following five ways.

First, it mandates the assessment of insurance premiums on foreign deposits in the overseas branches of U.S. banks. It simply isn't fair that foreign deposits receive de facto insurance coverage when they are not subject to insurance premiums. In addition, the Congressional Budget Office estimates that assessments on foreign deposits will provide at least \$1.5 billion in much-needed revenue for the bank insurance fund over the next 5 years.

Second, the Deposit Insurance Fairness Act gives the FDIC discretion to assess premiums on nondeposit liabilities, such as bank notes and promissory notes, which are "securities-type" instruments issued by banks to raise capital. Although they are technically uninsured, nondeposit liabilities, like foreign deposits, receive de facto insurance coverage in large bank failures. And like foreign deposits, nondeposit liabilities should be assessed if they are going to enjoy insurance protection.

Third, this legislation requires the FDIC to develop and implement a risk-based deposit insurance premium structure within 6 months of the date of enactment. Premiums would be determined largely by capital levels, but the FDIC would have the discretion to take into account other factors in a bank's risk profile, such as diversity in its investment portfolio and the default rates on certain investment instruments. It is just simple common sense that those banks posing the greatest risk to the deposit insurance fund should be assessed higher premiums.

Fourth, the Deposit Insurance Fairness Act requires the FDIC to establish within 6 months a system for early regulatory intervention in banks with weak or deteriorating capital levels.

This provision gives regulators the authority not only to act quickly to stanch the flow of capital from unhealthy banks, but also to help banks develop sound strategies to return to financial health. If we can learn one lesson from the savings and loan debacle, it's that early action in preventing bank failures could help save the taxpayers billions of dollars.

And finally, this legislation gives Federal banking regulators the authority to restrict, or prohibit, insured depository institutions from accepting brokered deposits. Experience shows that brokered deposits are often used by troubled institutions as a quick-fix solution to improve weak capital positions. Unfortunately, this quick-fix often turns to quicksand as healthy, regional competitors are forced to draw from capital reserves to offer customers inflated, but competitive, interest rates on deposits.

Mr. President, the bill I am introducing today addresses the fundamental issue of deposit insurance fairness. The small and medium-sized banks of America are a vital part of our national and regional economies. And I can certainly attest to the importance of these banks to the small towns and rural communities of my home State of Kansas. It's time we put an end to the two-tiered deposit insurance system and achieve a level playing field for all banks, regardless of size. Mr. President, I urge all of my colleagues to support this bill.

Mr. President, I ask unanimous consent that the full text of the Deposit Insurance Fairness Act of 1991 be inserted in the RECORD immediately after my remarks. I also ask unanimous consent that a recent letter to Secretary of the Treasury Nicholas Brady, which outlines some of my concerns about deposit insurance fairness, be inserted in the RECORD.

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

S. 280

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Deposit Insurance Fairness Act of 1991".

(b) TABLE OF CONTENTS.—

TITLE I—FDIC ASSESSMENT AMENDMENTS

Sec. 101. Foreign deposits included in assessment base.

Sec. 102. Non-deposit liabilities included in assessment base.

Sec. 103. Risk-based assessments.

TITLE III—FINANCIAL INSTITUTION EARLY INTERVENTION

Sec. 201. Short title.

Sec. 202. Early intervention.

TITLE III—RESTRICTION OF BROKERED DEPOSITS

Sec. 301. Restriction of brokered deposits.

TITLE I—FDIC ASSESSMENT AMENDMENTS

SEC. 101. FOREIGN DEPOSITS INCLUDED IN ASSESSMENT BASE.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1881 et seq.) is amended—

(1) in section 3(l)(5) by striking "the following" and all that follows through the end of subparagraph (B), and inserting "obligations to a Federal Reserve Bank or a Federal Home Loan Bank shall not be deposits for any of the purposes of this chapter, or be included as part of the total deposits of an insured deposit,"; and

(2) in section 7(b)(5)(B) by striking all through "except" and inserting the following:

"(B) any deposits or other obligations which would constitute deposits under section 3(l), and which are received in any office of the depository institution, except".

(b) ASSESSMENT RATE.—Section 7(b)(1)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)(A)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting a new clause (iii) as follows:

"(iii) The annual assessment rate applicable to obligations and deposits described in subparagraphs (A) and (B) of section 3(l)(5) shall be not less than 75 percent of the assessment rate applicable to domestic deposits."

SEC. 102. NON-DEPOSIT LIABILITIES INCLUDED IN ASSESSMENT BASE.

Section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended by inserting "including non-deposit liabilities, such as notes, bonds and other similar liabilities," after "such other obligations".

SEC. 103. RISK-BASED ASSESSMENTS.

(a) IN GENERAL.—Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by adding at the end the following new paragraph:

"(10) ASSESSMENTS BASED ON RISK CRITERIA.—

"(A) ESTABLISHMENT OF RISK-BASED ASSESSMENT STRUCTURE.—The Corporation shall, by regulation, establish and implement a risk-based deposit insurance premium structure for insured depository institutions.

"(B) AMOUNT OF ASSESSMENT BASED ON RISK.—The assessment made by the Corporation against an insured depository institution under paragraph (1) in any year shall be determined by the Corporation on the basis of the Corporation's evaluation of the risk posed by such institution in accordance with the criteria established under subparagraph (C).

"(C) RISK ASSESSMENT CRITERIA; CAPITAL.—In establishing a risk-based insurance structure in accordance with subparagraph (A), the Corporation shall establish criteria for assessing the risk posed to the Bank Insurance Fund or the Savings Association Insurance Fund by an insured depository institution, based on such institution's capital levels. In assessing such risk, the Corporation may consider—

"(i) the diversity of investments made by the institution;

"(ii) the institution's history of default on particular types of its investment instruments; and

"(iii) the comparative risk posed to the Bank Insurance Fund and the Savings Association Insurance Fund by each type of investment made by such institution."

(b) EFFECTIVE DATE.—The Corporation shall promulgate final regulations to imple-

ment the amendment made by subsection (a) not more than 6 months after the date of enactment of this Act. Such regulations shall become effective with respect to the first semiannual assessment period that commences on or after the expiration of 6 months following the date of the enactment of this Act.

TITLE II—FINANCIAL INSTITUTION EARLY INTERVENTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Financial Institution Early Intervention Act of 1991".

SEC. 202. EARLY INTERVENTION.

(a) SYSTEM OF EARLY REGULATORY AGENCY INTERVENTION.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 35. EARLY REGULATORY INTERVENTION.

"(a) PURPOSE.—The purpose of this section is to ensure that the problems of insured depository institutions are resolved at the earliest practicable time, and at no cost, or at the lowest cost possible, to the Bank Insurance Fund or the Savings Association Insurance Fund.

"(b) EARLY REGULATORY AGENCY INTERVENTION REQUIRED.—In order to carry out the purpose of this section, each appropriate Federal banking agency shall—

"(1) take prompt action to curtail investments by insured depository institutions that pose a risk to the Bank Insurance Fund or the Savings Association Insurance Fund;

"(2) work with insured depository institutions with weak or deteriorating capital positions to develop capital building strategies; and

"(3) take prompt corrective action to resolve the problems of insured depository institutions,

as described in subsections (c) and (d).

"(c) RESTRICTIONS ON UNDERCAPITALIZED INSTITUTIONS.—With respect to an undercapitalized insured depository institution, the appropriate Federal banking agency may, by regulation or order—

"(1) restrict capital distributions by such institution;

"(2) require such institution to submit a capital restoration plan that specifies how the institution will satisfy capital standards, without increasing the risk (including credit risk, interest-rate risk, and other types of risk) to which the institution is exposed;

"(3) prohibit such institution from increasing its total assets, except to the extent of increases in capital or net interest credited on deposits, as determined by the agency;

"(4) appoint a conservator or receiver for the institution to protect the interests of the Bank Insurance Fund or the Savings Association Insurance Fund;

"(5) restrict any material transactions by the institution that would pose any risk of failure for the institution;

"(6) require periodic monitoring of the institution, including review of any capital restoration plan; or

"(7) impose any other requirements or restrictions that the agency determines to be necessary to carry out the purpose of this section.

"(d) FAILURE TO COMPLY.—With respect to an insured depository institution that fails to comply with or implement any regulations or orders issued in accordance with subsection (c), the appropriate Federal banking agency may—

"(1) require the institution to sell any or all of its shares or obligations in order to meet capital requirements;

"(2) restrict the institution's activities, including the payment of dividends, transactions with the institution's affiliates, and increases in the compensation of executive officers of the institution; or

"(3) restrict the interest rates the institution may pay on deposits.

"(e) DEFINITIONS RELATING TO CAPITAL COMPLIANCE.—For purposes of this section:

"(1) UNDERCAPITALIZED.—An insured depository institution is undercapitalized if it is not in compliance with all currently applicable capital standards prescribed by the appropriate Federal banking agency.

"(2) SATISFYING CAPITAL STANDARDS.—An insured depository institution satisfies capital standards only if it is in compliance with all currently applicable capital standards prescribed by the appropriate Federal banking agency.

"(f) GAO REVIEW.—The General Accounting Office shall from time to time—

"(1) review any reports required to be made by undercapitalized insured depository institutions in accordance with subsection (c); and

"(2) recommend any improvements in the supervision of insured depository institutions (including the implementation of this section)."

(b) REGULATIONS.—The Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Director of the Office of Thrift Supervision shall each promulgate final regulations to implement the amendment made by subsection (a) not more than 6 months after the date of the enactment of this Act. Such regulations shall become effective not more than 6 months after their promulgation in final form.

TITLE III—RESTRICTION OF BROKERED DEPOSITS

SEC. 301. RESTRICTION OF BROKERED DEPOSITS.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 36. RESTRICTION OF BROKERED DEPOSITS.

"In addition to any actions authorized under section 35 with respect to undercapitalized depository institutions, the appropriate Federal banking agency is authorized by order to impose restrictions on, or to prohibit, the acceptance of funds obtained, directly or indirectly, by or through a deposit broker, as defined in section 29(f)(1), by an insured depository institution."

U.S. SENATE,

OFFICE OF THE REPUBLICAN LEADER,

Washington, DC, January 16, 1991.

Hon. NICHOLAS F. BRADY,

Secretary, Department of the Treasury, Washington, DC.

DEAR NICK: As the Treasury Department concludes its study of the deposit insurance system, I thought it would be appropriate at this time to highlight several issues of particular concern for me.

Too-Big-to-Fail. It is my hope that the reform package that Treasury will soon transmit to Congress will adequately address the so-called "too-big-to-fail" issue.

I will not give you yet another lengthy explanation of the inequities of too-big-to-fail. As you probably know, these inequities were vividly highlighted by the FDIC itself, in three recent board decisions. In two of these decisions, the FDIC concluded that it was appropriate to make whole all of the depositors of two fairly large banks—the Bank of New England (depositors with accounts of \$100,000 were protected) and the National Bank of

Washington (depositors in NBW's Bahamian branch were protected even though these deposits were not assessed insurance premiums). These decisions were in sharp contrast to the FDIC's less-than-fair treatment of Freedom National Bank of Harlem. As you know, the FDIC liquidated Freedom National, but gave its uninsured depositors only 50 cents on the dollar.

It appears that Freedom National's only "crime" was that it happened to be a relatively small community bank, much like the hundreds of small community banks throughout my home State of Kansas.

As you know, one way to reduce the inequities inherent in too-big-to-fail is to assess foreign deposits. Assessing foreign deposits is not only a matter of simple fairness, but it is also a way to raise revenues for the dangerously undercapitalized Bank Insurance Fund. According to a recent preliminary estimate of the Congressional Budget Office, the potential revenue raised through an assessment of foreign deposits could be significant: Assuming a rate increase to 19.5 cents per \$100 of insured deposits on January 1, 1991, and a subsequent increase to 23 cents per \$100 of insured deposits on January 1, 1992, the CBO estimates cumulative savings of \$2.16 billion over a five-year period.

Deposit Insurance Coverage. Any limitation on deposit insurance coverage makes sense if, and only if, the too-big-to-fail doctrine is excised from the lexicon of federal banking regulators. For example, proposals to limit insurance coverage to \$100,000 per individual consumer, without taking significant steps to eliminate too-big-to-fail, will have a very negative effect on our nation's small and mid-sized banks. It's just simple common sense that individuals with deposits in excess of \$100,000 will feel more comfortable placing their deposits in a large bank, believing—perhaps correctly—that federal regulators will not let a large bank fail or leave depositors uninsured. This problem will only be exacerbated if we limit deposit insurance coverage without equalizing the deposit insurance system's treatment of large and small banks.

Interstate Branching. Finally, any proposal to lift the current restrictions on interstate branching must be carefully crafted to take into account the legitimate concerns of our community bankers. It's one thing to encourage competition; it's something quite different to uproot banks that have ably served local communities for generations.

As always, Nick, thank you for your kind attention to these concerns and suggestions. I look forward to hearing from you at your earliest convenience.

Sincerely,

BOB DOLE.

• Mr. SASSER. Mr. President, I rise with my colleague the Republican leader to introduce the Deposit Insurance Fairness Act of 1991. This reform legislation addresses the weaknesses in the deposit insurance system that contributed to the savings and loan crisis and ensures that this tragic situation is not repeated with the commercial banks and their insurance fund.

Our bill, if enacted, will help restore fairness and stability to the banking system. I believe that this is particularly important now, at a time when our economy is in recession. Our bill will ensure the safety of the savings of

millions of American families. It also will rebuild the financial resources of the Federal Deposit Insurance Corporation [FDIC] and in doing so reduce the Federal budget deficit.

The central thrust of the bill is a requirement that depository institutions pay for the insurance protection that they receive from the Government in direct proportion to their protection. The bill ensures that premiums flow into the FDIC commensurate with the risk to which the FDIC is exposed.

Mr. President, William Seidman, Chairman of the FDIC, has projected that the bank insurance fund will dwindle to \$4 billion in reserves by the end of 1991. Just a few years ago the FDIC had over \$18 billion in reserves. This situation calls for urgent action; adoption of our bill will be a major step in the right direction.

The bill has five major provisions that work together to achieve its goals. First, deposits of U.S. banks in foreign branches would be levied against by the FDIC the same as are domestic deposits. Second, the FDIC would be required to restructure deposit insurance premiums so that they directly correspond to the level of risk at individual banks. Third, the FDIC would have the authority to assess premiums against so-called nondeposit liabilities of banks. Fourth, Federal regulators would be given more power for early intervention to clean up banks before they become wards of the U.S. taxpayer. And last, this bill would eliminate the abusive and dangerous practice of weak banks accepting brokered deposits.

The most prominent application of our principle, that banks should pay for the risks they assume, would be to apply insurance premiums to deposits at foreign offices of U.S. banks. I think few would dare argue that foreign deposits are not in fact insured by the FDIC. The recent rescue of the Bank of New England included \$600 million in foreign depositors. After the collapse of the National Bank of Washington, the FDIC paid out \$37 million offshore. I don't think there has ever been a foreign depositor in a U.S. bank that has not been bailed out. Indeed, it is the stated policy of the FDIC to cover foreign deposits.

Yet currently, deposit insurance premiums are only assessed against domestic deposits of U.S. banks. In effect, foreign depositors get free deposit insurance protection from the U.S. taxpayer. This leads to a radically inequitable situation—two banks with the same amount of deposits will pay totally different sums in premiums to the FDIC depending on whether or not the deposits are held offshore.

Why is this a problem? Because the banks with offshore deposits tend to be the larger banks that the regulators are very reluctant to actually close. Because of this so-called too-big-to-fail

policy of the Federal banking regulators, we have a situation where a big bank has total protection for all its deposits, but a small bank depositor is only covered up to \$100,000. The bigger bank isn't paying for the full measure of deposit insurance coverage it receives.

Indeed, according to President Bush's 1991 budget, large institutions receive greater protection against failure than small ones while paying premiums on a smaller proportion of their liabilities.

A bank with significant foreign accounts pays less in insurance premiums, and therefore has a lower cost of funds, than a bank with predominantly domestic deposits. It gives such a bank a competitive advantage over other banks, thus further contributing to instability and inequity in the banking system.

In sum, Mr. President, assessing foreign deposits will help ensure that the FDIC has the funds available to pay on its liabilities.

The second major provision of our bill—risk-based assessments—goes even further to bring premiums into accordance with coverage.

Under the present system, banks pay a flat rate for deposit insurance no matter how they invest their funds. In other words, if a bank makes a loan to Donald Trump, it pays the same premiums on its deposits as does a bank that makes a loan to a young family to buy a home. These loans imply two very different risk scenarios. Yet, no matter how risky the loan portfolio at the first bank may be, it pays the same rate for deposit insurance protection as the bank with the more prudent lending practices. Premiums do not vary according to the known level of insured risk.

As a result, Mr. President, deposit insurance under the current structure does not provide an incentive to make a safe loan. There's a moral hazard because there's no reward for pursuing avenues that place the FDIC at the least risk.

The present system flies in the face of the basic principles of insurance. If bank deposit insurance practices were applied to auto insurance, drivers with clean records would pay the same as reckless drivers.

The situation is illogical. The Government may well have to pay off deposits, but it doesn't have adequate tools to protect itself from the disaster of speculative investments gone sour.

Mr. President, our legislation addresses this issue directly. It requires the FDIC to assess premiums against an institution based on an evaluation of the specific risk posed by that institution.

Making banks pay more on funds that they may use on speculative investments will decrease the likelihood that they'll make such investments. But if they do, risk-based assessments

will ensure that there's money in the fund to pay for the losses.

The third major provision of our legislation is a clearly delineated procedure for early intervention. This provision forces regulators to take action against weak banks well before they fail and cause the insurance fund to incur losses.

The bill gives the regulators authority to keep an undercapitalized bank from paying dividends. Under the bill, the regulators can require weak institutions to submit a capital restorative plan and to curtail growth. Indeed, the regulators will be required to prohibit activities they deem to present a risk to the insurance fund.

The fourth major provision of the bill gives the FDIC discretionary authority to assess deposit insurance premiums against nondeposit liabilities of banks. This issue is similar to that of foreign deposits. To an increasing extent, larger banks are relying on financial instruments to raise funds that are substitutes for traditional deposits. Even though these funds are not deposits, they are however insured under the too-big-to-fail policy.

For instance, at the Bank of New England, nondeposit liabilities amounted to \$2 billion. While not one nickel was paid into the FDIC fund by the Bank of New England to cover these liabilities, they were covered in full by the FDIC when the bank collapsed.

Lastly, Mr. President, our bill provides authority to restrict the acceptance of brokered deposits by undercapitalized banks. Mr. President, brokered deposits are very large denomination certificates of deposit that are placed into failing financial institutions by money brokers. The availability of this financing has permitted weak banks and savings and loans to make risky loans and further compound the fragile financial condition of the institution. Brokered deposits have greatly increased the cost of the savings and loan clean up; our bill will prevent them from exacerbating the condition of the FDIC.

Mr. President, this legislation is a significant first step toward resolving many of the problems in our banking system and protecting the savings of American families. It does not cut back on the \$100,000 level of insurance coverage, and therefore would not diminish public confidence in banks, particularly small banks. The bill addresses the flaws and excesses of the current system without unravelling the core.

Although our bill does not explicitly address the too-big-to-fail policy, it does so implicitly. It does not tie the regulators hands, but by imposing risk-based assessments, assessing foreign deposits, requiring earlier intervention, and restricting brokered deposits, it makes it far less likely that banks

get into a situation leading to an expensive bailout.

Mr. President, there will obviously be much debate on these issues as the year progresses. This is a matter of significant importance to the administration and I anticipate that they too will have far reaching proposals in this area.

This bill is meant to be a statement of our intentions—of the policies we would like to see upheld. I am sure that there are refinements that could be made, and I am open to any suggestions for improvements.●

By Mr. BINGAMAN:

S. 282. A bill to direct the Director of the General Services Administration to make paper with recycled content available to the Secretary of Agriculture and for the Secretary of Agriculture to establish a pilot program within the Forest Service for the use of paper with recycled content; to the Committee on Governmental Affairs.

NATIONAL FOREST RECYCLED PAPER ACT

● Mr. BINGAMAN. Mr. President, I rise today to introduce legislation to direct the General Services Administration to make paper with recycled content available to the Secretary of Agriculture for use by the Forest Service.

It is a disturbing fact that 5 billion acres of the Earth's forest have been cut and not replaced. What makes this fact even more disturbing is that most of this destruction has occurred in this century. We all know that forest provide many benefits and this trend must be reversed.

Fortunately, trees are a renewable resource and paper can be recycled. I believe we must take the challenge and encourage measures which will improve forest conservation and the use of recycled paper products.

I have always considered the USDA Forest Service as a leader in forest conservation. As a part of this leadership role of a forest in my home State of New Mexico, the Carson National Forest, has proposed using recycled paper for their general office operations. To my surprise this proposal was denied by the General Services Administration which would not allow the forest to purchase recycled paper.

There is obviously a problem when the Agency directed to conserve the Nation's forests is not allowed to utilize recycled paper. The bill I have introduced today will authorize the Forest Service to purchase and use recycled paper as a pilot test program for 1 year. At the end of 1 year the General Services Administration will report to Congress on the results of the pilot program and the opportunity to expand the program government-wide.

I urge my colleagues to consider the importance of recycling and the use of recycled products as a practical means of saving energy and conserving natu-

ral resources by reducing the use of raw materials.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 282

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 Forest Recycled Paper Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that—

(1) one third of the earth's forests, 5,000,000,000 acres, have been cut and not replaced;

(2) each man, woman and child in the United States annually uses enough paper and packaging to equal 7 trees;

(3) paper with recycled content is available for many types of uses;

(4) while many people have begun to recycle paper, a stronger market needs to be developed for the use of paper with recycled content;

(5) the General Services Administration does not offer or allow the purchase of paper with recycled content;

(6) the mission of the Forest Service is to manage and conserve forests for the future generations; and

(7) the Forest Service should be a leader in the use of recycled paper because of their leadership role in the forestry conservation.

SEC. 3. PILOT PROJECT AND REPORT BY THE GENERAL SERVICES ADMINISTRATION.

(a) PILOT PROJECT.—

(1) For a period of one year, the Director of the General Services Administration shall make available to the Secretary of Agriculture paper with varying amounts of recycled content for all standard uses. If available, other departments and agencies of the Government may also request on to use paper with recycled content and purchase this paper through the General Services Administration.

(2) The Secretary of Agriculture, acting through the Chief of the Forest Service, shall use paper with recycled content for paperwork and printing during the one-year project authorized by this subsection.

(b) REPORT.—At the end of the one year authorized by subsection (a), the Director of the General Services Administration shall report back to the Congress on the results of the pilot program and the opportunity to expand the program government-wide. Included in the report shall be an assessment from the Chief of the Forest Service describing environmental benefits of the pilot project.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.*

By Mr. KOHL:

S. 283. A bill to direct the Secretary of Defense to prescribe regulations with respect to the stationing of military personnel who are solely responsible for dependents at locations where facilities for dependents are not reasonably available; to the Committee on Armed Services.

MILITARY FAMILY PRESERVATION ACT

• Mr. KOHL. Mr. President, today I introduce the Military Family Preservation Act of 1991.

Perhaps the most heart-wrenching scenes from the Persian Gulf crisis have been the pictures of parents leaving their children so that those parents could serve their country. Even young infants, weeks or months old, have been handed over by teary-eyed mothers and fathers en route to the gulf. That strikes many Americans as somehow not being right, even though we recognize that a soldier's duty requires sacrifice. I think we have a new reality in our Armed Forces, and this bill attempts to address it.

By no longer relying exclusively on young males for military service, the military has become a fundamentally changed institution. This bill addresses some of those changes by acknowledging that our military, while meeting its primary responsibility of defending our national security, also has a responsibility to those children, elderly, and disabled persons who are dependent on a military member. The military, if it is to employ both parents, single mothers and fathers, incurs an obligation as an institution to its dependents. This bill suggests that the changing composition of American military families necessitates addressing the dynamic needs of those families.

The bill is simple and straightforward. It calls on the military to develop regulations, within the constraints of its primary mission, to prohibit placement of personnel who are solely, or together with a spouse also in the military, responsible for minor children, dependent elderly and disabled dependent adults in locations where facilities for the dependent are not reasonably accessible. For example, if both parents in a family are called up for deployment, the regulations might presumably specify that one be sent to a location where minor children could accompany one parent. The bill would ask DOD to do its best to see that single parents are not unreasonably called away from their children or dependent parents. It is not the intent of this legislation to waive the obligations of members of the armed services, nor is it the intent to deny those individuals who seek to fulfill their obligations of that right and responsibility. It is simply the intent that, to the extent possible, we do all we can to keep some semblance of family for these men, women, and dependents during current and future deployment. I believe that this proposal leaves the Defense Department plenty of room to develop these regulations in a way that will be least disruptive to military requirements.

Mr. President, I do not mean to imply that our Armed Forces have been callous to the needs of its dependents. There are many services available

to families, from DOD schools to CHAMPUS to child care to shopping at military exchanges. But I think the deployment for Operation Desert Storm opened our awareness that more needs to be done—both on the front end and upon return and readjustment.

For example, the Clare Ansberry and Carol Hymowitz article titled "Left Behind" that appeared on the front page of today's Wall Street Journal poignantly outlines the problems of children whose parents are called away to service. Fred Rogers said that "Nothing is more difficult for a child to deal with." The Army itself acknowledges in the article that thousands of children are being left without parents. We all know that reservists and active duty personnel have always been required to designate someone to care for their child in the event their duty calls them away, but I don't think we really have thought through all the implications for these children or the parents. Nor have we prepared for the reality that increasing numbers of military personnel are women, often with spouses who are also members of the Armed Forces. It is, frankly, a phenomenon which we have not had to deal on such a large scale in previous wars. It is not, in this Senator's mind, merely a matter of protecting children from becoming orphans—it is a matter of family preservation.

In the above mentioned article, a therapist from the National Childhood Grief Institute was quoted as saying that separation from warbound parents can place kids at risk for low self-esteem, chronic sorrow, substance abuse, and other self-destructive behavior. Can we stop anywhere short of doing all we can to see that the next generation of military children grow up in as healthy an environment as possible?

Mr. President, the care of dependents of our service personnel is an issue which we must begin to face. The reasoned approach in this bill will go a long way toward supporting the people and families that make up the proud Armed Forces of America.

I ask unanimous consent that the text of the bill be placed in the RECORD immediately following my statement.

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

S. 283

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

SECTION 1. TITLE.

This Act may be cited as the "Military Family Preservation Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the first obligation of the Department of Defense is to meet the military needs of the United States;

(2) the military effectiveness of members of the Armed Forces is increased when they know that their families are taken care of; and

(3) the Department of Defense has an interest in and responsibility for protecting the best interests of dependents of members of the Armed Forces.

SEC. 3. REGULATIONS.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations with respect to the stationing of members of the Armed Forces with dependents. Those regulations shall, to the extent possible and consistent with military requirements, prohibit the stationing at a location at which facilities for dependents are not reasonably available of a member of the Armed Forces who is solely responsible for (or who together with a spouse also in the Armed Forces is solely responsible for) minor children, dependent elderly persons, or disabled dependent adult children.

(b) ASSISTANCE FOR ALTERNATIVE PLANS.—When a member of the Armed Forces described in subsection (a), at his or her request or when such deployment is otherwise required, is to be stationed at a location at which facilities for dependents are not reasonably available, the Secretary of the military department concerned shall provide assistance to the member and the member's family members to develop alternative plans for the care of the family members during the period that the member is stationed at such location.

(c) APPLICABILITY.—The regulations prescribed pursuant to subsection (a) shall apply with respect to current and future deployments.

By Mr. SARBANES:

S.J. Res. 49. Joint resolution to designate 1991 as the "Year of Public Health", and to recognize the 75th anniversary of the founding of the Johns Hopkins School of Public Health; to the Committee on the Judiciary.

DESIGNATION OF "YEAR OF PUBLIC HEALTH" AND ANNIVERSARY OF THE FOUNDING OF JOHNS HOPKINS SCHOOL OF PUBLIC HEALTH

• Mr. SARBANES. Mr. President, the Johns Hopkins University will celebrate the 75th anniversary of the founding of its School of Public Health from April 1991 to April 1992. In conjunction with this celebration, I am introducing a joint resolution to designate 1991 as "the Year of Public Health," and to recognize the Johns Hopkins School of Public Health for its leadership in the campaign for global health. I am pleased to have Senator MIKULSKI as an original cosponsor of this important measure.

Since its founding in 1916 by Dr. William Welch, the Johns Hopkins University School of Public Health has grown to be the largest school of public health in the world with activities extending across every continent and involving faculty, students, and alumni from over 75 countries. Its integration of research, training, and community service has served as the prototype for other institutions around the world.

In an effort to take the results of 75 years of public health research and discoveries to the world and to continue its global leadership in public health, the Hopkins School of Public Health is launching a major public awareness

campaign by working with the Congress to declare 1991 "the Year of Public Health." Hopkins' 75-year heritage is a testimony to its ability to lead this campaign to further global health, with its past achievements coincident with many of the most important developments in public health to date. Since its founding, the school has pioneered:

The development of vaccines against many of the most debilitating and infectious diseases;

The delivery of safe drinking water through chlorination and effective sewage disposal;

The control of disease-bearing vectors;

Improved nutrition through research culminating in the discovery of Vitamins A and D;

Education of the public regarding appropriate diets;

Improved occupational and environmental health;

The establishment of family planning and well-baby clinics;

The use of entertainment to strengthen health communication;

The development of health policy financing initiatives which have led to improvements in Medicare and Medicaid programs; and

The establishment of the first injury prevention research and education program in the Nation.

The need for an increased awareness of the pressing problems facing our Nation in the area of public health has never been greater than it is today. Public health campaigns which educate people to prevent diseases and promote health, and which extend resources and services like immunization and prenatal care of all segments of society can provide simple, cost-effective, and comprehensive solutions to the Nation's health problems.

Increasing global awareness of public health is equally important. Global trends and the enormous cost in dollars and quality of life caused by not preventing disease and its consequences have increased the need for worldwide public health solutions. The Johns Hopkins University School of Public Health is uniquely situated to lead a campaign to generate an awareness of public health on a worldwide basis. The school's international health program is by far the largest in an academic center anywhere in the world, and a full partner in the new emphasis on improving world health. Work in the school's 10 academic departments has earned global recognition, and as a result the school serves as a participant in six World Health Organizations centers.

Mr. President, a promising new era in public health awaits us. New technologies, shared international research, and modern communications abilities have maximized the potential for a national and global public health

campaign. As Dr. William Welch, the founder of the Johns Hopkins School of Public Health, said in 1916:

There are no social, no industrial, no economic problems which are not related to public health.

We can ill-afford to ignore the critical need for increased national and global awareness in the area of public health. We must expand public health initiatives in order to extend a higher quality of life to all segments of society in every corner of the world. To this end, I strongly urge my colleagues to join me in supporting the important resolution I have introduced today to recognize and further these critical efforts.

By Mr. BRADLEY (for himself and Mr. DURENBERGER):

S.J. Res. 50. Joint Resolution to designate April 6, 1991, as "National Student-Athlete Day"; to the Committee on the Judiciary.

NATIONAL STUDENT-ATHLETE DAY

• Mr. BRADLEY. Mr. President, I rise to introduce a joint resolution designating April 6, 1991, as "National Student-Athlete Day". Joining me today is my colleague from Minnesota, Mr. DURENBERGER.

Mr. President, this day focuses attention on the positive role that sports can have on the physical and mental development of young people. Within the proper framework of a school program, sports can build confidence, cooperation, integrity and maturity. These qualities are necessary for our future leaders.

In spite of all the positive aspects of sports, over-emphasis on sports can cause serious harm to young people, even those who pursue sports professionally. The single-minded devotion to athletics among our Nation's schools and colleges too often leads to exploitation and abuse of the student-athlete. Only 1 in 10,000 high school athletes who dream of a career in professional sports ever realize that aspiration, while those who do can expect a professional sports career of less than 4 years. Too many young people sacrifice academic achievement to the dream of professional athletics. And all too frequently schools are willing accomplices—demonstrating no interest in students' academic progress and keeping students eligible even when their real academic achievement levels do not warrant it. Students must realize that education is a lifelong asset, and schools have to remember that their primary responsibility is education.

Mr. President, I understand that all 50 States along with the District of Columbia proclaim April 6 as "Student-Athlete Day." With the help of a broadened observance of National Student-Athlete Day, educators will be able to promote the role of sports within education to stress the need for a balance between academics and athletics. This

effort will direct young people away from the idea that sports can be a substitute for education. The programs planned include having professional athletes, who have returned to college to complete their degree, speaking to students about the importance of education. Since athletes are role models for many young people, the day will stress the positive role sports can play in development of personal character. Athletes will also speak frankly to students about the dangers of alcohol and drug abuse that threaten our society.

In supporting this important effort we, the U.S. Senate, join with coaches, parents, and educators throughout the Nation to encourage the pursuit of excellence in both academics and athletics.

On behalf of Senator DURENBERGER and myself I ask that the attached resolution be inserted in the RECORD at this point.

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

S.J. Res. 50

Whereas the student-athlete represents a role model worthy of emulation by the youth of this Nation;

Whereas the past athletic successes of many business, governmental, and educational leaders of this Nation dispel the myth that successful athletes are one-dimensional;

Whereas such worthy values and behaviors as perseverance, teamwork, self discipline, and commitment to a goal are fostered and promoted by both academic and athletic pursuits;

Whereas participation in athletics, together with education, provides opportunities to develop valuable social and leadership skills and to gain an appreciation of different ethnic and racial groups;

Whereas in spite of all the positive aspects of sport, overemphasis on sport at the expense of education may cause serious harm to the future of an athlete;

Whereas the pursuit of victory in athletics among the schools and colleges of this Nation too often leads to exploitation and abuse of the student-athlete;

Whereas less than 1 in 100 high school athletes have the opportunity to play Division 1 college athletics;

Whereas although college athletes graduate at the same rate as other students, fewer scholarship athletes in revenue producing sports graduate from college;

Whereas only 1 in 10,000 high school athletes ever realize an aspiration of a career in professional sports, and those students who become professional athletes may expect a professional sports career of less than 4 years;

Whereas thousands of the youth of this Nation sacrifice academic achievement to the dream of professional athletics;

Whereas the practice of keeping athletes eligible for participation on a team, even at the high-school level, must be abandoned for a policy of ensuring a meaningful education and degree;

Whereas coaches, parents, and educators of student-athletes must express high expectations for academic performance as well as for athletic performance; and

Whereas there is a need in this Nation to reemphasize the student in the term "student-athlete": Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 6, 1991, is designated as "National Student-Athlete Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate programs, ceremonies, and activities.**

By Mr. SARBANES (for himself, Mr. GLENN, Ms. MIKULSKI, Mr. WARNER, Mr. ROBB, Mr. ADAMS, Mr. BUMPERS, Mr. BRADLEY, Mr. HEINZ, Mr. BURDICK, Mr. CONRAD, Mr. CHAFEE, Mr. LAUTENBERG, Mr. WELLSTONE, Mr. JEFFORDS, Mr. RIEGLE, Mr. MOYNIHAN, Mr. NUNN, Mr. MURKOWSKI, Mr. HOLLINGS, Mr. AKAKA, Mr. THURMOND, Mr. COHEN, Mr. SASSER, Mr. LEAHY, Mr. D'AMATO, Mr. PELL, Mr. BOREN, Mr. KERRY, Mr. STEVENS, Mr. LEVIN, Mr. ROTH, Mr. GORE, Mr. KENNEDY, Mr. DECONCINI, Mr. REID, and Mr. DODD):

S.J. Res. 51. Joint Resolution to designate the week beginning March 4, 1991, as "Federal Employees Recognition Week"; to the Committee on the Judiciary.

FEDERAL EMPLOYEES RECOGNITION WEEK

• Mr. SARBANES. Mr. President, today I am introducing a joint resolution to designate the week beginning March 4, 1991, as "Federal Employees Recognition Week." Senators GLENN, ROTH, MIKULSKI, WARNER, ROBB, ADAMS, BUMPERS, BRADLEY, HEINZ, BURDICK, CONRAD, CHAFEE, LAUTENBERG, WELLSTONE, JEFFORDS, RIEGLE, MOYNIHAN, NUNN, MURKOWSKI, HOLLINGS, AKAKA, THURMOND, SASSER, LEAHY, D'AMATO, PELL, BOREN, KERRY, STEVENS, LEVIN, GORE, KENNEDY, DECONCINI, REID, COHEN, and DODD are joining me in introducing this measure. I have introduced similar resolutions in previous Congresses to honor the men and women who work in jobs that are so critically important to the strength and vitality of our Nation.

I am indeed proud to bring special attention to the dedicated individuals who have chosen public service as a career and who, through years of hard work, have helped to contribute to our Nation's growth and prosperity. Their important work includes protecting our Nation, keeping our food supply safe, participating in medical and scientific research, and maintaining highway and air safety. The excellent service provided by Federal employees to their country often goes unrecognized and it is only when these services become necessary for an individual or when the services are unavailable that people truly recognize the importance of Federal employees. It is with this in mind that I again want to thank and

recognize the more than 3 million men and women in the Federal work force who perform these extremely important jobs every day.

I view public service as a honorable career and a high calling, and I am proud that our Government has such a conscientious and highly qualified work force. Despite previous attempts to undervalue the ideals which make public service rewarding and attractive to many, Federal employees continue to work positively and responsibly, while also accomplishing many valuable tasks. As John F. Kennedy once stated:

Let the public service be a proud and lively career. And let every man and woman who works in any area of our national government, in any branch, at any level, be able to say with pride and honor in future years: "I served the United States Government in that hour of our Nation's need."

The Nation as a whole and others throughout the world have benefited from the many wonderful achievements of Federal employees. By setting aside a week as "Federal Employee Recognition Week," we will all have an opportunity to give Federal employees the recognition which they greatly deserve. I am very pleased to introduce legislation today which acknowledges and commends such a worthy and committed group of men and women and I urge my colleagues to join in support of this resolution.*

• Mr. GLENN. Mr. President, I am pleased to have this opportunity to cosponsor this resolution which would designate the week of March 4-11, 1991, as "Federal Employees Recognition Week."

All too often, Federal employees are taken for granted without giving much thought to the fact that the success of Government programs depends heavily upon the expertise, quality, and commitment of professional career employees.

Thomas Jefferson is quoted as saying that:

There is a debt of service due from every man to his country proportional to the bounty which nature and fortune have measured to him.

Without those in Government service who are willing to make sacrifices and go the extra mile to do a job well, our country would not be able to solve the serious problems we face today.

Mr. President, with this resolution, we can and should say: Keep up the good work, and we salute those dedicated public servants who are paying their debt to this country.

I commend the Senator from Maryland [Mr. SARBANES] for introducing this resolution.*

By Mr. DECONCINI:

S.J. Res. 52. Joint resolution to designate the months of April 1991 and 1992 as "National Child Abuse Prevention Month," to the Committee on the Judiciary.

NATIONAL CHILD ABUSE PREVENTION MONTH

• Mr. DECONCINI. Mr. President, I am introducing today a joint resolution to declare the months of April 1991 and 1992 as National Child Abuse Prevention Month. I am hopeful that a great number of my distinguished colleagues will join me in this important effort.

Mr. President, despite the fact that agencies and organizations serving our children have made notable contributions over the past few years in improving the lives of our youth—by revamping rules and regulations, pinpointing issues, disseminating information and increasing public awareness—child abuse is still on the increase.

Recent data makes it abundantly clear that our Nation's poor children are the high-risk victims for abuse, neglect, and other poverty related problems. The families of these children are caught in a web of strife, stress, and strain in their attempt to merely survive from day to day. Their struggle is compounded by lack of resources, both spiritual and physical, to reduce the burden imposed by their state of poverty.

Mr. President, America's child abuse problem does not stop there. It appears in every State in the Union and cuts across all socioeconomic groups. From the impoverished ghettos of our urban centers to the stately manors across the Nation, millions of America's children are not getting a fair chance to grow into productive adults. Many children in the United States are growing up in wholesome, nurturing environments. However, millions more are not blessed with that good fortune. Every child in the world needs and deserves food, shelter, and love in order to survive and prosper.

The evidence of child abuse and neglect is both alarming and overwhelming. The best available statistics estimate that three of every four cases of child abuse go unreported and the number of reported incidents continues to rise. The data collected by the National Committee for the Prevention of Child Abuse and Neglect organization and others show that 2.4 million cases of child abuse are reported, so as many as 6 million of our Nation's children are being tragically abused. When I introduced this resolution in 1986, I cited national statistics which stated that reports of child abuse and neglect were up 39.8 percent. Today, I regret to report that the incidence rate has increased 78 percent between 1981 and 1987. And all experts agree that the numbers will escalate further since victims in turn, will likely victimize their own children and others.

Mr. President, despite the best efforts of the social service providers, like Child Help U.S.A., Parents Anonymous, and other members of the National Child Abuse Coalition, the entire Nation is threatened by the continued growth in child abuse and neglect. The

only all day, every day, national crisis counseling hotline staffed totally by medical and clinical professionals received over 126,000 calls in 1986 compared with only 8,600 calls when it was established in 1982. The Child Help U.S.A. phone system was at capacity in 1986. Since then, it has had to expand to accommodate an increasing number of calls.

As I have stated previously, Members of Congress have an opportunity to assist the many individuals, organizations, and agencies that are striving to rid our Nation of the epidemic of child abuse and to assist the victims as well. We can help focus public attention on goals and objectives of these agencies and improve the general welfare of our children.

The declaration of April 1990 and April 1991 as National Child Abuse Prevention Month, is a significant way in which we in Congress can emphasize the importance of increasing public awareness and education for the benefit of our troubled families and suffering children. There is help available in communities throughout the Nation, but we need to get the message out to the abused as well as the abusers. Therefore, I urge my colleagues to join me in this effort to have April 1990 and April 1991 designated as National Child Abuse Prevention Month. •

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. KENNEDY, the names of the Senator from Hawaii [Mr. AKAKA] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 2, a bill to promote the achievement of national education goals, to establish a National Council on Educational Goals and an Academic Report Card to measure progress on the goals, and to promote literacy in the United States, and for other purposes.

S. 3

At the request of Mr. BOREN, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 3, a bill to amend the Federal Election Campaign Act of 1971 to provide for a voluntary system of spending limits for Senate election campaigns, and for other purposes.

S. 8

At the request of Mr. DOLE, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 8, a bill to extend the time for performing certain acts under the internal revenue laws for individuals performing services as part of the Desert Shield operation.

S. 9

At the request of Mr. DOLE, the names of the Senator from Arizona [Mr. MCCAIN] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 9, a bill to amend the

foreign aid policy of the United States toward countries in transition from communism to democracy.

S. 10

At the request of Mr. DOLE, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 10, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 16

At the request of Mr. BIDEN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 16, a bill to provide emergency Federal assistance to drug emergency areas.

S. 24

At the request of Mr. MOYNIHAN, the names of the Senator from Vermont [Mr. JEFFORDS] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 24, a bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion from gross income of educational assistance provided to employees.

S. 26

At the request of Mr. MOYNIHAN, the names of the Senator from Maryland [Mr. SARBANES] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 26, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income the value of certain transportation furnished by an employer, and for other purposes.

S. 65

At the request of Mr. NICKLES, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 65, a bill to make the 65 miles-per-hour speed limit demonstration project permanent and available to any State.

S. 107

At the request of Mr. GRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 107, a bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; and for other purposes.

S. 140

At the request of Mr. WIRTH, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from South Dakota [Mr. DASCHLE], the Senator from Arizona [Mr. DECONCINI], the Senator from Utah [Mr. HATCH], the Senator from Indiana [Mr. LUGAR], the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Illinois [Mr. SIMON], the Senator from Alaska [Mr. STEVENS], and the Senator from Idaho [Mr. SYMMS] were added as cosponsors of S. 140, a bill to increase Federal payments in lieu of taxes to units of gen-

eral local government, and for other purposes.

S. 173

At the request of Mr. HOLLINGS, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 173, a bill to permit the Bell Telephone Companies to conduct research on, design, and manufacture telecommunications equipment, and for other purposes.

S. 175

At the request of Mr. BINGAMAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 175, a bill to amend the Resource Conservation and Recovery Act to improve procedures for the implementation of State compacts providing for the establishment and operation of regional disposal facilities for municipal and industrial solid waste, and for other purposes.

S. 215

At the request of Mr. JOHNSTON, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 215, a bill to amend the Internal Revenue Code of 1986 to impose a fee on the importation of crude oil or refined petroleum products.

S. 217

At the request of Mr. HOLLINGS, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 217, a bill to clarify the Congressional intent concerning, and to codify, certain requirements of the Communications Act of 1934 that ensures that broadcasters afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

S. 237

At the request of Mr. NUNN, the names of the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 237, a bill to amend title 37, United States Code, to increase the rate of special pay for duty subject to hostile fire or imminent danger.

S. 239

At the request of Mr. SARBANES, the names of the Senator from Connecticut [Mr. DODD], the Senator from Virginia [Mr. ROBB], the Senator from Delaware [Mr. BIDEN], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 239, a bill to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia.

S. 250

At the request of Mr. FORD, the names of the Senator from Hawaii [Mr. INOUE], the Senator from Hawaii [Mr. AKAKA], the Senator from Arizona [Mr. DECONCINI], the Senator from Washington [Mr. ADAMS], the Senator from California [Mr. CRANSTON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Connecticut [Mr.

DODD], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Rhode Island [Mr. PELL], and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of S. 250, a bill to establish national voter registration procedures for Federal elections, and for other purposes.

S. 255

At the request of Mr. BINGAMAN, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 255, a bill to require Congress to purchase recycled paper and paper products to the greatest extent practicable.

S. 270

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 270, a bill to require regular reports to the Congress on the amount of expenditures made to carry out Operation Desert Shield and Operation Desert Storm and on the amount of contributions made to the United States by foreign countries to support Operation Desert Shield and Operation Desert Storm.

SENATE JOINT RESOLUTION 21

At the request of Mr. SASSER, the names of the Senator from California [Mr. CRANSTON] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of Senate Joint Resolution 21, a joint resolution expressing the sense of the Congress that the Department of Commerce should utilize the statistical correction methodology to achieve a fair and accurate 1990 Census.

SENATE JOINT RESOLUTION 35

At the request of Mr. HOLLINGS, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Joint Resolution 35, a joint resolution proposing an amendment to the Constitution of the United States relative to contributions and expenditures intended to affect congressional and Presidential elections.

SENATE JOINT RESOLUTION 36

At the request of Mr. PRESSLER, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Alabama [Mr. SHELBY], the Senator from Tennessee [Mr. GORE], the Senator from Connecticut [Mr. DODD], the Senator from Washington [Mr. ADAMS], the Senator from Massachusetts [Mr. KERRY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Ohio [Mr. GLENN], the Senator from Montana [Mr. BURNS], the Senator from North Dakota [Mr. CONRAD], the Senator from Alabama [Mr. HEFLIN], and the Senator from Oregon [Mr. PACKWOOD] were added as cosponsors of Senate Joint Resolution 36, a joint resolution to designate the months of November 1991, and November 1992, as "National Alzheimer's Disease Month."

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Concurrent Resolution 4, a concur-

rent resolution condemning Iraq's unprovoked attack on Israel.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Concurrent Resolution 5, a concurrent resolution demanding that the Government of Iraq abide by the Geneva Convention regarding the treatment of prisoners of war.

SENATE CONCURRENT RESOLUTION 6

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Concurrent Resolution 6, a concurrent resolution to express the sense of the Congress that the President should review economic benefits provided to the Soviet Union in light of the crisis in the Baltic States.

SENATE RESOLUTION 19—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON, from the Committee on Energy and Natural Resources, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 19

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

SEC. 2. (a) The expenses of the committee for the period March 1, 1991, through February 29, 1992, under this resolution shall not exceed \$2,844,527, of which amount (1) not to exceed \$20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganizations Act of 1946, as amended), and not to exceed \$2,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period March 1, 1992, through February 28, 1993, expenses of the committee under this resolution shall not exceed \$2,949,780, of which amount (1) not to exceed \$20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and not to exceed \$2,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1992, and February 28, 1993, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate, the payment of long distance telephone calls, or for the payment of stationary supplies purchased through the Keeper of the Stationary, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, to be paid from the Appropriations account for "Expenses of Inquiries and Investigations."

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, February 6 and Thursday, February 7, 1991, at 9:30 a.m. on each day, to receive testimony from committee chairman and ranking members on their 1991 and 1992 committee funding resolutions.

For further information concerning these hearings, please contact Carole Blessington of the Rules Committee staff on extension 40278.

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, February 20, 1991, at 9:30 a.m., to markup Senate committees' funding resolutions for 1991 and 1992. The committee will also consider other legislative and administrative business pending on its agenda.

For further information concerning this business meeting, please contact Carole Blessington of the Rules Committee staff on extension 40278.

ADDITIONAL STATEMENTS

AFL-CIO: TIME FOR HEALTH CARE REFORM

• Mr. KENNEDY. Mr. President, I urge my colleagues to examine the AFL-CIO's recent report, "The Case for Health Care Reform." This report provides an excellent overview of the health care crisis facing our Nation.

Last fall, the AFL-CIO conducted a series of eight regional hearings to determine the human toll of this crisis. As the AFL-CIO's health care hearings so dramatically reveal, the Nation's health care system is in a state of crisis.

More and more, access to affordable health care is as serious a problem for middle-class families as for low-income citizens.

We start with the almost unbelievable fact that in this rich land of 250 million Americans, 37 million of our fellow citizens, including 24 million working men and women and their dependents, have no health insurance at all.

An additional 26 million Americans will have no insurance for substantial periods of time this year, often as long as 6 or 7 months. And there are 60 million more Americans who have insurance, but whose insurance is so poor that even the Reagan administration said it was inadequate.

Those who are adequately insured today are only one missed heartbeat away from losing their coverage—one management cost-cutting decision away—one pink unemployment slip away in this recession—from joining the ranks of the uninsured. Virtually all Americans are at risk—but it is low- and middle-income families who are most at risk.

Every year millions of citizens are turned down for needed health care or do not even seek it because they cannot afford it. Four out of every 10 hospital admissions in Washington, DC, could be avoided if patients had obtained timely medical care when their symptoms first began. Four out of 10 American children do not even get basic childhood immunizations against disease.

Americans are also paying more and more for health care, and getting less-and-less value for the dollar. We spend more on health care than any other country—40 percent more per person than Canada, 90 percent more than Germany, and twice as much as Japan.

This is the year for action. Labor, business, hospitals and physicians, and consumers are mobilized as never before, and it is time for Congress to act.

I commend Lane Kirkland and the unions of the AFL-CIO for their leadership in calling for reform of our national health care system. Together we must work to make health care a basic right for all, not just an expensive privilege for the few.

Providing access to decent health care for all Americans takes on even greater urgency because of the war in the Persian Gulf. One of the best ways to support our soldiers fighting in the gulf is for us to work harder here at home to achieve the ideals they are fighting to defend.

I ask unanimous consent that the attached remarks from AFL-CIO President Lane Kirkland be included in the RECORD.

The material is as follows:

STATEMENT BY LANE KIRKLAND

The state of America's health care system is deplorable.

The AFL-CIO conducted a series of eight public hearings in cities throughout the nation in an effort to assess the human toll of America's health care crisis.

What we found—and what the hearing record shows—is a growing problem that is no longer exclusive to the fringes of our society.

It's now hitting at the solid, working middle-class—the backbone of the country—people who do their level best to pay their bills and meet their obligations.

Medical costs which soar upward at 18 to 30 percent a year are putting basic health care beyond the reach of a steadily increasing number of Americans. As many as one in three Americans has either inadequate health insurance or none at all.

Consequently, millions of working people are living under the threat of financial disaster striking at any moment with the illness or injury of a family member.

Many of the under-insured simply pray for good health. Others postpone needed medical care. Those who can't often find themselves buried in medical bills they'll be paying for the rest of their lives.

Everywhere we looked, Americans who need health care are losing their homes, their life savings and their dignity.

Clearly, now is the time for fundamental changes in our nation's health care system. We need a comprehensive program of reform that will make basic health care available to all who need it—without bankrupting them in the process.

The AFL-CIO is firmly committed to the task of working with members of Congress and the business community to address this crisis and thereby alleviate this grave threat to our standard of living and the economic vitality of the nation. •

TERRY ANDERSON

• Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,145th day that Terry Anderson has been held captive in Lebanon. •

UKRAINIAN INDEPENDENCE DAY

• Mr. PELL. Mr. President, 73 years ago, on January 22, 1918, the Ukrainian Republic declared its independence, and established a democratic government guaranteeing many of the basic rights which we in the United States enjoy. Regrettably, just a few years later, the young republic was overtaken and incorporated into the new Soviet regime.

Last year, we witnessed many promising developments in Ukraine. We welcomed the steps toward greater religious freedom, the organization of political parties and civic organizations, and the adoption of a declaration of sovereignty in July. During the last few months, however, there have been disturbing signals about Soviet actions in Ukraine, including the arrest of political dissenters. And of course, after the bloody crackdowns in the Baltic States, the people of Ukraine cannot help but question whether their young democratic movement will be destroyed by the old Soviet regime.

This week, as we commemorate Ukrainian Independence Day, we call upon the Soviet Government to reject the course that it took in 1922, and to renew its commitment to greater openness and democratization. •

PROPRIETARY SCHOOLS

• Mr. SIMON. Mr. President, there have been some negative stories about proprietary schools, some of them deserved.

But the proprietary schools of the Nation offer aid and educational opportunity to non-college-bound students that is extremely important.

The so-called business schools of whatever variety are making an extremely important contribution to the Nation.

Only about 8 percent of those who do not go on from high school to college get any kind of skills training during their school years.

That's a grim statistic.

I do not suggest that the proprietary schools can or should fill this gap by themselves, but they are making an important contribution.

I ask unanimous consent to insert an article from the Chicago Tribune titled "Proprietary Schools Offer Training, Job Guarantees," written by Merrill Gozner.

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

[From the Chicago Tribune, Jan. 6, 1991]

PROPRIETARY SCHOOLS OFFER TRAINING, JOB GUARANTEES

(By Merrill Gozner)

College students aren't promised a job after four years of tuition payments. Community colleges are an even dicier proposition for students, if the measurement is a guaranteed job placement at the end of the two-year program.

But proprietary schools are held to that standard. These profit-making educational institutions—usually known for training people in fields like cosmetology, truck driving, electronics and office work—can't offer their students the excuse that at least they got a liberal arts education for their tuition money.

Their only reason for being, and their promise to the students who pay thousands of dollars to attend the schools, is that they hold the tickets to jobs in their fields.

Unfortunately, as numerous government crackdowns and newspaper exposes over the years have shown, very few of them do it right. One Illinois proprietary school regulator, who did not want his name used, despairs of every being able to clean up the "proprietary school mess."

"You wonder why the kids are going there in the first place, especially when they have community colleges to go to," he said.

However, there are proprietary schools that give their students real value for their money. The good ones:

Have rigorous academic standards for admission into the program. No student is accepted who can't do the work;

Give students a realistic sense of the career and what is expected of them before they enroll in the school;

Constantly update the curriculum so that it is in tune with the needs of the industry; and

Have an active and successful placement program for graduates.

Looking at one proprietary school that does it right provides some valuable lessons for young adults who are considering plunking down their hard-earned cash or taking out a loan to attend one of these schools.

Fox College in southwest suburban Oak Lawn has been training executive assistants for downtown corporations, law and accounting firms since 1957. Housed in a former District 123 elementary school building, the college trains more than 100 students a year in a rigorous curriculum of word processing, shorthand, business math and English and office management.

Before any young women—and in a world where sex-role stereotyping remains imbedded in the work culture, 100 percent of its students are women—enrolls in the one-year course, school president Edward Japelinski Sr. encourages the prospective student to contact employers about the school. Graduates can be found at downtown employers like Amoco Corp., National Life Insurance Co., Coopers & Lybrand and First National Bank of Chicago.

"Fox is dedicated to turning out qualified students," said Laura Bellis, a recruitment specialist at Arthur Andersen & Co., one of the firms that recruits from Fox College. "It's been fairly difficult to find skilled, qualified executive assistants because there aren't as many people interested as there were in the past."

"Plus, the grammar and vocabulary skills tend to be lacking in students coming out of school. But Fox doesn't skimp on the program. They don't just pass people through," she said.

Fox requires its students to have a high school diploma and a certain level of math and English proficiency before starting the program. The school gives prospective students a battery of tests to insure they are capable of performing the work.

About half of its student body comes directly from high school, where most were "B" and "C" students. The other half are college dropouts.

"We've really looking for a level of desire when we screen people, not the academic background," said Edward Kapelinski Jr., who is director of marketing for the school.

The desire has to be there because of the rigors of the program. Classes run from 8:30 a.m. to 2 p.m. every day with three hours of homework per night, mostly in typing and shorthand that can be done between 2 and 5 p.m. on the Fox premises.

Fox's academic calendar corresponds to the work world, not the vacation/laden school year. Students are required to dress as if they were headed downtown for a job. The program can be completed in nine months, although most students take up to a year.

"There are some dropouts," said Kapelinski, Sr. "If a young lady falls behind on her work, she's given a probation for a month. And if she doesn't catch up, she's dismissed."

Tuition for the program is \$4,950 plus an additional \$450 for course materials. About a third of the students get government grants and loans. Its default rate is about 5 percent according to government figures.

Another third accept a loan from the college, which must be repaid within one year. The school charges 9 percent interest on the one-year loan.

When asked how young adults just entering the work force can afford to pay back nearly \$5,000 in one year, the Kapelinskis pointed to the salary, ranges and placement rates of their graduates. The school says it has placed 100 percent of its graduates in the last year. The average starting pay was \$19,000.

It's that kind of salary that continues to draw students to Fox College. Most of whom hear about it by word-of-mouth.

"I heard from my beauty shop that their friends got real good jobs," said Elaine Tajdus of Alsip, who at 56 is attending Fox with her 19-year-old daughter Michele. She's hoping in a year's time to leave her job as a cook at Westgate Country Club. Michele wants something better than waitressing.

"These people make or break the executives they work for," said Arthur Andersen's Bellis. "Our starting salary for executive assistants ranges from the upper teens to the low twenties and an executive assistant with experience can earn up to the mid- to upper-thirties."

Despite employer raves for Fox College's program, school enrollment has suffered in recent years. Newspaper reports about abusive proprietary schools have scared away prospective students, Kapelinski, Sr. said.

Gary Osga, acting manager of the non-public school approval section of the Illinois Board of Education, said the state passed new rules for proprietary schools in 1989 in the wake of a Chicago Sun-Times investigation of proprietary schools.

Those rules won't be effective for some time. The rules require that all proprietary schools report their government-backed student loan default rates and placement rates to the state. The state then will be able to refuse a license to any school that falls below 50 percent of the statewide average.

However, the state is still months and possibly years away from developing its database. Moreover, the rules will only eliminate the worst of the student loan abusers.

That leaves the relatively unsophisticated education consumers populating the proprietary school marketplace on their own. Osga recommends that prospective students go and spend time talking to the students before enrolling in a school.

They should also get the names of graduates and see where are they wound up working. "Did the kid spend \$10,000 to learn auto mechanics and wind up changing oil at a Jiffy Lube?" he said.

"Unfortunately, most of these kids aren't that sophisticated," he said. "I don't know if there is any way to save them from their own gullibility." •

THE CAFE BILL

• Mr. CONRAD. Mr. President, I am pleased to join my distinguished colleague from Nevada, Mr. BRYAN, as a cosponsor of legislation to improve the fuel economy of the U.S. vehicle fleet. This bill received considerable support in the Senate last year, but was killed when a cloture vote failed in the Senate near the end of the previous Congress. During the intervening time, our consumption and imports of oil have continued to rise.

Many of us have long argued that we need to take aggressive action to reverse these trends. The jittery response of oil prices to each day's events in the

Middle East, in spite of a short-term surplus in the oil supply, only underscores this need. Our actions should include conservation, vigorous development and implementation of alternative energy sources, and a strengthening of our domestic energy industry. These goals can only be achieved in the context of a coordinated national energy policy where each component is carefully thought out. Only in this way can our diverse needs be met and true energy independence be achieved. Indeed, we all realize that such a policy will strengthen our economy and improve our lives in the long term.

More to the point, the current corporate average fuel economy standards, passed by Congress in 1975, have not increased since 1985. In fact, they were decreased during the latter part of the Reagan administration.

Motor vehicles account for the large majority of our oil consumption, are the main component of urban smog, and are a contributor to toxic and CO₂ emissions as well. Conservation is the best method to improve all of these conditions. We have the ability to achieve this, but experience has shown that it will not happen without Congress setting appropriate goals.

The auto industry has claimed that these standards would adversely impact the size, performance, utility, and safety of automobiles and would cost jobs. In response I would say three things. First, experience has shown that such adverse impacts are not as dramatic as feared. As an example, care might actually become after if this bill caused a reduction in average horsepower.

Second, the increases called for are a percentage of each manufacturers fleet average for 1988. This will insure that all manufacturers are treated fairly. Foreign manufacturers will have as difficult a job as their American counterparts, perhaps even more so. Both the position of American cars in the marketplace and the jobs of American autoworkers will be protected.

Third and most importantly, we must decrease our consumption of energy, within the context of a coordinated, sensible national energy policy. Indications are that no single method will be sufficient, and that many approaches must be taken. While the improvements mandated by this bill may be a challenge, we must achieve them, and we can achieve them.

Both the Office of Technology Assessment and the Department of Energy agree that the fleet average could be raised above 30 miles per gallon and perhaps as high as 40 miles per gallon using conventional technology. The standards incorporated in the proposed legislation reflect these goals and require their attainment. I commend Senators BRYAN and GORTON for their insight and for the research they have put into this bill. The required percent-

age increase in each manufacturers fleet fuel economies represents a workable, fair, and effective method of conservation.

Finally, Mr. President, reducing the use of large but definitely limited resources like oil sets a precedent for intelligent and civilized husbandry of the planet we live on. For all of these reasons, I am happy to cosponsor this bill and urge my colleagues to join in supporting it.●

CONCERNING THE HOOKSETT, NH, TOWN COUNCIL

● Mr. SMITH. Mr. President, the town council of Hooksett, NH, has unanimously voted to endorse a proposed amendment to the Constitution which would, upon ratification by the States, empower the Congress and the States to prohibit the physical desecration of the American flag.

I agree that the "law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes * * * (the) reverence, respect, and dignity befitting the banner" of our Nation. Therefore, I join with the town council of Hooksett in urging Congress to pass a constitutional amendment to protect the American flag.

Mr. President, I ask unanimous consent that the resolution of the town council of Hooksett, NH, be printed at this place in the RECORD.

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

TOWN COUNCIL RESOLUTION

This measure would request Congress to propose a constitutional amendment, for ratification by the states, which would specify that the Congress and the states shall have the power to prohibit the physical desecration of the American flag.

Whereas, Although the right of free expression is part of the foundation of the United States Constitution, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency, as well as orderliness and productive value of public debate; and

Whereas, Certain actions, although arguably related to one person's free expression, nevertheless raise issues concerning public decency, public peace, and the rights of expression and sacred values of others; and

Whereas, There are symbols of our national soul such as the Washington Monument, the United States Capitol Building, and memorials to our greatest leaders, which are the property of every American and are therefore worthy of protection from desecration and dishonor; and

Whereas, The American Flag to this day is a most honorable and worthy banner of a nation which is thankful for its strengths and committed to curing its faults, and remains the destination of millions of immigrants attracted by the universal power of the American ideal; and

Whereas, the law as interpreted by the United States Supreme Court no longer accords to the Stars and Stripes that reverence, respect, and dignity befitting the

banner of that most noble experiment of a nation-state; and

Whereas, It is only fitting that people everywhere should lend their voices to a forceful call for restoration to the Stars and Stripes of a proper station under law and decency; now, therefore, be it

Resolved, That the Town Council of the Town of Hooksett, New Hampshire respectfully requests the Congress of the United States to propose an amendment of the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States; and be it further

Resolved, That copies of this resolution be transmitted to the Speaker of the U.S. House of Representatives, the President of the U.S. Senate and all members of the congressional delegation from the State of New Hampshire and the New Hampshire House of Representatives, the State Senate and the Governor and Governor's Council.●

OREN HARRIS FIFTY YEARS OF PUBLIC SERVICE

● Mr. PRYOR. Mr. President, later this week U.S. district judge and former Congressman Oren Harris will be honored for 50 years of public service. On February 1, 1991, friends and associates will gather in the U.S. district courtroom in El Dorado, AR, to take note of this historic event.

Oren Harris holds the distinction of being the only American public servant to have served in the legislative body of our Nation for 25 years and in the judicial branch for 25 years.

Judge Harris, of El Dorado, was elected to Congress in 1940 and was to serve until February 1966 when he resigned to become U.S. district judge for the eastern and western districts of Arkansas. While in the House, he served as chairman of the Committee on Interstate and Foreign Commerce beginning in 1957.

When I was a lad of 16, Oren Harris gave me the opportunity to work as a page in the summer of 1951 in the House of Representatives. That experience made lasting impressions on me. Oren Harris was my mentor and it was a difficult assignment to follow in his footsteps as representative of the people of the 4th District of Arkansas when he was elevated to the Federal bench. Oren Harris never lost sight of his roots and the people who elected him.

Mr. President, I regret that I will not be able to join his many friends and associates throughout Arkansas and the Nation who will gather to mark this 50-year landmark. We could all learn from the stewardship example of Oren Harris. I am proud to call him my friend and mentor.●

SUPPORTING VETERANS DISABILITY COLA LEGISLATION, H.R. 3

● Mr. PELL. Mr. President, I strongly support H.R. 3, legislation to provide a

5.4 percent veterans disability compensation COLA retroactive to January 1, 1991. I commend the majority leader and the distinguished chairman of the Senate Veterans' Affairs Committee for having worked to bring this issue to the floor so quickly. Indeed, when Senator MITCHELL introduced his package of legislative priorities for the 102d Congress, his No. 1 priority was ensuring that service-connected disabled veterans receive their 1991 cost-of-living increase.

Regrettably, in the final days of the last session, Congress failed to enact a COLA for service-connected disabled veterans and their survivors, the only group of Federal beneficiaries who did not receive a 1991 COLA. These veterans depend on Congress for this essential COLA to protect them from the impact of inflation. We now have an opportunity to correct this injustice and fairness dictates that we act immediately to approve this measure.

As we ask the young men and women of our Armed Forces to take on the grave responsibilities of war, we in the Congress must remember the responsibility we have to the men and women who went into battle before them. The debt we owe to our Nation's veterans is sacred, and we send the wrong message to our disabled veterans and to the service men and women in the gulf if we fail to honor the fundamental obligations we have to veterans in recognition of their invaluable service to our country.

I am glad my colleagues have given their full support to this bill.●

THE PASSING OF CHRISTOPHER J. JACKMAN

● Mr. BRADLEY. Mr. President, I sadly note the passing of Christopher J. Jackman of West New York, NJ. Mr. Jackman, a New Jersey State senator representing the 33d district at the time of his death, was born, lived his 74 years, and died in Hudson County, NJ. He was elected to the New Jersey Assembly in 1967 and reelected seven times. He was chosen majority leader for 1977 and was speaker of the New Jersey Assembly from 1978 to 1982. He was serving his second term in the New Jersey Senate. He was a beloved politician and public figure whose colorful personality, wit, and trenchant good sense endeared him to people of all political persuasions, social classes, races, and creeds. Senator Jackman loved the political arena and the tumult of the political process. Yet, in his heart he was first and foremost a labor leader and a spokesman for working people. He rose to the post of vice president and regional director of the United Paper Workers International Union, AFL-CIO.

In political matters, his word was a bond, but his real loyalty and his strength were devoted to the working

people he respected and protected. His ascent to many positions of high public responsibility speaks eloquently of the hope that our country continues to hold out to those not born to privilege who have the capacity to lead their fellow citizens. Chrissy stood up for what he believed in. He was my friend. I will miss him.●

THE WEEKLY MAIL OF SOUTH AFRICA

● Mr. SIMON. Mr. President, the Weekly Mail of South Africa is no longer suspended occasionally because of government action. It is one of many positive changes that have been brought about in South Africa, thanks to the leadership of President De Klerk.

And the Weekly Mail continues to point out real problems that exist in South Africa. There is no better illustration of the problems that nation faces, even if the finest agreement is reached tomorrow, than the article, "One Day at Two Schools," by Samantha Weinberg.

The contrast is between a white school and a black school, and it shows that South Africa has a long way to go. I do not insert this article into the CONGRESSIONAL RECORD suggesting that the United States does not have a sizeable road to go yet. We do.

But because it gives some insight into the South African situation, I ask unanimous consent to insert the article at this point.

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

ONE DAY AT TWO SCHOOLS (By Samantha Weinberg)

Bhukulani High School in Soweto is perched on a hill overlooking the Jabulani men's hostel. Students recently avoided classes for a month; they were afraid of being caught in the cross-fire between warring supporters of the African National Congress and the Inkatha Freedom party.

It wasn't the first time they had stayed away. Earlier in the year, classrooms were empty as pupils and teachers staged boycotts and sit-ins, protesting against severe textbook shortages and inadequate classroom facilities.

While disparities in education provision are not as bad as five years ago, the government still spends almost eight times as much on every white pupil, as it does on each black pupil.

With two weeks to go before the start of their exams, only 44 of the 120 matric candidates are at Bhukulani High. Three classes have merged into one and the pupils are sitting, two to a desk, waiting for a teacher. No one is quite sure what lesson they are due to have now.

The matric classrooms are on the second floor of a two-story building. The staircase is covered with broken glass and rubble. The deputy principal, Mr. Nkosi, said the damage was caused when the fighting from the hostels moved into the schools ground. Another teacher blamed the pupils.

Pupils hang out around the classrooms, laughing and joking.

The teacher, Daisy Noke, walks in and it takes her some time to quell the chatter. The boys sit at the back of the class, the girls nearer the front. One neatly dressed boy, Colin, wipes the wooden desk and bench before sitting down. Few pupils are wearing school uniforms, some are chewing gum.

It appears the lesson is to be Afrikaans as Noke hands out a comprehension exercise with the title *Engel by die Vleiland* (Angel by the Swamp). She reads out the story, which is practically archaic, chauvinist, and has an all-white cast. No one asks any questions and occasionally she translates a sentence into English.

Colin said he didn't know how long Noke has been teaching at Bhukulani, but he thought she might have come in to help with exams. It later transpires she has been there for seven years and is head of the Afrikaans department.

The pupils follow the text, sometimes writing notes. The classroom has a caving-in cardboard roof, the windows are broken, and graffiti on the wall reads: "How can a hungry teacher teach a hungry child?" Judging by the noise outside, there is a riot in progress.

Noke finishes the story and starts working through the questions on the worksheet. She reads them out and after rather unenthusiastically asking for answers from the floor, writes the correct answer on the board. Everyone copies it onto their sheets.

Colin answers a question correctly and the class breaks out into spontaneous applause: "Well done, clever friend," they cry. It takes Noke a few minutes to calm them down again.

Eventually the board is covered with 25 answers to questions about the text and the students have copied them all down—word for word.

Colin says it is not the kind of question they will get in the exam, but he doesn't know as the pupils have not seen old exam papers yet. They don't even know the exam timetable.

Noke leaves; it is time for break, but most of the pupils stay for a chat. The rest of the class, they say, are studying at home. They study in groups, sharing the textbooks they do have—one book among four to eight pupils is about the norm—and cramming from study guides. The government promised to give every black matric candidate three study guides, but only a few have arrived—not nearly enough to go around. Some fellow pupils have spent the last couple of days cleaning cars in Johannesburg, scraping together enough money to buy study guides.

The pupils are unsure as to how many schooldays have been lost this year, but agree it had been "more than three months".

"We came to school, but the teachers were protesting, so there were no lessons," one pupil said. "We couldn't come in winter because it was too cold," said another with a meaningful look at the gaping windows. "They must repair the classrooms first thing."

Were they confident of passing their exams? "We will try, we will try." Their teachers are less optimistic, and fear a majority will fail—even to achieve the 20 percent needed before they are allowed to retake.

The principal, Mr. Mahloko, said he was expecting this year's exams results to be the worst yet—and last year only 37 percent passed matric, whereas in 1988, the pass rate was 66 percent. "There have been so many disruptions this year, very little effective schooling has taken place," he said.

The school for whites is also perched on a hill—in a leafy and comfortable suburb of Johannesburg.

It is a government school, one of the oldest and most respected in the city. Most of the pupils live nearby, their parents are English-speaking, educated and well-off.

The school buildings are covered in flowering creepers, airy and spacious, nestling on manicured lawns. Across the courtyard a group of matric pupils are engrossed in a history lesson.

The sun is streaming through arched windows into the large, tiled and painted classroom. The walls are covered with maps, posters, pupils' projects and covers of *Time* magazine depicting world leaders of the twentieth century. Ten pupils sit, relaxed—school blazers hanging on the backs of their chairs—at desks arranged in a semi-circle around the teacher, who is gesticulating energetically.

"Look guys, I just want to emphasize to you the importance of East Germany's role in the consolidation of communism after World War II," he says.

It is hard not to get caught up in the lesson, which is conducted more in the manner of a university seminar. The class is taken straight into post-war Germany and quickly and enthusiastically gets caught up in the feelings of the Germans who were there. Frequently they stop the teacher to ask questions or make contributions. You got the feeling they would call him by his first name—out of the classroom.

Shakespeare, Milan Kundera and Arthur Miller, plays and films, all are brought into the debate to emphasise a point or explain a feeling. A recent article in *Newsweek* magazine is referred to, and the textbook is hardly consulted—the lesson seems almost to be spontaneous.

Every now and then the teacher offers an exam tip: "Look here chaps, remember to spell out what Nato stands for, it'll be worth an extra two points at least." At one stage he lunges at one of the pupils and extracts a copy of a history study guide from where he had been concealing it, under the desk. "These things, they take all the joy out of teaching," he says, replacing the guide on top of the boy's pile of five history textbooks.

The hour-long lesson is soon over, amid much laughter, jokes and concentration. The pupils have made individual notes in their files—nothing was dictated—and there is a sense of upliftment that comes from having spent a productive period. It was not necessary to hear his confirmation that the pupils would all pass—some with distinction. All but one expected to go to university, the exception is a talented sportsman.

The teacher urged them all to relax, to go out and enjoy some fresh air at the cricket match on Sunday. •

PUERTO RICO STATUS REFERENDUM ACT

• Mr. JOHNSTON. Mr. President, last week I introduced the Puerto Rico Status Referendum Act, S. 244, to provide the people of Puerto Rico with an opportunity to vote on their future political relationship with the United States. In my introductory remarks, I referred to the contributions of several Senators and committees to this bill. One such contribution, which was made at the last minute, was to include the recommendations of the chairman of

the Committee on Agriculture, Nutrition, and Forestry, Senator LEAHY.

These recommendations provide for the increase in food stamp benefits under both the statehood and the commonwealth options, as set forth under S. 244. However, these recommendations were made, and were included, with the express intent that revenues will be available so that the bill remains revenue neutral. In the case of the statehood option, as reported by the Finance Committee, the phaseout of section 936 of the Internal Revenue Code would provide, with perhaps some minor changes, the necessary offsetting revenue. The commonwealth option, however, does not currently have offsetting revenues and would therefore require more substantial changes to the existing language. It is my intention to seek the necessary language to provide these offsetting revenues from the Committee on Finance, which identified this problem in its report (Senate Rept. 101-481) on last year's version of this bill.

Mr. President, I would like to reiterate that one of the guiding principles of this legislation is to maintain revenue neutrality. Accordingly, if the necessary revenue generating legislative language is not developed and included in this bill, then it will be necessary to delete these provisions. I look forward to the continued assistance of the Committee on Finance on resolving this matter.

Mr. President, I would like to reaffirm, again today, my commitment to the enactment of this legislation by the July 4 target date, and my expectation that Congress will meet this schedule.

Mr. President, I ask that the letter from Senator LEAHY to myself be printed in the record.

The letter follows:

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, January 22, 1991.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural
Resources, Washington, DC.

DEAR MR. CHAIRMAN: I appreciate your January 8, 1991, request for my recommendations regarding the draft Puerto Rico referendum bill which you intend to introduce in the near future.

The Agriculture, Nutrition and Forestry Committee has recently addressed this issue in an October 25, 1990, letter signed by ten Members of this Committee.

In that letter we pointed out that any referendum bill should assure equal treatment between the statehood and Commonwealth options and be revenue neutral. It was also our intent to provide a balanced package of increased nutrition benefits phased in over time.

Based on those concepts, I recommend that your draft bill be modified to include the changes as set forth in the attachments to this letter.

One major item is omitted from my recommendations. Language providing for increased revenues to pay for the increases in nutrition assistance would need to be added

before I, and I assume most Members of this Committee, could support final passage of this bill. My staff has alerted your staff and staff of the Finance Committee regarding this need for statutory language assuring that the attached changes are revenue neutral.

I will certainly assist you in this major undertaking of ensuring that Puerto Ricans have a fair opportunity to express their views on the political status of that Commonwealth.

Sincerely,

PATRICK LEAHY,
Chairman.

DRAFT TO THE PUERTO RICO STATUS REFERENDUM ACT

These changes are to the draft "Puerto Rico Status Referendum Act" dated December 6, 1990, as supplied to the Committee on Agriculture, Nutrition and Forestry.

Add to section 213 ("economic adjustment") the following:

() Nutrition Assistance and Food Stamp Program.

(a) INCREASED FUNDING LEVELS FOR THE NUTRITION ASSISTANCE PROGRAM IN PUERTO RICO.—Notwithstanding any other provision of law, from the sums appropriated under the Food Stamp Act of 1977 the Secretary of Agriculture shall pay to the Commonwealth of Puerto Rico, in addition to the amounts required to be paid by the Secretary to the Commonwealth of Puerto Rico under subparagraph (A) of section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)), the following additional sums for the years described—

(1) \$112,500,000, for the fiscal year beginning on October 1 of the first calendar year after the date of the ratification of the "Statehood" status option by the people of Puerto Rico (hereinafter referred to in this subsection as the "first fiscal year after ratification");

(2) \$250,000,000 for the fiscal year immediately following the first fiscal year after ratification; and

(3) \$337,500,000, for the second fiscal year after the first fiscal year after ratification.

(b) FOOD STAMP PROGRAM.—Beginning on the first day of October prior to January 1 of the year Puerto Rico is declared admitted to the Union—

(1) Puerto Rico shall participate in the food stamp program under the Food Stamp Act of 1977 on equal footing with any other State of the United States; and

(2) the block grant program authorized under section 19 of such Act for Puerto Rico is terminated.

(c) AMENDMENTS TO THE FOOD STAMP ACT OF 1977.—Beginning on the first day of October prior to January 1 of the year Puerto Rico is declared admitted to the Union, section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended to read as follows:

"SEC. 19(a). SPECIAL RULES.—Notwithstanding any other provision of this Act, any State whose per capita income is below 50 percentum of the national per capita income of the United States shall participate in the program under the requirements of this Act except as follows:

"(1) a household within any such State shall be ineligible to participate in the food stamp program (notwithstanding the provisions of section 5(c) of the Act) if such household's income, after the exclusions are made as provided for in section 5(d) of such Act and before the deductions in such income are made under section 5(e) of such Act, exceeds

65 percent of the poverty line as defined in section 5(c)(1) of such Act;

"(2) the standard deduction for the purposes of determining benefits in such State shall be 59 percent of the standard deduction determined under section 5(e) of the Act for the 48 contiguous States and the District of Columbia; and

"(3) the maximum excess shelter expense deduction to which a household within the State may be entitled shall be 35 percent of the maximum excess shelter expenses deduction determined for the 48 contiguous States and the District of Columbia under paragraph (2) of the fourth sentence of section 5(e) of the Food Stamp Act of 1977 for the household.

"SEC. 19(b). Any State whose per capita income is below 50 percent of the national per capita income of the United States shall participate in the program under the requirements of this Act except that any such State must make benefits available through the use of intelligent benefit cards, other automated or electronic delivery system, or other benefit delivery system specifically designed to promote the integrity of the program in any such State."

(d) **LEGAL RIGHTS TO ADDITIONAL SUMS.**—Unless otherwise provided through legislation providing federal revenues, the Secretary of Treasury is required to pay to the Secretary of Agriculture all additional amounts for nutritional assistance required to be paid by the Secretary of Agriculture to the Commonwealth of Puerto Rico under the Puerto Rico Status Referendum Act and section 19 of the Food Stamp Act of 1977. The Commonwealth of Puerto Rico is legally entitled to receive from the Secretary of Agriculture such additional amounts.

Add to section 407 of the "Puerto Rico Status Referendum Act" the following:

() Nutrition Assistance and Food Stamp Program.

(a) **INCREASED FUNDING LEVELS FOR THE NUTRITION ASSISTANCE PROGRAM IN PUERTO RICO.**—Notwithstanding any other provision of law, from the sums appropriated under the Food Stamp Act of 1977 the Secretary of Agriculture shall pay to the Commonwealth of Puerto Rico, in addition to the amounts required to be paid by the Secretary to the Commonwealth of Puerto Rico under subparagraph (A) of section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)), the following additional sums for the years described—

(1) \$112,500,000, for the fiscal year beginning on October 1 of the first calendar year after the date of the ratification of the "Commonwealth" status option by the people of Puerto Rico (hereinafter referred to in this subsection as the "first fiscal year after ratification");

(2) \$250,000,000, for the fiscal year immediately following the first fiscal year after ratification; and

(3) \$337,500,000, for the second fiscal year after the first fiscal year after ratification.

(b) **FOOD STAMP PROGRAM.**—Beginning on the first day of October prior to January 1 of the 5th calendar year following the calendar year in which the ratification under section 101(e) of the Puerto Rico Status Referendum Act occurs:

(1) Puerto Rico shall participate in the food stamp program under the Food Stamp Act of 1977 on equal footing with any other State of the United States except as provided in section 19 of such Act; and

(2) the block grant program authorized under section 19 of such Act for Puerto Rico is terminated.

(c) **AMENDMENTS TO THE FOOD STAMP ACT OF 1977.**—Beginning on the first day of October prior to January 1 of the 5th calendar year following the calendar year in which the ratification under section 101(e) of the Puerto Rico Status Referendum Act occurs, section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended to read as follows:

"SEC. 19(a). **SPECIAL RULES.**—Notwithstanding any other provision of this Act, the Commonwealth of Puerto Rico shall participate in the program under the requirements of this Act except as follows:

"(1) a household within such Commonwealth shall be ineligible to participate in the food stamp program (notwithstanding the provisions of section 5(c) of the Act) if such household's income, after the exclusions are made as provided for in section 5(d) of such Act and before the deductions in such income are made under section 5(e) of such Act, exceeds 65 percent of the poverty line as defined in section 5(c)(1) of such Act;

"(2) the standard deduction for purposes of determining benefits in such Commonwealth shall be 59 percent of the standard deduction determined under section 5(e) of the Act for the 48 contiguous States and the District of Columbia; and

"(3) the maximum excess shelter expense deduction to which a household within the Commonwealth may be entitled shall be 35 percent of the maximum excess shelter expenses deduction determined for the 48 contiguous States and the District of Columbia under paragraph (2) of the fourth sentence of section 5(e) of the Food Stamp Act of 1977 for the household.

"SEC. 19(b). The Commonwealth of Puerto Rico shall participate in the program under the requirements of this Act except that the Commonwealth must make benefits available through the use of intelligent benefit cards, other automated or electronic delivery system, or other benefit delivery system specifically designed to promote the integrity of the program.

(d) **LEGAL RIGHT TO ADDITIONAL SUMS.**—Unless otherwise provided through legislation providing federal revenues, the Secretary of Treasury is required to pay to the Secretary of Agriculture all additional amounts required to be paid by the Secretary of Agriculture to the Commonwealth of Puerto Rico under the Puerto Rico Status Referendum Act to operate the Nutrition Assistance Program under section 19 of the Food Stamp Act. The Commonwealth of Puerto Rico is legally entitled to receive from the Secretary of Agriculture such additional amounts.

Additional Changes to the December 6, 1990, draft:

On page 16 strike the reference to the Food Stamp Program in "(b)".

On page 62 add: "or the Committee on Agriculture, Nutrition and Forestry" after "Committee on Finance of the Senate".

On page 65: add "or the Committee on Agriculture, Nutrition and Forestry" after "Senate" on the first line of that page. Strike "consolidation of grant-aid programs" near the bottom of page 65.

On page 66 add: "or the Food Stamp Act of 1977" after "the Social Security Act" on the fifth line.

It is anticipated that language providing revenue from Puerto Rican sources to cover the additional costs to the Federal Government of these amendments will be included in the enacted "Puerto Rico Status Referendum Act" and that the entitlement language (paragraph (d) added to sections 213 and 407) in the document would be replaced with that revenue language.●

CHARLES BEACH, JR.

● **Mr. McCONNELL.** Mr. President, I rise today to recognize an outstanding Kentucky banker, Charles Beach, Jr. Mr. Beach has made his mark as president and CEO of the \$70.3 million Peoples Exchange Bank of Beattyville, KY.

However, it is not just as a banker that Mr. Beach has distinguished himself. He was a major factor in the founding of Lee County Constant Care, Inc., a combination rest home and senior citizen apartment complex for which he has served as volunteer chairman for more than 20 years. Beach's service to the community also means prompting the Beattyville Chamber of Commerce to sponsor a "most improved property contest", designed to encourage residents to clean up area yards dominated by junked cars and other trash.

Additionally, working with students and faculty at Lee County Senior High School has been, and still is, a top priority for Mr. Beach. In his program, the bank donates funds to the school, and the students, via a student advisory board, learn to budget the funds and make a case to the bank board. This helps students develop their leadership skills through hands-on dealings with money matters.

These are but a few things in a long list of Mr. Beach's accomplishments, which is why I ask unanimous consent that a copy of his profile article in December's ABA Banking Journal be inserted in the RECORD. It is people like Mr. Beach who inspire others and provide an excellent example to youth, showing that it is important to care about others and the community in which you live.

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

[From the ABA Banking Journal, Dec. 1990]

EX-GENERAL ATTACKS HOME FRONT PROBLEMS

(By Steve Cocheo, executive editor)

Charles Beach, Jr. could have been nicknamed "Charlie Hustle," if that name hadn't already been bestowed on a famous baseball player. Whether he's bustling through his bank, driving along the backroads of rural Kentucky showing a visitor the sights, or trying to get something done for his hometown of Beattyville, this banker moves.

But the nickname's taken. Instead, those employees and residents who don't call him "Mr. Beach" simply call him "General." This is in recognition of Beach's second career in the Army and Army Reserve, from which he retired as a two-star general. More than a decade after leaving the service, Beach, 71, still carries himself like a soldier.

As president and CEO of \$70.3 million-assets Peoples Exchange Bank, Beach now fights the Battle of Beattyville. His enemies include economic stagnation, rising costs, and government red tape.

IRAQ FACTOR

On the outskirts of Beattyville, which is 75 miles east of Lexington, Ky., sits one of Peoples Exchange Bank's commercial customers, Perdue-Davison Oil Co.

Charles Perdue's oil and natural gas drilling operation is the biggest in Lee County, with more than half of its 600 wells active. Until recently, the firm was facing tough times. Oil prices were depressed and little good news was in sight.

The Iraqi crisis changed the outlook. Oil prices shot up. Perdue, who is president of the oil company, talks enthusiastically of "infield drilling," a technique that promises to coax more oil out of older wells.

Falling production, falling prices, and costly government environmental regulation drove many of the major producers away from Lee County. This contributed to the high unemployment that continues to plague it.

Perdue started as supervisor of the operation he now runs. Up to now he's been able to make enough to stay in business where bigger companies' overhead made the economics impractical. For example, Ashland Oil, former operator of Perdue's leases, pulled out when it cost \$18 to produce a barrel of \$12 crude.

While driving visitors back to his office after touring his operations, Perdue talks happily about the prospects for the business: "I'm going to put up a sign and call this 'Hussein Lane,'" he tells Beach with a grin and a gesture at his private road. While he's sorry the Iraqi situation has put U.S. troops at peril, Perdue says the crisis "has been a shot in the arm" for his company.

TEMPERED OUTLOOK

Back at the bank, Beach makes a call to an official of Ashland regarding one of the company's unused properties.

Beach has been trying to convince Ashland to donate the site for a hoped-for expansion to Lee County Constant Care, Inc. and is just chivvying things on a bit further.

"I'll make myself so obnoxious that they'll find somebody who will give me the deed," says Beach.

The Ashland property abuts the combination rest home and senior citizen apartment complex, which is a pet project of Beach's. Besides being a major factor in its founding, Beach has served as its unpaid chairman for more than 20 years.

After finishing his call, Beach discusses the outlook for Beattyville.

Oil has been a major part of the area's economy since the 1920s, so Beach understands Perdue's enthusiasm. But Beach is also a realist.

"I'm not as optimistic as he is," he says, "partly because all of the major oil companies dismantled their research and development departments. I hear it will take five years to get these back up."

Environmental issues and related federal regulation will also slow a comeback, Beach continues. He believes a resurgence of the oil economy will require tax incentives and relaxed regulation.

ECONOMIC PICTURE

Sustained good news for Beattyville is something Beach would welcome. Unemployment in the 7,000-person county has hovered around 7% or 8% for several years, though Beach thinks the situation is even worse than the official numbers suggest. He believes some people aren't even trying to find work anymore. He maintains that government aid killed some people's incentive to work.

As an example, he cites the experience of a friend and customer who experimented with growing crops unusual for the area such as oriental vegetables. The friend, retired Air Force Brigadier General James W. Little,

found that getting people to come to his farm for harvesting required picking them up and providing both breakfast and lunch. He tired of making such accommodations and switched to tree farming.

The traditional area crops include corn, hay, tobacco, and timber. But some farmers, strapped for cash, have taken to planting marijuana. The resulting publicity hasn't helped.

LOSING THE FUTURE?

Then there is the problem of "youth brain drain."

"What you have here is a survival economy," says Beach. He explains that many local residents have learned how to make out when things are rough, but many aren't entrepreneurs who can get things moving again.

"Our problem is that most of our talent leaves," says Beach.

Venture capital is also scarce. Major undertakings—such as talk of establishing a large outlet-store mall in Beattyville to attract trade from Lexington and elsewhere—require more money than can be raised locally.

SOURCES OF HOPE

In the long term, Beach thinks better chapters are coming for Beattyville. He believes the area has a strong future in tourism.

Leaders have already obtained the state's commitment to help it develop brochures detailing one- and three-day walking tours of Beattyville and its environs. The bank is trying to convince the chamber of commerce to sponsor a "most improved property" contest that Beach believes could encourage some residents to fix up yards dominated by junked cars and the like.

There is also potential in natural gas, which is plentiful in the area. Interest in using gas is increasing as the Iraqi situation and other factors have refocused national attention on energy costs.

"It would be greatly helpful" to the area for gas activity to pick up, according to Beach, although making a successful business from this resource requires construction of a transmission pipeline. This could take several years.

BANK EFFORTS

An effort that Beach is proud of is the bank's participation in Lee County Senior High School.

Rather than simply donating funds for student activities, the bank works with officials and students to develop some leadership experience—and obtain some feedback about the bank.

A student advisory board to the bank is put in charge of the kitty of funds the bank makes available. Among its duties are devising a budget and then making a case to the bank's own board.

This kind of community spirit in not a new thing for Beach. He's been at it for years, participating on a long list of state and civic bodies.

He pushed to make the Lee County care center a reality, both to take care of the area's aged and to provide jobs.

The Ashland Oil Co. land he is lobbying for will provide space for a day care center that will serve both adult and Alzheimer's patients and preschoolers. The Alzheimer's patients, the center finds, often respond to children when they will react to nothing else.

The hoped-for expansion would provide roughly 14 new jobs. Meanwhile, Beach is

searching for foundation funding to upgrade the main facility as well.

COMPLIANCE BURDEN

Considering his bank's record of community service, it is understandable that Beach is no fan of the Community Reinvestment Act.

That's mild—he calls it "an abomination."

"It is a burdensome requirement which cannot be cost-justified," says Beach. "All community banks are intensively community-oriented. Often they are the most responsible corporate citizens in the community."

Keeping all the records to document CRA performance is extremely time consuming, Beach continues, and means using resources that Beach believes could be better used.

Overall, Beach says compliance with the Bank Secrecy Act and related laws is one of the bank's toughest regulatory challenges. But what really annoys him is Internal Revenue Service taxpayer reporting, with its attendant duties of backup withholding. Tax compliance, he states, is the government's job.

CHANGING ATTITUDES

Being nestled in the hills of Kentucky is no protection from the change in federal attitude. Beach is concerned that regulations are becoming so complex that even community banks like his must consult with large out-of-town law firms to reach decisions on every new rule.

"And even then there can be differences in interpretations between us and the examiners," says Beach. "But it goes their way—they are always right."

When the possibility of additional burdens such as lifeline banking is raised, Beach grows even warmer.

"What's more important," he asks, "a strong banking system or overreacting to the whims of small advocacy groups?"

In a time of industry trouble—when customers in Beattyville are worried by what they have heard about deposit insurance funding—Beach thinks Congress and regulators must stop thinking of banking as an adversary.

"In any capitalistic society," says Beach, "there has to be a sound depository for depositor funds." This won't be maintained, he says, by trying to turn banks into public utilities.

BIT OF HISTORY

Beach is second in a line of three Charles Beaches who have worked at Peoples Exchange. Beach's father, Charles Sr., worked for several local banks predating Peoples Exchange and was among the incorporators of Peoples Exchange in 1912. At the time of his death in 1966, he was the bank's executive vice-president and a member of the board. Nowadays Charles Beach III, the general's son, is executive vice-president and mayor of Beattyville.

Beach's military activity started with attending the Virginia Military Institute. He graduated in 1940. He was also a graduate of the Reserve Officers Training Corps and received a commission as a second lieutenant, artillery, in 1940. After brief employment at the bank, he entered active Army service in 1942.

Much of Beach's wartime service was spent in the "pack artillery." This form of mountain warfare consisted of running mule trains carrying pieces of small howitzers where conventional heavy weapons couldn't go.

Beach served in the Aleutian Islands and in Italy. He was wounded in action in May 1944

near Minturno, Italy, and subsequently received the Purple Heart.

After the war Beach returned to the bank and became assistant cashier; his father was cashier at the time. Meanwhile, he continued his military service in the reserves. In 1957 Beach received a commission as a major in the reserves.

The year 1961 saw two milestones for Beach: appointment to the position of cashier and active duty in the U.S. during the Berlin crisis, the time when the now-destroyed Berlin Wall was erected. During that active duty Beach became commander of the 397th Regiment's 1st Battalion. In 1966, when his father died, Beach became executive vice-president.

Beach continued to advance in both the reserves and at Peoples Exchange, becoming president of the bank in 1975. The next year he became commander of the 100th Division, and was promoted to the rank of major general. He retired from the service in 1979.

PRACTICAL APPLICATION

Beach is modest about his military career. Rising to division command and two stars, "was not solely my effort," he says. "There were many 'acts of God,' including deaths, illnesses, and transfers."

While the military periodically took him away from the bank, he found the experience helpful in his financial career. "I learned chain of command, respect for authority, and military organization," he says.

The military trains officers to spot strengths and weaknesses in soldiers, he continues, and he believes this helped him learn to recognize and reward good employee performance.

COST CUTTING

Whether Beach learned expense control in the Army isn't clear, but he knows its importance in a bank in 1990. Rising regulatory and other costs have prompted Beach and his board to keep a tight rein on expenses, beginning with the bank's boardroom. It's austere, with small chairs and few trimmings.

In addition, many of the bank's 34 employees wear more than one hat. Nearly every teller, for example, has some other function or responsibility.

After a special management meeting last year, department heads were asked to cut expenses by 10%.

"This has made everyone in the bank cost-conscious," says Beach.

Still, cost cutting doesn't create revenue, and with local loan demand rather flat, the bank has had to seek out-of-county loans. Most of these are equipment financing deals and adjustable-rate mortgages on homes.

This has helped improve the prospects for 1990 over 1989. Beach expects 1990 ROA to rise to 1.35% from 0.99% in 1989 and ROE to rise to 14% from 12%.

THE LONG HAUL

Beach, whose family owns the majority of the stock in the bank's holding company, is committed to keeping the bank independent.

"There is a bright future for the community bank," maintains Beach. "It has the opportunity to deliver quality service to a diverse customer base in a responsive manner."

That suits Beach fine. He likes working with people and enjoys the "ability to assist a worthy credit risk to do well."

The Beattyville campaign has proved the longest of General Beach's long career, but the results, modest though they may be to the rest of the world, have made the community a better place. ●

REFITTING TRIDENT SUBS FOR CONVENTIONAL WARFARE

● Mr. PELL. Mr. President, on January 22, I had the honor of touring the Electric Boat submarine yard in Groton, CT, in the company of the distinguished chairman of the Defense Appropriations Subcommittee, Senator INOUE, together with the distinguished Senators from Connecticut, Senators DODD and LIEBERMAN, and Congressman GEJDENSON.

It was a memorable day not only because of the frigid winds blowing off the Thames River, and the steep ladders we negotiated to descend into a Trident submarine, but most of all, for some remarkably creative thoughts which were expressed by Senator INOUE regarding flexible use of our undersea forces to meet new threats.

Most notable was his suggestion that the Tridents, which are currently used exclusively as a platform for launching strategic nuclear missiles, can be modified to be used as a platform for launching the Tomahawk cruise missiles which proved so successful in the opening hours of the campaign in Iraq.

I am advised that there are a number of configurations and options by which such a shift could be implemented. Assuming the changeover would involve tactical, non-nuclear weapons and that it could be achieved within the framework of pending arms control agreements, the concept could prove to be a wise approach to strengthening conventional weapons capabilities.

It seems to me that such a shift would be a most welcome step away from excessive dependence on strategic nuclear weapons, and a creative way to use existing resources to bring maximum strength into play in future regional disturbances.

I commend the Senator from Hawaii for speaking out on this matter. And I congratulate Senator DODD for arranging for this memorable visit. I know he shares my great satisfaction at the words of recognition and encouragement expressed by Chairman INOUE with respect to southern New England's superb submarine production facilities.

Mr. President, I ask that an article from the New London Day reporting on Senator INOUE's visit be printed in the RECORD at this point.

The article follows:

[From the New London Day]

TOMAHAWK MISSILES CONSIDERED FOR TRIDENTS—INOUE PLEDGES SUPPORT TO ELECTRIC BOAT FOR SECOND SEAWOLF CONTRACT
(By Barbara Nagy)

A Senate subcommittee plans to look into the possibility of basing Tomahawk cruise missiles, popularized by the war in the Persian Gulf, on a Trident submarine platform.

U.S. Senator Daniel K. Inouye, chairman of the Senate defense appropriations subcommittee, raised the idea publicly for the first time Tuesday, and pledged also to support Electric Boat's fight to win a contract

to build the second Seawolf attack submarine.

The Hawaii Democrat spoke to 500 people at the Norwich Sheraton during a program sponsored by the region's two chambers of commerce. He came to the area at the invitation of U.S. Senator Christopher J. Dodd, D-Conn.

The massive 560-foot Tridents now being built by EB carry Trident missiles, long-range nuclear intercontinental ballistic missiles with multiple warheads. The shorter-range Tomahawk, which is carried by smaller 688-class attack submarines and several Navy surface ships, targets a single site or a small area.

The sophisticated and highly accurate Tomahawks are suddenly popular because of the war in the gulf, where they have been used to target facilities that could not easily be reached by warplanes. Those used in the war are conventional armaments, but Tomahawks can also carry nuclear weapons. The missiles are manufactured by the Convair Division in San Diego, like EB a subsidiary of General Dynamics Corp.

Newer 688-class submarines carry 12 Tomahawks and a complement of torpedoes for sinking enemy shipping. A Trident outfitted to carry Tomahawks instead of ICBMs could carry about 100 missiles. Some surface ships can carry more than 100 Tomahawks, but a submarine would be harder for an enemy ship to detect.

A congressional source said EB told congressmen Monday during a briefing at the shipyard that the idea of basing Tomahawks on a Trident platform is feasible. He said four of the missiles could be put in the area now occupied by each of a Trident's 24 missile tubes. The submarine is extremely quiet and stealthy.

"It is doable," said EB spokesman Neil D. Ruenzel, but he would not discuss such specifics as the configuration of missiles. Ruenzel said he did not know where the idea originated, but he added that the defense establishment routinely evaluates the possibilities for varying and improving many weapons systems.

WAR MAY HAVE IMPACT

Inouye predicted the war in the gulf will affect the decisions Congress makes this year about defense spending.

"This war seems to indicate high technology will receive massive support in the Congress," he said.

The F117A stealth fighter will be well received, he predicted.

"I think it's time we begin concentrating not only on stealth in the air but stealth in the water," Inouye said.

He said the number of submarines in the 1992 defense budget will depend on whether a cap on defense spending is lifted. He said Dodd has convinced him that EB's future and the future of southeastern Connecticut will depend on whether the company gets the contract for the second Seawolf.

EB already has a contract to build the first of the Navy's new attack submarines, and is competing with Newport News Shipbuilding of Virginia for the second. Money for that submarine is in the 1991 defense budget.

EB has said that because of cuts in the number of Seawolfs to be built, there is not enough work to keep both submarine builders in business. In a worst-case scenario, EB would have to lay off up to half its 23,000 workers by 1996, the company has said.

It is in the national interest for EB to get the second Seawolf contract and continue operating, said Inouye, a member of the committee that investigated the Watergate bur-

glary and co-chair of the panel that looked into the Iran-Contra affair. The Navy wants to maintain both yards, but that might be impossible because of budget constraints, Inouye said.

"I'm well aware of the plight you're in," Inouye told the chamber audience. "Chris Dodd convinced me this was not a contest as to who gets a contract."

Inouye said he normally would have stepped back and let the two states resolve their differences, but decided to become an advocate for Connecticut.

"There are many things at stake here. One is the life and death of that company," Inouye said. He said Newport News builds aircraft carriers, cruisers and other ships and can manage without the submarine work.

He added that the United States needs EB because world events indicate submarines will continue to have a useful purpose. The Soviets have maintained the pace of their submarine construction, Inouye said, adding that during fiscal year 1991 the United States allocated money for two submarines while the U.S.S.R. set aside money for nine. He said recent events show the Soviet leadership is still instable.

WAIVER UNCERTAIN

Inouye said that under the Gramm-Rudman deficit reduction legislation, a cap on defense spending can be waived during war. But he added that long-term military construction projects are in a five-year plan, and said it is not clear yet whether spending limits in that plan can also be waived during a time of war. If the waiver does apply, more money could go to submarines, he said.

After a tour of EB and a briefing by shipyard officials including General Manager James E. Turner, Inouye said he was impressed by the company, its construction methods and its ability to deliver ships ahead of time. With the technical expertise and trained people at EB it would be a "national shame" to lose EB, he said.

Before going to EB, Dodd and Inouye met briefly with representatives of EB's two major labor unions.

Kenneth J. Delacruz, president of the Metal Trades Council, said he was pleased by Inouye's message.

"He basically said what we wanted to hear," Delacruz said. "He understands that the survivability of the region remains heavily on the functioning of Electric Boat."

Without the second Seawolf, EB and its workers will be in "major trouble" in a few years, he said.

Melvin E. Olsson, president of the Marine Draftsmen's Association, said he also was impressed by Inouye and Dodd.

"He's certainly 100 percent behind us," Olsson said of Inouye. "I feel we're fortunate to have him on our side." ●

VETERANS COST-OF-LIVING ADJUSTMENT LEGISLATION

● Mr. KERRY. Mr. President, I would like to begin by thanking Senator CRANSTON for his leadership on many

issues of concern to veterans, perhaps the most important of these issues is the cost-of-living adjustment which is before us today. Senator CRANSTON has long been a strong voice for the needs of our veterans and it is always an honor to work with him. I would also like to thank Senator MITCHELL for his strong support of our disabled veterans. The majority leader, by introducing the cost-of-living adjustment for disabled veterans as title I of S. 1, has shown his deep concern about this issue.

Perhaps the greatest disappointment of the last Congress was the failure to pass the omnibus veterans bill, which would have provided a cost-of-living increase for disabled veterans and their survivors. These brave individuals placed their lives on the line for the United States; but the Republican leadership were opposed to some agent orange and other provisions included in this proposal. Thus, our disabled veterans did not receive the COLA which they deserved.

Mr. President, today we are here to rectify that mistake. There are 2.2 million veterans with service-related disabilities and 911,000 survivors of veterans who died from service related disabilities who depend on the COLA in order to survive. Without this adjustment, survival will be even more difficult for these individuals who have sacrificed so much for America.

As the pressures on their budgets have increased dramatically with the growing recession and Federal Government cuts, this legislation, H.R. 3, will provide a 5.4 percent COLA to beneficiaries which would be retroactive to January 1, 1991. In this way, our disabled veterans will receive the increase which they would have received if the Senate had acted prudently last October.

In the past several weeks and months, this Chamber has heard a lot of impassioned speeches of support for our service men and women in the gulf. The Senate even unanimously passed a resolution in moral support of our troops; we now have the opportunity to provide real support for troops which have made similar sacrifices. Let us now give the same support to our disabled veterans to thank them, in some small way, for their sacrifices. I hope that this Chamber will follow the example of the House of Representatives, which passed this legislation with a unanimous vote. I urge my colleagues to support this important and worthy measure. ●

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

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

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. 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.

JOINT SESSION OF THE TWO HOUSES—MESSAGE OF THE PRESIDENT OF THE UNITED STATES

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 8:40 p.m., the Senate, preceded by the Secretary of the Senate, Walter J. Stewart, and the Sergeant at Arms, Martha S. Pope, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States.

(The address by the President of the United States, this day delivered by him to the joint session of the two Houses of Congress, appears in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 9:58 p.m., the Senate recessed until tomorrow, January 30, 1991, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate after the recess of the Senate on January 24, 1991, under authority of the order of the Senate of January 3, 1991:

U.S. TAX COURT

RENATO BEGHE, OF NEW YORK, TO BE A JUDGE OF THE UNITED STATES TAX COURT FOR A TERM EXPIRING FIFTEEN YEARS AFTER HE TAKES OFFICE, VICE B. JOHN WILLIAMS, JR., RESIGNED.

DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION

THE FOLLOWING NAMED PERSONS TO BE MEMBERS OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION FOR TERMS EXPIRING AT THE END OF THE FIRST SESSION OF THE 102D CONGRESS:

JAMES C. SMITH, II, OF SOUTH CAROLINA.

HOWARD H. CALLAWAY, OF COLORADO.

JAMES A. COURTER, OF NEW JERSEY.

JAMES A. COURTER, OF NEW JERSEY, TO BE CHAIRMAN OF THE DEFENSE BASE CLOSURE AND REALIGNMENT COMMISSION.