

SENATE—Tuesday, March 24, 1992

(Legislative day of Thursday, January 30, 1992)

The Senate met at 2:30 p.m., on the expiration of the recess, and was called to order by the Honorable BROCK ADAMS, a Senator from the State of Washington.

PRAYER

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

Let us pray:

Let us observe a moment of silence to remember Frances Shaw of the upholstery shop and his family in the tragic loss of their 12-year-old daughter by fire.

**** Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind. *** Thou shalt love thy neighbour as thyself. On these two commandments hang all the law and the prophets.—Matthew 22:37, 39, 40.*

Almighty God, as election campaigns heat up, anger grows, cynicism deepens, and emphasis seems to be placed on personality rather than on issues. Somehow, gracious Father, help us hear the word of God, that "love is the fulfilling of the law." We accept the diversity endemic in democracy and the healthy dynamics of a two-party system, but deliver us from attitudes and actions which are designed to destroy opponents. Help us heed the wisdom of a wise man, the late Rev. Vance Havner, who said, "The foundations of this country were not laid by politicians running for something, but by statesmen standing for something!" And grant grace to those engaged in political battle to cool it.

We ask this in the name of Jesus, the Prince of Peace who incarnated love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 24, 1992.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, am I correct in my understanding that the Journal of the proceedings has been approved?

The ACTING PRESIDENT pro tempore. The majority leader is correct.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that during the period for morning business, Senators be permitted to speak for up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this afternoon the period of morning business will extend until 3 p.m. At 3 p.m., it will be my intention to proceed to the consideration of S. 1696, the Montana wilderness bill. It is my hope that those Members interested in that legislation will be able to work out a compromise which will be acceptable to all and enable the Senate to proceed on that matter.

Mr. LEAHY. Mr. President, I should inform the distinguished majority leader that when he moves to the Montana bill on a motion to proceed, I will have some lengthy discussion of its status. I have alerted the leader previously. I do not want in any way to mislead him on that matter; he has, no doubt, the most difficult job in this whole body. I hate to involve myself like this when bills such as this are

brought up, but there is a problem which I hope can be resolved. We have moved a long way to resolve it, but it has not yet been resolved. I say to my good friend, the majority leader, I will have to speak at some length when the matter comes up.

Mr. MITCHELL. Mr. President, I was previously advised of that by the distinguished Senator from Vermont, accept it, and we will simply proceed to that discussion at 3 p.m.

Mr. President, last Friday, following consultation with the Republican leader, I read into the RECORD a list of legislative items which the Senate might consider this week. For those Members and staff interested, I refer them to the RECORD for last Friday.

RETIREMENT OF SENATOR WARREN B. RUDMAN

Mr. MITCHELL. Mr. President, it is with great regret that I learned today of the intention of Senator WARREN RUDMAN, of New Hampshire, to retire at the expiration of his term of office this year.

Senator RUDMAN has brought independent judgment and iron integrity to his Senate duties. His service on the Ethics Committee and his complete dedication to the fair working of that body in a particularly difficult period have helped preserve the Senate's institutional integrity.

His work on the Iran-Contra hearings was a model of even-handed fairness. Senator RUDMAN believes his allegiance is owed first to the Constitution, and everyone who recalls those controversial hearings can have no doubt of that.

I am sorry he is leaving. He is a colleague whose judgment I value, even when it is not in agreement with my own, because he never fails to present a perspective that demands serious consideration.

His commitment to budget discipline cannot be doubted, and he has never

NOTICE

We wish to inform all Members of Congress that part of today's Congressional Record has been printed on paper manufactured from 100-percent postconsumer recovered material. The first complete Record to be produced on 100-percent postconsumer recovered materials will be on or about May 1, 1992.

CHARLIE ROSE, Chairman.

lacked the courage to go clearly on the record with his views, whether popular or not.

WARREN RUDMAN has the kind of intellectual integrity that is important to the Senate, and this will be a poorer institution for his leaving it. I shall miss him a great deal, as I regard him not only as a valued colleague but a close personal friend.

RESERVATION OF LEADER TIME

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

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 not to extend beyond the hour of 3 o'clock with Senators permitted to speak for not to exceed 5 minutes each.

The Senator from Vermont is recognized.

Mr. LEAHY. I thank the Chair.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 2387 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. LEAHY. I see other Senators waiting to speak. I yield the floor.

Mr. HELMS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished Republican leader, Mr. DOLE, has yielded to me his 10 minutes of the leadership time of which I will claim the first 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina is recognized.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt run up by the U.S. Congress stood at \$3,861,945,425,314.20 as of the close of business on Friday, March 20, 1992, the latest available figures.

As anybody familiar with the U.S. Constitution knows, no President of whatever party has spent a dime that has not first been authorized and appropriated by the Congress of the United States.

So it is not fair, it is in fact a canard, to say that this is the President's debt, whether it be Jimmy Carter, or Ronald Reagan, or George Bush.

During the past fiscal year it cost the American taxpayers \$286,022,000,000 just to pay the interest on spending approved by Congress—over and above what the Federal Government col-

lected in taxes and other income during that period. Averaged out, this amounts to \$5.5 billion every week, or \$785 million every day, just for interest alone.

So the question is obvious. What would America be like if there had been a Congress that had the courage and the integrity to operate on a balanced budget?

Mr. President, I have in hand a column written by Boyce Rensberger and published back in February in the Washington Post in which Mr. Rensberger performs a useful service in stressing the enormity of the estimated \$399 billion Federal deficit for fiscal year 1992.

A little later I shall ask unanimous consent that the Rensberger column be printed in the RECORD. I recommend it as a must to be read by every American, and particularly by Members of Congress, both House and Senate.

Perhaps the most startling aspect of the column is that it addresses only the latest 1-year additional debt that will be run up by Congress. Mr. Rensberger does not even mention the specifics of the total national debt, let alone extrapolate that total debt into timeframes, et cetera. And for good reason: There probably is no way to measure the enormity of the total Federal debt as of this past Friday, March 20, which I just stated was \$3,861,945,425,314.20.

Look at it this way: If one could conceive of 1,000 stacks of currency, with \$1 million in each stack, one could conceive of \$1 billion. But if you try to visualize a trillion dollars, you would have to conceive of a 1 million stacks of currency with \$1 million in each stack. It is a little mind boggling, is it not?

Mr. President, are we not talking about an impossible burden of debt that the Congress of the United States is dumping onto the backs of not only our children and their children, but on the backs of the present generation as well?

There is a fine young man on our staff named Luke Harvin who has been concerned for quite awhile about this staggering debt—and staggering arithmetic. Luke lamented, in a staff memo to me last week, that few Americans can fathom a \$399 billion 1-year Federal deficit. Luke picked up on a statistic in the Rensberger column that if we choose to think of 399 billion seconds, we would be thinking of 12,652 years. Factor that into a time machine and we would be back in the era of prehistoric man.

As I mentioned at the outset, the liberal media and politicians delight in referring to this massive debt as being the fault of President Reagan and President Bush. That is a canard, as I observed at the outset of my remarks, because no President can spend a dime that has not first been authorized and

appropriated by the Congress of the United States. If Congress had wanted to be fiscally responsible, it passed up countless opportunities.

This debt has been run up by a succession of Congresses down through the years. I shall not mention which political party has been in control of Congress for practically all of those years. But I will say that Members of Congress of that party have repeatedly refused to approve a balanced budget amendment that some of us have been proposing for years on end.

Mr. President, I began some weeks ago this daily report to the Senate on the exact size of the Federal debt, down to the penny, as of the close of business of the most recent available debt.

I will continue to do this—not that I expect that it will be persuasive to the big spenders in the U.S. Senate and the House of Representatives. But my hope, Mr. President, is that eventually enough American citizens will begin to think of what is being done to them and their children and grandchildren by the U.S. Congress. Perhaps there may 1 day be a groundswell of demands by the American people that Congress stop this business of bloated Federal deficit spending—and, further, that there will be a demand that Congress approve a balanced budget amendment to the U.S. Constitution to require politicians to stop spending more of the taxpayers' money than the Federal Government takes in.

Mr. President, that is my sermon for today.

I ask unanimous consent that the aforementioned column by Boyce Rensberger be printed in the RECORD.

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

[From the Washington Post, Feb. 27, 1992]

\$399 BILLION AND COUNTING

(By Boyce Rensberger)

President Bush recently proposed to take out a \$399 billion loan to help pay for federal spending in fiscal 1992—a step that would put the nation further in hock for the biggest deficit the world has ever known—and most of the country yawned.

It is often said, especially in Washington, that people don't appreciate the difference between a million and a billion. If that's true, they certainly don't have much of a grasp of 399 billion—of anything, let alone valuable objects like dollars.

Just how big is 399 billion? If it doesn't seem to be much in money, how about the other valuable commodity, time?

Imagine the units as seconds ticking on the clock. One million seconds flits by in a mere 11½ days. One billion seconds is a thousand times longer—31.7 years. Most Americans have not lived 1 billion seconds. And 399 billion seconds is 12,652 years—roughly the time it's been since prehistoric peoples first gave up hunting and gathering and learned to plant crops.

So, 399 billion is a big number. What if you're counting dollars instead of seconds? What if the government borrowed all that money but instead of spending it on the budget, simply gave \$1 million apiece to the

poorest people in the country? There would be 399,000 instant millionaires. Or, if the money were spread more widely, there would be enough to give each of the 33.6 million Americans living below the official "poverty line" nearly \$12,000 each—a step that would instantly eliminate all poverty in the United States, at least as officially defined.

But that's not very realistic. So instead, let's say a financial angel comes through and offers to pay off the entire federal deficit for this year in \$1 bills. How long would it take to count his contribution?

Laying down the bills at a rate of \$1 per second and working 24 hours a day with not a wink of sleep or even one federal holiday, it would take one person 12,652 years (the same, obviously, as 399 billion seconds). That's about how long it's been since the last Ice Age.

Of course, if you wanted to get the job done faster, you could enlist all 5.1 million federal employees including military personnel and postal workers (more people, incidentally, than there are in any of 35 states or, for that matter, 66 countries) and divide the job equally among them. Counting the entire federal deficit one dollar at a time in this way would still take nearly 22 hours. But, of course, because the average federal worker puts in shorter days than that, the job would run about 3 workdays.

Then there would be the job of transporting all those dollar bills to the Treasury. If you packed Bush's 1992 deficit—in the form of \$1 bills—into 50-foot-long boxcars, you could get about \$63.5 million into each car. The train would have 6,299 boxcars and be 66 miles long.

It would be a pretty heavy load—399 billion dollar bills would weigh about 439,000 tons.

Even if you met the proposed deficit by loading the boxcars with \$100 bills, you'd still need 63 boxcars.

But, of course, no financial angel is likely to come forward. So let's imagine that one typical American family decides to devote itself to paying this year's deficit.

The median family income in this country is about \$34,000 a year. If that family gave every penny to the government, it would not be able to retire for 11.7 million years. (Of course, with no money to spend on itself, the family might not last that long.) In other words, to eliminate this year's deficit, that selfless family would have had to start contributing its entire before-taxes income back in the Miocene. That's the geological epoch when the separate land masses of Africa, Arabia and Asia drifted into contact.

So, that's not too realistic either. Let's say corporate America decided to spare "the little guy" the burden and altruistically liquidated its assets to pay off this year's deficit. Starting with the biggest U.S. corporation (in terms of the total market value of its stock), and working down, the following companies would have to turn over their total assets: Exxon, General Electric, IBM, AT&T, Philip Morris, Merck & Co., Coca-Cola Co., Bristol-Myers Squibb and E.I. du Pont de Nemours.

Not likely. Which brings us to the old standby of illustrating big numbers—laying dollar bills end to end. How far would they reach?

One million dollar bills would stretch about 96.7 miles, enough to go around the Beltway 1½ times. One billion dollar bills would, of course, go a thousand times as far—96,700 miles, enough to go around the Earth four times. So what about 399 billion greenbacks? They'd reach more than 38.5 million miles. That's about 1,600 times

around the Earth or, along a less monotonous route, Bush's deficit would be more than enough to reach from Earth's orbit to that of Venus.

Because it would be hard to keep all those bills lined up, it might make more sense simply to stack them. The stack would be 27,000 miles high. Make the stack out of \$1,000 bills instead and you'd still have an appreciable 27-mile-high measure of the administration's proposed deficit for 1992.

Mr. HELMS. I reserve the remainder of my time.

Mr. BROWN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. BROWN. I ask to proceed in morning business.

The ACTING PRESIDENT pro tempore. The regular order is morning business. The Senator is recognized for 5 minutes.

THE TAX BILL

Mr. BROWN. Mr. President, last week this body passed a major tax bill, H.R. 4210. That bill went to the President of the United States, who promptly vetoed it. That bill will probably come back to the House of Representatives rather than the Senate, but it appears now certain that the measure will fail, and a veto will be sustained.

One of the sad things to report is not necessarily the death of that bill, because I think it had many problems that the conscientious Members on both sides will acknowledge, but it was developed in an atmosphere that did not lend itself to bipartisan efforts. We pride ourselves in the Senate on a greater willingness to work in a bipartisan manner. Unfortunately, that measure was drafted in the House originally in a very partisan atmosphere, one that excluded Republicans from much of the deliberations about the bill.

What is the problem with that? The problem is it overlooks the great value that can come from a bipartisan effort through the legislative process, where men and women of good spirit join together to think about each others' ideas.

What could have happened? One of the things I think that could have happened would have been to eliminate the misimpressions, the misrepresentations, and the misunderstandings that had fostered that bill's philosophy.

Let me be specific, Mr. President. One of the things that was said about that bill was that in the 1980's, under Reagan and Bush, the wealthy in this country had enjoyed great tax breaks. The tax burden it was alleged had increased on lower incomes, and had decreased on upper incomes. One of the values of the legislative process, if it were followed is that the misimpressions and misrepresentations can be straightened out before they produce the legislation.

Mr. President, let us take a look at the facts of what has happened to the

tax burden in this country in the last decade. This does not come from a Republican source. It comes from a Democratic source. It comes from the so-called Green Book which is published by the Democratic chairman of the House Ways and Means Committee; not a Republican source, a Democratic source.

Here is what it says about the tax burden in the 1980's. The upper incomes in this country, as this chart clearly demonstrates, paid 18.3 percent of the income tax burden in 1980. That went up, not down, as a result of the 1981 tax bill and other tax legislation, to 21.2 percent of the tax burden in 1985.

It went up even further in 1988 to 25.6 percent of the tax burden. That was primarily a result of the 1986 Tax Act and other legislative initiatives by President Reagan. It continued on upward to the estimate this year by the Green Book, again, that the upper income tax group, the upper 1 percent, will pay 30.1 percent of the tax burden.

That is significant because the tax philosophy involved in this tax bill was based on the mistaken assumption that the burden had declined for the upper income groups. The truth is exactly the opposite. The burden had gone up and up dramatically.

Does that mean that you would not want to increase it even more? I am sure there are Members of this Chamber who would want to increase it even more. But the fact is that the philosophy surrounding that bill was based on that mistaken impression. If we look at the facts and join together in the legislative process, that kind of mistake can be corrected.

Mr. President, on the other side of the ledger, it was alleged that the burden of the income tax had been increased on lower incomes. This chart addresses that, again from a Democratic source, the Green Book. What we find is exactly the opposite of what was alleged in the debate. Rather than the burden on low incomes being increased, it has decreased dramatically—from 13.6 percent in 1980 to 8.9 percent projected for 1992.

The whole purpose of this is, first, to correct the record, but, second, to ask that before another tax bill is drafted, we sit down and counsel together so that obvious mistakes of this kind can be ironed out before they become public law.

I also heard a discussion of a trickle-down theory.

Mr. President, the trickle-down theory attributed to the Republican Party has never been articulated by President Reagan and has never been articulated by President Bush and has never been advocated by either one of them. One might argue whether trickle down makes any sense or not. I do not think it does. To attribute to people who have advocated the opposite in policies is not only inaccurate but poisons the debate on public issues.

The simple facts are these: The Republican Party believes in keeping the resources in the hands of the men and women who work to produce them. It is an incentive for them to work and produce. It is an incentive for them to become effective—far from trickle down. Republicans believe in leaving the resources in the hands of the men and women who do the work in this country.

The PRESIDING OFFICER. The time of the Senator, as allocated under the order, has expired.

Mr. BROWN. I ask unanimous consent that the following table be printed in the RECORD.

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

SHARE OF THE INDIVIDUAL INCOME TAX TOP 1 PERCENT COMPARED TO THE BOTTOM 60 PERCENT

(In percent)

	1980	1985	1988	1992	Change	
					1980-88	1980-92
Top 1 percent	18.3	21.2	25.6	30.1	39.9	64.5
Bottom 60 percent	13.6	12.6	10.3	8.9	-24.3	-34.5

Source: "1991 Green Book, Overview of Entitlement Programs," Committee on Ways and Means.

The PRESIDING OFFICER. The Senator from North Carolina has 10 minutes remaining under the leader's time.

I say to the Senator from Washington that we are in morning business, and the Senator is entitled to 5 minutes, until 3 o'clock.

TAX MANIPULATION BY FOREIGN CORPORATIONS

Mr. HELMS. Mr. President, last week, President Bush vetoed H.R. 4210, the tax bill rammed through this body by the majority over the wishes of the minority and, I might add, the vast majority of the American people.

President Bush believed—and I agree with him—that the tax burden is already too heavy on the American people. We are certainly not going to have economic growth and prosperity by raising taxes. Equally as a matter of principle, we should collect from those who are manipulating the tax system and not carrying their fair share of the load before we add one more penny of tax burden on the American people.

Let me get to the point. On March 22, this past Sunday, the Sunday Times of London published the results of months of investigation of the Sony Corp.'s failure to pay its fair share of taxes in Britain and in the United States. According to former Sony executives who are assisting British officials in their inquiries, they reduced Sony's tax bill in Britain by "manipulating internal accounts."

The investigators for the newspaper have also found that although Sony is the biggest Japanese manufacturer in Britain and the first to set up shop there, Sony had not paid any corporate

taxes for 10 years. Let me repeat: Sony, the biggest Japanese corporation in Britain, paid nothing at all in corporation tax through the 1980's. This was published in the Sunday Times of London, and it squares with information that we have been accumulating in the Foreign Relations Committee.

Nor is Sony alone in the Japanese not paying—the London Sunday Times noted that the 10 largest Japanese firms operating in Britain in total paid just \$68 million in 1988 and 1989 and 1990, 1991 to the British Treasury.

At the same time, the Sunday Times noted that by contrast, American firms operating in Britain are good public citizens. General Motors, Ford, IBM, and Kodak all paid their fair share based on their operations in Britain.

Mr. President, it is very important to emphasize that the investigators for the London newspaper concluded that Sony's tax manipulation was not confined to Britain, but as we have been discovering in this country, the Sony Corp. has been manipulating its taxes in the United States as well.

How much money is involved? The answer in general is a lot—perhaps as much as \$30 billion a year if all foreign companies operating in the United States are lumped together.

We have a chart showing the data from 1988, the most recent year we have available.

Foreign companies operating in this country, United States, had more than \$1 trillion in total receipts. According to Charles Triplett, Deputy Associate Chief Counsel of the IRS, testifying before the Ways and Means Committee in 1990, U.S. companies operating abroad showed a profit range of 8 to 10 percent on receipts.

So I think it is fair to estimate that foreign businessmen are at least as capable as our American businessmen and we can split the difference to 9 percent. Foreign companies should have reported income of \$107.9 billion in their U.S. operations.

Applying the 34-percent corporate tax rate, foreign companies anticipated tax should have been \$36.69 billion. They paid \$5.8 billion, leaving a shortfall of more than \$30 billion.

One way or another, Mr. President, the American people are picking up the tab for these tax shenanigans either through payment of an additional \$30 billion in taxes, or an increase in the Federal deficit which is, in effect, a tax on our children and grandchildren, as I said earlier this afternoon.

Let me emphasize that this \$30 billion shortfall is only for 1 year, 1988. A shortfall for all of the decade of the 1980's would be astronomical, perhaps hundreds of billions of dollars.

Mr. President, 2 years ago, the House Ways and Means Committee held hearings on this issue and I understand the committee plans another set of hearings in early April. But to my knowl-

edge, no hearings have been held directly on this specific subject in the Senate.

Accordingly, I have written to the distinguished chairman of the Finance Committee, Senator BENTSEN, and the distinguished ranking minority member, Senator PACKWOOD, urging them to address this issue with hearings in the Senate at the earliest possible moment.

There is no question, Mr. President, that the American people do not deserve to have their taxes increased because of things like this. They are paying more than enough taxes already. Certainly, taxes must not be increased until all of those who are now manipulating the system are paying, and we should begin with Sony.

Mr. President, I ask unanimous consent that an article "Inland Revenue Probes Tax Avoidance at Sony," which appeared in the March 22, 1992, issue of the Sunday Times of London, be printed in the RECORD at the conclusion of my remarks, along with letters I have written to Senator BENTSEN and Senator PACKWOOD.

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

[From the Sunday Times of London, Mar. 22, 1992]

INLAND REVENUE PROBES TAX AVOIDANCE AT SONY

(By John Cassidy)

Tax inspectors are investigating allegations that Sony, the Japanese electronics giant, may have avoided paying millions of pounds in tax by generating profits in Japan rather than in Britain and America.

Inland Revenue officials have interviewed former Sony executives who say they reduced the company's tax bills in Britain by manipulating internal accounts.

The allegations are strongly denied by Sony, the biggest Japanese manufacturer in Britain and the first to set up in this country.

Two former executives told The Sunday Times they inflated prices paid to a German division of Sony for products imported into Britain. This cut the profits—and tax liability—of Sony Europa, a British branch of the company, they say.

One, a former sales and marketing manager, said: "It was hard to believe. I was a professional salesman, yet I set a goal of zero profits." Sony said if such price manipulation occurred, it was against its policies and in defiance of company rules.

Sony Europa, in Staines, Middlesex, is one of 625 subsidiaries of the Japanese electronics giant which include CBS, the American record label, famous for artists such as Bruce Springsteen and Michael Jackson. In America, Internal Revenue Service investigators have interviewed former Sony employees who also claim the prices of imported products were inflated to increase profits to the Japanese parent.

The British Inland Revenue investigation follows an Insight inquiry which found that many Japanese multinationals legally pay only a fraction of the tax of other firms operating in this country.

Sony UK paid nothing at all in corporation tax throughout the 1980s. In the last finan-

cial year (1990-1), it paid only 1.4% of its £875m turnover to the British exchequer in profits tax, compared with 5.3% paid by Kodak, a foreign-owned multinational that has a similar turnover.

Yet last year, Sony Corporation achieved its highest ever worldwide sales and consolidated profits. It will be in surplus again this year, despite a fourth-quarter downturn in Japan.

There is no suggestion that Sony UK, which has received grants and pledges of £20m from British taxpayers, has acted illegally or improperly. It says its tax bills were wiped out by government allowances and relief carried forward.

But Insight's findings—which show that the Treasury would benefit by at least £200m a year if leading Japanese firms paid proportionately as much tax as British and other foreign multinationals—have prompted MPs to call for an urgent inquiry.

Tory backbencher John Watts, a member of the select committee on Treasury affairs, has written to Norman Lamont, the chancellor, asking for a full investigation by the Revenue.

"There are potentially hundreds of millions of pounds going begging here. If firms benefit from publicly funded grants they must pay their fair share of taxes," he said.

After analysing Insight's findings, Professor John Kay of the London Business School, an expert on international taxation, said: "The striking thing is that Japanese companies clearly pay little or no tax in the UK while other foreign companies do."

The Japanese embassy in London angrily denied the allegations. "If Japanese firms lose credibility over here they will face a very difficult situation, so they would not do such manipulation," it said.

Tax avoidance by so-called "transfer price manipulation" is prohibited in America. In 1990 a congressional committee calculated that during the 1980s the practice had been used by 36 multinational companies, two thirds of them Japanese, and had cost the US treasury £100 billion.

But in Britain, such manipulation is not against the law. The Inland Revenue's only remedy is to demand additional tax payments if it suspects that this has occurred.

Insight examined the profits declared and taxes paid by the biggest Japanese companies in Britain during two financial years, 1988-9 and 1990-1. It found British firms and foreign (non-Japanese) multinationals paid five times as much tax per pound of turnover (the measure used by the Revenue to test for tax avoidance on profits) as their Japanese counterparts.

While there is no suggestion of illegal tax evasion, it is striking that Japanese firms paid proportionately far more tax—roughly three times as much per pound of turnover—to the Tokyo government than they did to the British exchequer, even though tax rates in the two countries are comparable.

For example, Hitachi Consumer Products, the UK arm of the Japanese electronics giant, declared tiny profits and paid nothing in British corporation tax last year. By contrast, Hitachi's parent paid £379m in profits tax—2.3% of its turnover—in Japan. Hitachi said last night its British made consumer products were a "very low-margin business".

In total, the Inland Revenue collected less than £40m in profits tax from the 10 biggest Japanese firms in Britain, including Toshiba UK, Mitsubishi Electric and Hitachi consumer products, in 1988-9 and 1990-1. That represented only 0.6% of their combined UK turnover.

During the same period, the 10 largest British firms, including ICI, British Aerospace and Unilever, paid more than £14 billion in profits tax—equal to 3% of their combined turnover. Leading foreign-owned multinationals, including Ford, IBM and Vauxhall, also paid tax equal to 3% of turnover.

Some American states, notably California, now assess tax on a multinational's worldwide profits, rather than on profits in that state alone. Some experts believe that Britain should adopt the same approach.

Professor Kay said: "All we have is a 19th-century tax law that sometimes collects tax and often doesn't. The only way to deal satisfactorily with transfer pricing is to take a company's worldwide profits, and tax it according to the British share of its turnover."

All companies based in Britain are required to pay between a quarter and a third of their profits in tax, regardless of which country their owners come from. Thus, foreign-owned firms should not enjoy special advantages over their British rivals.

But not only do British companies pay more tax in this country than their Japanese counterparts, they also pay proportionately more tax on their operations in Japan. For example, Nippon Wellcome, part of the British Wellcome Foundation, paid 14.5% of its £112m turnover in corporation tax to the Tokyo government last year.

Tax revenue from company profits accounted for £21 billion last year, the exchequer's fourth-biggest source of revenue after income tax, National Insurance contributions and Vat.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC, March 24, 1992.

Hon. LLOYD BENTSEN,
Chairman, Committee on Finance, U.S. Senate,
Washington, DC.

DEAR LLOYD: In the summer of 1990 the House Ways and Means Committee held hearings on "Tax Underpayments by U.S. Subsidiaries of Foreign Companies." As a result of those hearings Congress mandated an IRS study through the Revenue Reconciliation Act of 1990 concerning the application and administration of Section 482 of the Internal Revenue Code. Ways and Means informs me that the study is due April 2 and that they will hold another set of hearings "within the week".

What is at stake here are serious underpayments of American corporate taxes by foreign companies operating in the United States. Based on IRS estimates to Ways and Means in 1990, the Treasury could have lost up to \$30 billion dollars through various kinds of manipulations in 1988 alone.

This system of internal manipulation is not confined to activities in the United States. On March 22, 1992 the *Sunday Times of London* published the results of a long investigation into the activities of the Sony Corporation in Britain. Their investigators concluded that, although Sony is the biggest Japanese company operating in Britain, it failed to pay any corporate taxes there during the 1980s. This accusation tracks completely with a letter I received in 1990 from a former Sony American official who reported on Sony's tax avoidance in the United States.

Lloyd, this is an issue which needs to be investigated completely on both this side as well as the House. Certainly, before we ask the American people to pay any more taxes, those who are manipulating the system and not paying their fair share, should do so. I

urge you to hold hearings on this issue at the earliest possible convenience.

Sincerely,

JESSE HELMS.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

Hon. ROBERT PACKWOOD,
Ranking Member, Committee on Finance, U.S. Senate, Washington, DC.

DEAR BOB: In the summer of 1990 the House Ways and Means Oversight Subcommittee held hearings on "Tax Underpayments by U.S. Subsidiaries of Foreign Companies." As a result of those hearings Congress mandated an IRS study through the Revenue Reconciliation Act of 1990 concerning the application and administration of Section 482 of the Internal Revenue Code. Ways and Means informs me that the study is due April 2 and that they will hold another set of hearings "within the week".

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Sincerely,

JESSE HELMS.

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

The PRESIDING OFFICER (Mr. LIEBERMAN). The Senator from Washington.

STAY MARINERS

Mr. GORTON. Mr. President, opening day of the baseball season is less than 2 weeks away. It is not a secret that I have invested a great deal of time insuring that the Seattle Mariners remain in the Pacific Northwest. As a consequence, some people have asked about the role of a U. S. Senator in the sale of a major league baseball team.

The answer is simple: My primary goal as a U.S. Senator is to work to expand jobs and economic opportunities for people and families in Washington State. When jobs are threatened in timber towns, in apple orchards, at Boeing, or in the triticities, I fight to keep those jobs. Keeping the Mariners is important for every family in Wash-

ington State, even those who don't care at all about baseball.

The Mariners provide innumerable benefits to the city of Seattle and the State at large. The team provides more than 1,500 direct and indirect jobs to the community. On game days, the restaurants around the Kingdome are overflowing, and the economy in Pioneer Square booms. The Mariners provide the State with more than \$1 million in tax revenue.

The Mariners and local businesses together donate almost \$1 million in charitable contributions through live appearances, speaking tours, ticket donations to Seattle-area schools, auctions, and collectibles. In addition, individual team members log countless hours in meeting with the youth of the community and participating in other charity events. Mariner players are local role models for our children.

Perhaps even more important is the psychological value of major league baseball to Seattle or to any similar community. The Mariners are a part of what makes the Puget Sound area attractive to businesses, individuals, and tourists. Baseball contributes to the community's image of itself and thus to its own viability. The value of retaining the Mariners cannot be measured in dollars alone.

Mr. President, I have two messages to deliver today on the proposed sale. First, I will give an update on the proposed purchase of the Seattle Mariners by the Baseball Club of Seattle. For 3 months, the major league baseball owners have delayed their approval of the offer because 60 percent of the money, but no portion of the team's control, will come from Japan. We, in the Pacific Northwest, realize the importance of foreign trade with Japan, and the Nintendo Co. in particular. I am confident that the major league baseball owners will also realize the importance of this foreign trade as well as the local nature of this extraordinary deal and approve the sale. It will benefit all of them.

I believe that this sale will be approved by opening day, April 6. Approval will for the first time bring local ownership to the Mariners. In turn, this sale will secure a long and prosperous future for the Mariners in Seattle.

My second message is that the Mariners are an exciting team that deserves strong local support. The Mariners are coming off their first ever winning season, and have made additions to the team to improve it even more. Many preseason predictions list the Mariners as a sleeper to win the American League West.

The Mariners have a young and promising pitching staff, a solid defense, and a line up that can compare with any in the majors. Kevin Mitchell, acquired this off season, is the legitimate righthanded power hitter the

team has been lacking, and Ken Griffey, Jr., is perhaps the best all-around player in major league baseball.

This team gives Seattle its first legitimate shot at a pennant. Team optimism is flowing over into the community as well. Season ticket sales are estimated to be almost double last season's sales. The principals are close to closing the mariners' first cable television package.

For reasons both on and of the field, I encourage the major league baseball owners to approve the sale of the Mariners to the Baseball Club of Seattle in an expeditious manner. The sale will give the team the local ownership it has not had for the past 17 years.

I also encourage the residents of the Pacific Northwest to support the Mariners. The business community of Seattle has stepped up to the plate to purchase the team; now it is time for the community to come out and support the team as well. First, the fans will not be disappointed as this is an exciting and promising team, and second, this team is valuable to the city, county, and State, and most of all to the people of Seattle and the Pacific Northwest.

Mr. ADAMS. Mr. President, I join in the remarks of the junior Senator from Washington and say that I support the Mariners, and we are united along with the whole delegation.

The PRESIDING OFFICER. The record will so note. It is a team effort of the Senators from the State of Washington.

HONORING BERTHA GIPP'S SERVICE TO NATIVE AMERICAN WOMEN AND CHILDREN

Mr. BURDICK. Mr. President, there is a woman in my State of North Dakota who has made a real difference for Indian women and children in this country. Bertha Gipp has devoted her career to improving the health of native Americans and the status of minorities in the nursing profession. I was pleased to learn recently that the American Nurses Association recognizes her contributions and has chosen Bertha Gipp to receive its distinguished Mary Mahoney Award.

Bertha Gipp was one of the first Lakota Sioux Indians from the Standing Rock Indian Reservation to become a registered nurse. After 40 years in nursing, she is still working as a nurse consultant with the North Dakota State Department of Health and Consolidated Laboratories.

Bertha Gipp worked for 20 years at Indian Health Services hospitals on North Dakota's Standing Rock and Turtle Mountain Indian Reservations. After working 4 years in a veterans' hospital in Milwaukee, Bertha returned to North Dakota to provide primary health care service to students at the United Tribes Training Center for 7 years.

In 1978, the North Dakota State Health Department hired Bertha to develop maternal and child health projects for the State's four Indian reservations. Under her guidance, North Dakota became the first State to implement an infant car safety seat loan program on an Indian reservation. She also focused on improved perinatal care for native American women and children, including breast feeding, injury prevention, and improved immunization rates.

American Indians have a high rate of diabetes, heart disease and other serious health care problems. Cultural differences make it important that American Indians be prepared to meet and deliver needed health care services to their people. Bertha Gipp recognizes that need and has served as a role model for other native Americans, encouraging them to attain postsecondary education and, specifically, to enter the field of nursing.

Bertha has received numerous awards for her work for healthy mothers and healthy babies, improved health care for native Americans, and her contributions to the nursing profession. As I mentioned, the American Nurses Association [ANA] is giving Bertha Gipp its Mary Mahoney Award at the ANA's June meeting in Las Vegas. Bertha's colleagues at the North Dakota Nurses Association will honor her at their annual convention on April 9.

I regret that I cannot attend that recognition ceremony, and I want to take this opportunity to publicly congratulate Bertha Gipp, to thank her for her tireless efforts, and to let her know that her fellow North Dakotans greatly appreciate and take pride in her achievements.

In the language of her tribe: Oiyokipiya winyan wan yu-onihan pe. Oyate Kin Zani pi kta un wowasi econ wopida tanka.

In English that means: My friend, joyously this woman is being honored. The people will be in good health. She is working so the people will be in good health.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business originally allocated under the previous order has expired.

EXTENSION OF MORNING BUSINESS

Mr. CONRAD. Mr. President, I ask unanimous consent that the time for morning business be extended until 3:30 p.m. today.

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

The Senator from North Dakota.

SENATOR WARREN RUDMAN

Mr. CONRAD. Mr. President, it was with real regret that I learned today of the decision of Senator WARREN RUDMAN not to seek reelection. I express regret because I have found Senator RUDMAN to be one of the great men of the U.S. Senate.

I say that because I serve on the Senate Budget Committee with the Senator from New Hampshire, and I have found in my 5 years of service on that committee that Senator RUDMAN is one of those people in the U.S. Senate who is able to rise above partisanship, to work for what is in the best interest of our country.

In my own view, there is no more critical time for men of the stature of WARREN RUDMAN than right now.

Several weeks ago, Senator RUDMAN spoke passionately on the floor of the need for us to address the fundamental problems facing this country. He called on his colleagues to respond. Senator RUDMAN was right. All across this country, there is a disillusionment with Washington, the President, and Congress for a failure to deal with the fundamental problems and challenges facing this country.

I contrast what I saw as the bipartisanship of Senator RUDMAN with the harsh partisan attacks last week of the President. The President criticized Congress for the tax bill that was passed here. Congress is not above criticism. The unfortunate thing is how did it all start? We had the President, in the State of the Union Address, basically laying down a partisan plan, laying down the gauntlet to Congress, and Congress responded in kind.

We have to move beyond narrow partisanship if we are going to advance the interests of this Nation.

When we examined the President's plan in the Budget Committee, Mr. Darman came before that committee. And I asked him, if we enacted every proposal the President made, how much would it increase economic growth in our country? You know what the answer was? One-half of 1 percent. That is what would happen, according to the President's own calculation, if we enacted every element of his proposal.

What of the President's plan? The President says to us we will have a \$400 billion deficit this year. He said to us in his 5-year plan, add to the national debt another \$1.8 trillion. Look at where we have been. We have gone from a national debt of less than \$1 trillion 10 years ago, to a debt that will be \$4 trillion at the end of this year, and the President sends us a plan that adds another \$1.8 trillion. That is not good enough.

We need a plan to get this country back on track, and that plan ought to be one that provides for aggressive growth in this economy, not one-half of 1 percent a year.

That plan ought to include dramatically reducing the budget deficit over the next 5 years, not adding another \$1.8 trillion to the national debt.

What this country desperately needs is for this President and this Congress to work together.

Mr. President, WARREN RUDMAN is leaving this body. Perhaps one reason is he is disheartened with our seeming inability in Washington to deal with the challenges facing this country. I think many of my colleagues share that feeling. I think people are disheartened. They are really beginning to wonder, not only across the country but right here in this Chamber, if we, the President and the Congress, have the capability to face up to the problems facing our Nation.

Mr. President, we ought to prove them wrong. We ought to prove the doubters and the nay-sayers and those who say nothing can be done—we ought to prove them wrong.

We have a great opportunity lying before us. There are low expectations in the country. There are low expectations right here in the House and the Senate, apparently very low expectations right in the White House, because when the President delivered his State of the Nation Address he did not ask much of us, he did not ask much of the Congress, and he did not ask much of the American people.

We are a great Nation. We ought to be challenged to live up to our greatness.

Mr. President, in view of the decision of Senator RUDMAN, it seems to me we could provide no finer tribute than to hereby resolve that this year, not next year, not the "sweet bye and bye," but right now we are going to start facing up to the problems facing this country. And the first is we do something serious about the budget deficits that are choking the economic growth of our Nation. Would it not be a wonderful thing if we could get together, the President and the Congress, and really do something serious about the challenges facing this country? What a fine tribute to a great colleague, Senator WARREN RUDMAN, that would be.

Mr. President, I hope we do not wait one more year. I just came from a meeting, and over and over I heard it repeated, "Well, it will not be done this year because this is an election year." I have been here 5 years. Every year it is the same song: "We cannot do it this year. We will wait until next year."

Time is running out. We ought to act now. I think the American people are ready for leadership. I think they understand that nibbling around the edges of these problems is not going to solve them. And I think they are ready to support a decision by the Congress and the White House to actually face up to these problems. I think we would all feel better.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I understand we are in morning business until when?

The PRESIDING OFFICER. The Chair advises the Senator from Vermont the Senate is in morning business until the hour of 3:30 p.m.

Mr. LEAHY. Mr. President, I see nobody else on the floor waiting to speak. The Senator from Vermont is privileged to be sharing the floor with the distinguished senior Senator from Mississippi, who, of course, is a giant presence by himself here. But I noticed he was not about to speak. Of course, if he was, the Senator from Vermont would not say a word because he would want to hear what the Senator from Mississippi said.

That having been stated, the Senator from Vermont asks unanimous consent to be allowed to consume such time as he may need of the morning business.

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

ASSISTANCE TO THE FORMER SOVIET UNION

Mr. LEAHY. Mr. President, I would like to speak on the question of assistance to the former Soviet Union. It is a matter I have discussed at some length before, and I think it is something that should be discussed more, not only in this body, but at both ends of Pennsylvania Avenue.

In this Chamber, we hear calls to action almost every day. I think sometimes we get a little jaded when we hear another appeal for leadership.

But if there ever was a time for leadership and action, that time is now. A once-in-a-lifetime opportunity to build a world of peace and international cooperation lies before us. The West, led by the United States, can give Russia and the other Republics of the former Soviet Union the moral and political and economic support they so desperately need. If we do that, we will do more to give our children a peaceful future than anything else I can imagine.

For several months I have criticized the administration's piecemeal, and backdoor approach to helping the former Soviet Union. I recognize it is a national election year. It is an election year for a third of the Senate. It is an election year for all Members of the House. It is an election year for the President. Sometimes election year fears can cause people to do things they otherwise would not do. Maybe, because of those fears, the White House has been reluctant to come out force-

fully with a coordinated and comprehensive aid for Russia and the republics. If so, that is unfortunate. Instead of a comprehensive plan, the administration has chosen to give loan guarantees to the former Soviet Union, guarantees that probably will never be repaid.

Instead, the administration sends photo opportunity flights which took about enough food to feed one large Russian city for 1 day. We got to see it on our television sets here at home for several days. The food ran out before the television spot ran out. Instead, they have sent to Congress timid, symbolic aid programs that are never really going to make any difference.

Fortunately, there are others who felt differently. Senators BOREN and NUNN for example, last fall led us in providing significant aid to help the Russians through the winter and, also, to dismantle nuclear weapons. Congress did that without any help from the White House. I think, politically traumatized by the election of Senator WOFFORD, the administration became frightened of foreign affairs and they left it to Congress to show leadership on the Nunn-Boren proposal.

There are many in the administration who know better and have the ability to do better. I have a great deal of respect for them. But they are not providing leadership. As I have said, when I have criticized White House foreign aid gimmickry, I strongly support a serious program of assistance to the former Soviet Republics.

But I have also insisted that aid must be carefully coordinated with our Western allies and our friends. We cannot and we should not bear this burden alone. An aid program should be directly aimed at helping the forces of reform create the institutions of democracy and free enterprise so desperately needed in what was the Soviet Union.

To the great relief of all of us, the democratic forces in Russia and the other Republics of the former Soviet Union survived the winter. Spring is coming in Moscow, St. Petersburg and Kiev, and, with it, hopes that things will begin to get better. The Russian, Ukrainian, and other peoples of the former Soviet Union have an immense capacity to endure. They have shown they will suffer terrible hardships for a chance at freedom and a better life for the years ahead. They have refused to fall prey to the promises of extremists of the old Communist order or the ultranationalist right. However, threats of a return to a totalitarian system remain just beneath the surface. That danger is real. We in the United States would be foolish to underestimate its strength. But so far the people's patience and courage are stronger than the forces who want to go backward, whether to Stalinism or to Great Russian nationalism.

Those of us in the West who have wanted to see reform have been extraordinarily lucky. The hopes for a peaceful transition to democracy and free enterprise in the former Communist empire remain alive and vibrant. Western confusion, indecision, inward preoccupation, and lack of leadership have not yet led to calamity.

But how long can the forces for democracy and reform survive without real inspiration, leadership, and help from the West? And how long dare we risk our national interest in a peaceful transformation of the old Soviet empire by confining our help to symbolic flights of food and loan guarantees that only deepen dependence on handouts?

More than anything else, the times cry out for bold leadership from the United States, the only country able to shape a concerted international aid effort. That leadership, even though we seek help in the Congress, must come directly from the Oval Office.

As a top priority, President Bush should pull together a bipartisan coalition in Congress behind an imaginative plan to support democracy in Russia and the Republics.

The fact is that there are Democrats and Republicans alike who would join with the President in answer to such a call. Many of us know we really have no more time for a show-the-flag kind of assistance to the former Soviet Union. They can understand gimmicks in that country just as well as the people in this country understand gimmicks.

No longer can we allow every executive branch agency and every petty bureaucratic vested interest to grab a little piece of the aid program so they can put on their resume: "I was involved in that." Far too much is at stake for Washington turf wars and bureaucratic power struggles.

So I urge the President to put forward as soon as possible a comprehensive aid program for the Republics, and to seek funding for it in a supplemental appropriation if necessary.

In fact, I think if you did this program in stand-alone legislation, it should combine everything we are doing, from agricultural credits to technical assistance, from humanitarian aid to technology transfer, from export promotion to institution building. It should deal with a ruble stabilization fund and the Republics' membership in the IMF. It should have mechanisms for coordination and burden-sharing with our friends and allies.

The President's aid program should be dramatic and inspiring. It should seize the imagination of the American people, galvanize Congress, and send hope to the democratic forces in the Republics.

So let us stop squabbling over how many hundreds of billions of dollars to spend on defense. Instead, let the Presi-

dent ask Congress to shift a few hundred million dollars from cold war weapons to forge democracy and free enterprise in our former adversary. What greater way to strengthen our security than to help Russia and the Republics become democracies?

Mr. President, history shows democracies do not go to war against each other. Democracies band together to resist tyranny.

Perhaps our aid will not be on the level of the Marshall plan; we do not have that kind of money available, though in combination with other nations we could approach even the Marshall plan. But a plan put forward by President Bush should be as creative and courageous as was President Truman's leadership in forming NATO in the face of the Soviet menace.

Mr. President, foreign aid is never popular, and never more so than now, in a time of economic recession. But our national interest in helping the Republics make this dramatic transformation to peaceful democratic societies is so clear that all of us, the President and Republicans and Democrats alike in Congress, must be willing to act. Leadership is often politically risky, especially in an election year. But if we who are elected to do what is right for the future of this country are afraid to act, we do not deserve to be here.

After spending trillions to defend freedom against Communism, do we not owe it to our children and our grandchildren to build a world of peace, where they will not have to pour out the national treasure so lavishly on weapons of war?

And most important, Mr. President, we owe to our children and grandchildren to shape a world where they will not be asked to fight and die against nations which never again need be considered our enemies.

If the President will give us leadership, and come forward with a national plan for aid to the Republics, as chairman of the Foreign Operations Subcommittee, I will do my part. I am eager to participate in a bipartisan coalition in support of a bold new program to build democracy and freedom in the former Soviet empire.

I do not do this to help either party's political agenda. I do not do this to help either party in this great body. I do this for the sake of my children and some day for their children.

Mr. President, I yield the floor, but before doing so, I should not when I started speaking, there was no one else seeking recognition. I know, because I am involved in the next bill coming up, there would be no objection raised if somebody asked to extend the morning business time because we are in the process of working in the cloakroom on the matter which is supposed to come up next. I mention that to my good friend from Arizona and my good friend

from Massachusetts who came in after I started to speak.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

PRIVILEGE OF THE FLOOR

Mr. MCCAIN. Mr. President, I ask unanimous consent that a member of my staff, Diane Humetewa, be granted privilege of the floor during this period of my speech.

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

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. I thank the Chair.

(The remarks of Mr. MCCAIN pertaining to the introduction of S. 2388 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

EXTENSION OF MORNING BUSINESS

Mr. KERRY. Mr. President, I ask unanimous consent that the time for morning business be extended not to go beyond the hour of 4 o'clock.

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

SENATOR WARREN RUDMAN

Mr. KERRY. Mr. President, I would like to join with my colleague from North Dakota in mentioning a few words about the retirement of Senator RUDMAN.

It may well be that because of his experience in law enforcement as an attorney general, and the stories and shared experiences that we have related to each other of our work as prosecutors, that I feel a loss. It is also certainly because he is a graduate of the same law school, Boston College Law School, that I feel a closeness to Senator RUDMAN. But I also believe the Senate is going to be considerably less for the retirement of this public servant.

Senator RUDMAN has served with great distinction on a number of very difficult tasks, ranging from ABSCAM to the Iran-Contra Committee to the Ethics Committee. He has dealt with some of the most difficult, complicated, politically thorny issues, and I think all of my colleagues would agree he has done so with great good humor, with charity, and with unblemished integrity that has earned the respect of all.

I think New Hampshire is losing a great public servant. While he has not been in the Senate as long as some people who over the years have earned well-deserved reputations for the length of their service and what they have accomplished in it, he has made enormous contributions in the two terms that he has been here.

What strikes me particularly is that he has taken on most of the issues of public concern with a directness which makes us feel that he is one of the real straight shooters in the U.S. Senate.

One of the really nice things about this institution is that we earn friends, gain friends, across the aisle, across political lines. And it is really nice to be able to look at somebody like WARREN RUDMAN and feel not only the good things about him as a public servant, but also sense that friendship.

Senator RUDMAN is going to be greatly missed here for the quality of his contribution and service.

CAMPAIGN FINANCE REFORM

Mr. KERRY. Mr. President, I rise to talk about a subject which is at the heart of the dilemma that we face in this country today when we think about our political system and the stress that it is under.

The House banking scandal is really only the latest in a seemingly endless series of body blows that undermine people's trust in this institution and the Congress as a whole. I do not think there is one among us who does not feel an enormous amount of personal frustration right now about the ever-increasing public doubts about the integrity of this process, perhaps even the honesty of the democratic system.

It is interesting, on both sides of the aisle, in the course of the Presidential races, that there has been a very significant protest vote. Even today, as the distinguished Chair knows, in his home State of Connecticut, that protest vote is going to be well registered. And it is making a very significant statement about change and about the lack of connection between us, those who have been given the privilege of being elected to high public office and the people who have given us that privilege.

The clear challenge for those of us who care about our Government, who want to make it work and restore the bonds of trust between ourselves and the people of this country—is to undertake—changes to bring that connection together, to somehow get over the gap of cynicism, of disbelief, the feeling that somehow everything that happens in Washington is for the people in Washington, that those folks who are out there struggling to live by the standards that Washington establishes for them are somehow not taken into consideration in that process.

I think we have to face it. There is not any one thing that can happen here now—because of the level of the incline we have to climb to get back—there is not any one thing, any one piece of legislation, any one program that we can pass, or any single event that is going to create that kind of change that is necessary.

But I deeply believe that if there is one thing that could meet the cynicism

and deal with the question of term limitations and all the other things that are circulating out there against incumbents, the most important thing that we could do to begin a healing process between ourselves and those that we purport to lead would be the enactment of comprehensive campaign finance reform.

Campaign finance reform is the solution to term limitations. I have—and all 99 other Members of the U.S. Senate have—a term limit today. Our term limit is 6 years. There is a term limit in the House of Representatives today. It is 2 years. But because of the campaign finance system in the United States of America, it is well nigh impossible in some districts for anybody to challenge that incumbent adequately; for somebody to run with the sense that any American who has a grievance or a legitimacy to their candidacy has the ability to vie for public office.

I would respectfully submit that all of those important ingredients of service to country that are recognized and experienced, and all of the down sides to term limits, would be far better met by having campaign finance reform that is meaningful than by anything else.

If we do not want to have the process of government turned over to a revolving door of freshmen coming to Washington every term who do not know what legislating is about, and who rely on a perennial staff that will not be subject to term limits, then we could ignore campaign finance. If we want to turn yet more power over to the Chief Executive of this country, then we could ignore campaign finance.

If we want to wind up making Congress people supplicants for jobs for everybody who walks into their office from the day they come here, then give them a term limit, because anybody who walks into their office may be their future employer. And who knows what then happens to legislation?

Last year, we took a major step in the right direction by approving a system of campaign finance spending limits, voluntary spending limits backed up by limited public funding, limited voluntary public funding which comes through a voluntary tax checkoff, just like the Presidential race.

That legislation would not only drastically reduce the perception, but the reality that big money influence over election campaigns and legislative process is what greases the system in the United States today.

I know people cringe when we say that. Colleagues cringe; lobbyists who are friends of mine in Washington cringe. People say: You know, boy, there is a discomfort somehow in talking about it, but the reality is this: You hear it in the dining room when you talk with people privately; you hear it in conversations with Senators

when they talk about the idiocy of three or four people from the east coast winding up in Midwest America at the same hotel raising money the same night rather than being back in their districts representing people.

You hear it. You know it is the truth here. And the truth is that money creates access, money creates influence. What you wind up with is such powerful countervailing forces represented by that money that you get the gridlock that the President of the United States has referred to; you get no action. You get the insurance industry on this side; you get the banking industry over here, and they are all contributing significantly, and they diminish the power of any ordinary individual to be heard.

Anyone who takes a cursory look at the funding of individual campaigns can see the correlation between the numbers of different interest groups supporting that person, and the committees on which they serve, or the legislation that they have been involved with in the Senate. And everyone also knows that is the same kind of ticking time bomb that we have been dealing with here in terms of the Ethics Committee and choices that we make about who gets helped and who does not get helped.

Campaign finance reform would be the single most important thing that we could do to wipe away the strain, wipe away people's sense that this institution is not in touch with the average citizen of this country, but somehow cares more about the Beltway, as it is referred to, and those who have access within it.

I might add that campaign finance reform does not strip away from people their capacity to organize politically. It does not strip away their capacity to have influence around ideas. Indeed, they could still influence, still push, but the central theme of decisionmaking would not be around the campaign coffers; it would rather be around the issues themselves and the kinds of ebb and flow that you feel in this country by those who are pushing those issues at the grass roots. Campaign finance reform would help enormously to return the political process to the American people, each person with a single share, a single vote, an equal opportunity to be able to influence the politics of this country.

Why do I stand up here today and raise this subject, when it is not on the floor? Well, it appears that the campaign finance reform bill may be blocked once again this year, by becoming yet another victim of government by veto. There are two reasons for this, and they both have to do with President Bush. President Bush objects to spending limits, as do many members of the Republican Party, and he refuses to support even limited voluntary public financing, where each

American can decide whether or not on his or her tax form they simply want to check off \$3 or \$6 of their tax bill to give them elections that are free of influence. That is what we are buying here. We are buying liberation from the current imprisonment that the U.S. Congress has to money.

I think, if most Americans were given a choice between having the incredible amounts of money spent in campaigns, and the amount of money that we have to go out and raise, directly attached to our efforts, versus their giving \$3 or \$6 to guarantee that people can run without the influence of political action committees and big dollars, I believe the American people that is, in fact, what they would choose.

I want to quickly look at the President's two objections to this bill. First of all, he opposes spending limits. He says that is a partisan ploy, a devilish scheme cooked up by Democratic incumbents to prevent their potential opponents from outspending them. Think about that. I cannot recall a single argument that has been so seriously advanced for so long by so many substantive people that is really so outrageously and self-evidently flat out wrong. Ask anyone what is wrong with the current system—and I alluded to it earlier—and they will tell you that it is the incumbent's advantage of attracting money. It is not a question of whether Democrats or Republicans will have more money to outspend. It is that incumbents have more money to outspend. And incumbents, therefore, intimidate the other people who might consider running from even getting into a race, because they cannot hope to be competitive and buy the kind of television time and advertising time that you need in order to be able to run. In 90 percent of the races or more, the incumbent has an enormous fundraising advantage. Only a small fraction of the races, nevertheless, have been truly competitive.

Now, in this particular bill that we have pending, we have a voluntary system. You can choose to live with it or not live with it. The only penalty is, if you choose not to live with it, then the system provides an equal amount of money to your opponent so he or she can be on an equal footing. I ask people, what could be fundamentally more democratic than to allow two people of different parties—or of major parties, if there are more than two—to be able to have equal access to take their ideas to the American people and give the American people a legitimate choice about office? That is one side.

The other side of the President's argument. The President suggests that public funds should not be used to finance election campaigns in our democracy. This argument is, No. 1, flawed in its reasoning, but, No. 2, this argument, Mr. President, is extraor-

dinarily hypocritical. The President wants us to believe that it is wrong for us to use voluntarily contributed \$3 or \$6 by any American who decides they want that money to go to the election process. And he keeps saying, we are not going to tax Americans to pay for politicians.

Well, that sounds great, given the status of most politics in America today. That is a pretty easy applause line, a pretty good way to go to people and get them angry. But if you really give Americans the choice that putting their \$3 or \$6 into the system voluntarily as a way to guarantee that the politicians are, in fact, accountable to them and that any one of them might have the chance of running for high public office and representing the best interests of this Nation, I submit that on those terms, people would not react violently to the concept of public funds being spend.

More important, I said it is hypocritical. Why is it hypocritical for the President to make this argument? Well, the fact is, the President is about to become the single largest recipient of public money for campaigns in the history of the United States of America. The President, President Bush, will have accepted more tax money to run in his campaigns than any other President of the United States or any other politician in American political history.

Four years ago, President Bush's campaign took in \$54.5 million in public money. This year, when he is nominated—and it appears he obviously will be—he will take another world record amount of money, some \$60 million. If you add in the totals that he took in when he was Vice President and running with President Reagan, he will be politics' first \$200-million public expenditure man—\$200 million that the President of the United States has spent in tax dollars running for office. But he has the gall to stand up and deny that same treatment to Americans for the rest of their elected officials in order to distance them from the very evils that brought us the system that he takes advantage of.

So, Mr. President, I believe the President knows full well that public funding works. It does work. It is cheaper than today's system because today's system is costing Americans billions of dollars for all the kinds of things that individual companies or individual donors and others manage to manipulate in Washington to provide them in the absence of a fair system.

Back in 1972, when President Bush headed the Republican National Committee we saw firsthand what out-of-control solicitations were doing.

And the Committee To Reelect the President back in that period of time we all recall produced Watergate, and Watergate produced the first round of reform in campaign financing.

The fact is we have not had another round of reform since 1974 when we wound up with the current system that we work under. I think most people feel that the current system is out of control and it needs reform.

I would like to call my colleague's attention to the words of former Senator Paul Laxalt from Nevada. He was chairman of the Ronald Reagan campaigns in 1976, 1980, and 1984. Here is what he said just before he left the U.S. Senate. He said:

There is far too much emphasis on money and far too much time spent collecting it. It is the most corrupting thing I see on the congressional scene. The problem is so bad that we ought to start thinking about Federal financing of House and Senate campaigns. It was anathema to me but in my experience with the Presidential campaigns it worked and it was a breathe of fresh air.

So what is most important to remember and what President Bush seems to want us to forget is that public financing is not politician financing. Politicians are going to find the money no matter what. They are doing it today. Public financing is liberation politics in the context of our current predicament. It was precisely what would eliminate the problem.

A system of spending limits, backed up by public funding is more accountable. It is not less corrupting. It is paying for a better democracy. And anyone surveying the political scene today who does not believe that changing the system is one of our higher priorities obviously does not understand what is happening out there in grassroots America.

The provisions in the bill that the Senate passed and which we could put into law this year would go far in helping to cure our current problem. The bill actually encourages the democratic process in our own States because it allows people to raise money outside of the limits in small contributions in their own State. That places a premium on getting out in your State and having living room meetings, coffees, all kinds of methods of small donor fundraising. It will bring people back into the system and restore their sense that small dollars do make a difference and it all is not big dollar money.

I think every single one of us can today look at the Keating affair, look at the House right now, look at choices people had to make about the savings and loan scandal and see the consequences of our past failure to reform company finance laws. All of us threatened with the possibility that someone who contributed at some point in time will later get into trouble and subsequently an opponent will use it against you, even though there was no way of knowing that that person might have been on the verge of being in trouble, we can see the failings of the current system, too. Campaign reform, of the kind we have passed here already and

which the President threatens to veto would literally remove us and distance us from the kinds of things that are giving the people the sense that this institution is not theirs.

Mr. President, I believe that moving ahead with campaign finance reform is the best way really to be able to distance us from the stain. It is the best way to restore integrity. It is the best way to give us back our own time to legislate. And it is clearly the best way to restore democracy.

Twenty-five years ago Robert Kennedy warned that:

We are in the danger of creating a situation which our candidates must be chosen from among the rich or those willing to be beholden to others.

I fear that the U.S. Senate today in its makeup is closer to that than ever before.

The time has come to create a better and more accountable democracy. The time has come for action to clean up the political system, and everybody in America knows that.

So I believe that we would be greatly helped if the President of the United States, the single biggest user of public money, that person who has wielded his veto pen on almost everything else we put before him, would put down the veto pen and pick up the challenge of administering to the needs of this country and of helping to heal our political process.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. KERRY. Mr. President, I ask unanimous consent the time for morning business be extended to the hour of 4:20 p.m.

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

The Senator from Connecticut [Mr. DODD] is recognized.

Mr. DODD. Mr. President, we are still in morning business?

The PRESIDING OFFICER. The Senator is correct.

CAMPAIGN FINANCING

Mr. DODD. Mr. President, before my colleague from Massachusetts leaves, and I intend to talk on a subject that is somewhat different than the subject he addressed, I wanted to commend him for his comments and remarks. He is absolutely correct. While the Senator from Massachusetts is not a candidate this year, the Senator from Connecticut is in that situation and is out today trying to raise dollars for a campaign.

I can tell you firsthand exactly what the Senator from Massachusetts described is correct, and it is wrong, and the costs continue to skyrocket. And until we decide we are going to come to

terms on this and have a far more intelligent way in which to support these candidacies and allow the people to enter the contests on some sort of equal footing, then I think the American public will be shortchanged.

Some have suggested a constitutional amendment to limit the amount of funds to be spent in a campaign. I am for that. In fact, think that is the easiest way to deal with it. It will take a constitutional amendment because the Supreme Court ruled that, unless we decide we are going to declare for the purposes of Federal elections, money is not speech. We have no way of depriving anyone of raising the kinds of dollars that we are being subjected to.

The only way to get out of that fix is through some form of public financing, and I think the American public would be well served by that particular approach on a voluntary basis. I think many people would applaud it and welcome it. I think we would end up with a far more intelligent electorate in this country than the one we are under.

I commend the Senator from Massachusetts for his remarks.

AMERICAN CHILDREN: LEFT BEHIND IN THE 1980'S

Mr. DODD. Mr. President, I rise this afternoon to raise the issue that was brought to so many people's attention a little over 48 hours ago in a study called Kids Count. This is one of the most reliable groups in the country in reporting the details of what is happening to children.

These results should have shocked the conscience of every single person in this country regardless of party, ideology, or where you came from in this Nation of ours. It is a stunning indictment of what has happened to children in our society when you realize how shortchanged they have been over these last 10 years.

We hear all of the rhetoric, from every single person running for office or holding office, about how we have to get the country going again. We hear that we have to make changes in our Tax Code to encourage expanding investment opportunities and increased job opportunities to become a society that deals with the technological changes, with more skilled, better prepared to face the challenges of the 21st century. But all of these things we might do about the Tax Code, all those things we might do to encourage manufacturing and move into the high technology areas are going to be for naught, absolutely for naught, unless we have a work force by the end of this decade, and going into the 21st century, that is capable of meeting the challenges that the 21st is going to present us.

Yet if you look at the data that came out of this Kids Count study, then the

answer ought to be quite clear. If we continue to follow our present path, our abilities to meet the challenges in the 21st century, or for that matter even the remainder of this decade, are going to fail.

Over the past decade the condition of American children has worsened in 33 States, where 82 percent of all children in our country now reside.

The third annual Kids Count report released just yesterday, Mr. President, documents how children are doing nationwide and State by State. It grades each State's comparative performance on key measures of a child's well-being.

I commend the Center of the Study of Social Policy and the Annie E. Casey Foundation for their work in tracking these trends.

Unfortunately, Mr. President, the picture, as I said a moment ago, is rather bleak. In most of the benchmarks, we are doing worse today when it comes to our children than we were at the beginning of the 1980's.

Here is a little chart. It outlines some of these statistics. In each of the areas except one, we are far worse today than we were a decade ago.

The percentage of children living in poverty, this first number, is 22 percent worse today. We have far many more children living in poverty, 22 percent more in 1992, than we did at the beginning of 1980's.

In the case of low birth weight babies, we have 3 percent more problems than we did 10 years ago.

Infant mortality is the one area we are doing better in than we did a decade ago.

In the area of percentage of all births to single teens, that is up to 14 percent than a decade ago. The percent of children in single-parent families—13 percent more in the early 1990's than a decade ago. Avoidable violent death rates between 15- and 19-year-olds are 11 percent worse than a decade ago. Juvenile custody rates are 10 percent worse than they were a decade ago, and the percentage of graduating high students shows no change at all. We are as bad as we were a decade ago, where the numbers have hovered around 20 to 25 percent, but as high as 60 percent in our inner cities.

I just remind my colleagues, Mr. President, before this school day ends, 4,000 more children will have dropped out of school. And every single day that the 3 o'clock hour arrives in your community, just remind yourself that 4,000 more kids are not in school that day than were the day before.

Compare those rates with our major economic competitors' in Western Europe or Japan where their dropout rates are less than 1 percent of their student population. Yet people run around and give speeches about how strong we are going to be, how economically vibrant we are going to be in the 21st century. The fact of the mat-

ter is if these children do not have the education and the skills and the health and the housing and the love and the care that they should be getting, then the likelihood of reaching those lofty goals, which are included in speech after speech, are not even going to be remotely met, in my view.

The state of America's children is indeed shocking. Yet, if we were honest with ourselves I suppose we should not be shocked at all because we have not made the investments that would have helped improve our children's chances. Over the past decade, Federal spending on children grew at only one-fourth the rate of the budget as a whole.

We have talked about how this budget has mushroomed and grown over the last 10 years and it has, not for one group of people: children. They do not vote, they do not make political contributions, they do not belong to political action committees. They are just one out of four of every one of us. Their budget increases—if you will, the Federal investments in them—have been only one-quarter, 25 percent, of increases in the budget as a whole. The portion of the Federal budget spent on children declined, in fact, by 15 percent in the last 10 years.

President Bush persists in playing, in my view, a budgetary shell game with children's programs. For the fiscal year 1993 he has proposed increased funding for a few of the high profile programs while cutting less visible programs that serve the very same families.

While we hear a lot of rhetoric from all sides about caring for our children, the bottom line is clear—kids really do not count. What is most appalling is that we now know how to address many of these indicators in the Kids Count report card. This is where I would like to share this second graph. It is based on analyses done by non-partisan groups. This is not a chart prepared by Republicans or Democrats or people who have a particular axe to grind. These are well-established statistics about what can happen if we are willing to make greater investments in these children despite the fact they rarely get heard around here.

Let's take some of the key programs that we know make a difference. The Woman Infants and Children Program—there is no debate around here about the value of that program. But we are only serving about 60 percent of all of the eligible children in that program. Yet we know for every dollar we invest in that WIC Program, in those prenatal programs, we save \$3 in short-term hospital costs.

Today, by not investing that \$1, we pay those costs. By not making the investment and trying to deal with these preventable diseases with Medicaid, 50 percent of poor pregnant women and children are not served in this country.

Childhood immunization. This ought to be a simple one. This ought not to

be complicated. Yet we are missing 30 percent of our children who are not being immunized every year because we do not put the money into it—this simple thing, child immunization. Is there anybody in America who is opposed to serving 100 percent of our children in immunization programs? Yet every time we fail to invest \$1 in those 30 percent, it costs us \$10 for every one of those children who are not being served by that program.

Employment and training. Job Corps—again, we know it works, giving these kids the kind of skills they are going to need to meet the job requirements of the new technologies. Three percent of unemployed teenagers are served by job training programs; \$1.45 is saved for every \$1 you invest in that.

Head Start—how many Americans do not know what Head Start is? I think most people know what it is. It has worked for a quarter of a century. We are serving 32 percent of poor 3- to 5-year-olds; everybody knows it works.

Mr. President, when I authored the Head Start reauthorization bill a couple of years ago, we made major changes in it. I came to the floor of this Chamber prepared to do battle with some opponents who did not like Head Start. No one showed up. There was not a single voice raised by any one of 99 other U.S. Senators in opposition to Head Start. Everybody believes in the value and the merit of that program. Yet only 32 percent of our children are being served. For every dollar you invest in it, you save \$4.75 in special education, public assistance and crime because the kids are not getting the value of that program. Chapter 1 funding, the neediest, remedial education program—we are serving only 50 percent of our children. For every \$1 you invest in that program, we are told by objective analysis that you save \$6.67 in the cost of repeated grades for children who are not meeting the standard they should.

Education for disabled children, the Federal Government is not honoring its commitment to share costs in this area. We do not have the exact percentage, but again we are told for every \$1 you spend here, you save \$1,500 per disabled pupil.

Mr. President, it seems quite clear here if we would make some modest investments, \$1 for each of these areas, those are the tremendous savings we make. Otherwise, we ultimately pay and we are paying now. We are paying them already.

So I hope as we look at this Kids Count report, that maybe in these budget debates and the like, we can raise the level of awareness and get people to be more interested, and not only to speak about children and to talk to their constituents about them, but to actually go back and say we are trying to do something. That is why I take the floor this afternoon, to raise the profile of these issues.

I go back to the point I tried to make at the outset. Even if you do not care about these issues on a moral or ethical basis, if you are only impressed by the fiscal, the financial questions, it seems to me that everyone ought to come to some agreement that it makes sense to try and give to those who are least capable of being heard. Children do not get heard, they cannot speak for themselves. It is up to those who understand what is going on in this country to try to make a difference and try to see that their voices are heard.

Let me also say in conclusion on these points, I do not believe that all the answers reside in authorizations or appropriations. There are many things that individuals can do, like mentoring programs, volunteering to go in and tutor children. It does not cost anybody anything but some time and it may save us dollars when people in this country are willing to reach out and find ways in which to take their talents and their experiences and their abilities, and share them with a child: Big Brothers, Big Sisters, programs that are supported by our local businesses. There are 200,000 public-private partnerships in this country. That is a way people can plug in and provide some help. Boys clubs, girls clubs, YMCA's. I will guarantee that in almost every single community in this country there is a program that exists that, if you care about these issues, you can step forward and volunteer and help. Because, believe me, if we do not come together, if we do not work together on these issues, all of the rhetoric and all of the speechifying about children and caring about them does not amount to a thing.

So, Mr. President, I hope people pay attention to this study. Take hard note of these statistics—they are real. They are going to affect this country's well-being. They are going to determine largely whether or not this Nation is going to remain in a first-class status or slip to some second-class or third-class status in the next decade. These are the critical issues facing this country, Mr. President.

My hope is that this Congress and this President can stop the finger pointing and can come together and get something done in these next few months because the only people we are hurting besides from ourselves are the very people we try to represent.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

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

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

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as in morning business.

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

The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 2395 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. MIKULSKI). Without objection, it is so ordered.

JUSTICE REFORM IN GUATEMALA

Mr. LEAHY. Madam President, as chairman of the Foreign Operations Subcommittee I have emphasized the importance of encouraging and supporting the protection of human rights. Each year, as my subcommittee decides how much foreign aid to give to different countries and programs, we have looked carefully at what the governments that are requesting our aid are doing to protect human rights. One such country is Guatemala.

Few countries in this hemisphere can boast of more geographical and cultural beauty than Guatemala, with its magnificent mountains and forests inhabited by the descendants of the Mayas. Yet, in a region plagued by years of violence, few countries have endured a more tragic history than Guatemala.

The merciless slaughter of tens of thousands of Guatemala's Indians in the late 1970's and early 1980's is well known. It is often said that compared to those unspeakable years, the human rights situation in Guatemala today is improved. That is true, but partly because it is only possible to murder the same person once.

That scorched earth campaign, as it was known, not only decimated the guerrilla insurgency—the less than 1,000 remaining no longer pose a serious challenge to the Government, it also terrorized the Indians who were seen as potentially threatening to the large landowners whose wealth depended on the Indians' subjugation.

The stark inequities that divide a rightist oligarchy, backed up by the army, from the impoverished peasantry who make up the rest of Guatemalan society, remain intact. Human rights abuses—abductions, torture and murder—by the Guatemalan security forces and civil patrols continue at levels unmatched by few if any countries in the hemisphere.

In recent years, Guatemala has elected successive civilian Governments,

and President Serrano, like his predecessor former President Cerezo, has spoken publicly about the importance of human rights. He has also said he wants to negotiate an end to the guerrilla insurgency.

Despite these welcome statements, the human rights situation remains largely unchanged. There has been virtually no progress in bringing to justice those responsible for the major human rights atrocities of recent years. In a report issued last month, the State Department said "the number of politically motivated killings, though fewer than in 1990, was very high. * * * Most of these killings are credibly believed to have been committed by the armed forces. * * * The security forces are virtually never held accountable for human rights violations. With few exceptions, the Government failed properly to investigate, detain and prosecute perpetrators of extrajudicial and politically motivated killings."

In addition, despite efforts by the United Nations to facilitate the peace negotiations, no discernable progress has been made.

In recent years, the United States has tried to support democracy in Guatemala. We provided substantial economic aid to the Cerezo government and have continued to support the Serrano government. Last year we gave over \$60 million to Guatemala, not counting food aid.

But we have also warned the Guatemalan Government that future aid to that country would depend on its efforts to improve human rights, including bringing to justice those responsible for the murders of several human rights activists and American Michael Divine, and the abduction and torture of Sister Diana Ortiz. According to the State Department, there has been no progress in any of the murder cases, and the "Army High Command continued to impede a thorough investigation into the murder by army personnel of * * * Michael Divine." In the Ortiz case, a special prosecutor has been appointed but the case has languished.

Countless other cases of torture and murder, in which the security forces are implicated, remain uninvestigated.

Madam President, I mention this bit of history as a preface to what I want to say next. Perhaps it is because I am an optimist at heart, but despite this dismal record of violence and impunity, despite all the broken promises and declarations and words of concern about human rights that have amounted to little more than that—words, there is reason to be cautiously hopeful about the future of justice in Guatemala.

A few months ago, the Guatemalan Legislature elected a new President of the Guatemalan Supreme Court. For the next 6 years, this man, Juan Jose Rodil, will oversee the entire Guate-

malan justice system. Unlike our own Supreme Court Justice, he is the administrator of all the lower trial and appellate courts.

Justice Rodil has declared his intention to reform and restructure Guatemala's criminal justice system—a system so plagued by corruption and so manipulated by politics that it has lost all credibility. According to the State Department, "the judicial system is virtually ineffective in human rights cases. Most human rights cases are never investigated."

This undertaking is fraught with dangers, but it is Guatemala's only hope if there is to be any real protection of human rights, or any real democracy in that country.

One of Justice Rodil's stated goals is to develop a capacity to conduct real oversight of lower court judges, which is his responsibility, to ensure that corrupt judges are got rid of and the law is applied fairly.

Other plans include creating a criminal investigation capacity under the authority of the courts instead of the Army or National Police, establishing municipal courts and forensic medical facilities in each of the 330 municipalities, providing training for judges, investigators and prosecutors, and focusing attention on the most serious unresolved murder cases.

The United States has tried for years to improve and modernize the Guatemalan criminal justice system, largely to no avail. Justice Rodil is not the first Government official to declare his commitment to reform the Guatemalan justice system, and it will be months if not years before we know whether he is capable of turning rhetoric into reality. While I am not able to judge the merits of each of his planned reforms, many of them are basic to any effective justice system.

I urge President Serrano to support Justice Rodil's efforts, and the Bush administration to do the same. In my capacity as chairman of the Foreign Operations Subcommittee I intend to follow his progress closely.

HUMAN RIGHTS IN INDONESIA

Mr. LEAHY. Madam President, for as long as I have been a Senator, including the last 3 years as chairman of the Foreign Operations Subcommittee, I have received reports of widespread human rights abuses by Indonesian security forces, particularly in Aceh and East Timor. According to the State Department's Country Reports on Human Rights, released in February 1992, Indonesian "government forces clearly appear responsible for the majority of [hundreds, perhaps thousands] of civilian deaths" in Aceh, but "no charges have been brought against members of the security forces in connection with the civilian deaths." That report also states that "credible reports of torture

and mistreatment, including rape, of criminal suspects, detainees, and prisoners were frequent," but "there were no known instances in 1991 of officials being punished for mistreatment of political prisoners or detainees. * * * Corruption permeates the Indonesian legal system. * * * [T]he use in trials of forced confessions [is] reportedly common."

This is only the latest report of systematic human rights abuses by Indonesian soldiers and police. Amnesty International, Asia Watch, and other human rights groups have documented these kinds of abuses for years.

On November 12, 1991, the world was shocked by the massacre of civilian demonstrators by Indonesian soldiers in Santa Cruz, East Timor. From 50 to more than 100 people were shot, knifed, or clubbed to death, and at least 90 are still missing. Although the Indonesian Government appointed a commission to investigate the killings, the commission's preliminary report blames the demonstrators for the soldiers' response. Several members of the commission were army officers who received training from the United States. Human rights groups have severely criticized the commission's investigation and findings, and continue to report ongoing arrests and torture of political opponents by Indonesian security forces. The State Department concluded "there is no evidence that the use of such deadly force was justified," but praised the commission's report and President Suharto for apologizing for the killings and disciplining several officers.

The Indonesian Government has announced that it will demote or transfer six officers, and bring criminal charges against eight soldiers who were involved in the killings. This is unprecedented and commendable. However, it is also prosecuting several of the demonstrators for subversion, a capital crime, and access by the press and human rights groups to East Timor has been severely restricted. It is too soon to say whether the Indonesian Government's response to this tragedy will be adequate to deter future abuses.

Madam President, I am disappointed by the State Department's response to the November 12 massacre. It has commended the Indonesian Government despite the continuing abuses in the aftermath of the massacre, despite a report that attempts to shift blame for the tragedy to the demonstrators, despite statements by top army officials that the demonstrators got what they deserved, and despite the fact that so far it is the demonstrators who are facing charges carrying the death penalty, not the soldiers who fired the shots.

Over the years, the United States has provided hundreds of millions of dollars in aid to Indonesia, including training for Indonesian army officers. Indonesia has also purchased millions

of dollars in lethal military equipment from the United States, including M-16 rifles which were used on November 12. Indonesia is also a beneficiary of large loans from the World Bank and Asian Development Bank, both of which receive large contributions from the United States.

State Department officials have urged against any suspension of aid to Indonesia. They argue that it gives them leverage to address the human rights problems there. It is a familiar argument, but what did they do with that leverage during all those years that we gave millions of dollars to Indonesia despite the human rights abuses? Even the State Department acknowledges no member of the Indonesian security forces was brought to justice for those crimes. The November 12 massacre and the arrests and beatings since then speak volumes about the State Department's use of leverage.

Madam President, Indonesia is the fourth most populous country in the world. It has urgent development needs, and the United States has great economic interests there. But so do we have a responsibility to support human rights, particularly in countries that receive our aid. This is a policy I have pursued as chairman of the Foreign Operations Subcommittee, and which I will continue to emphasize. We should be clear about what the Indonesian Government should do if it expects our support to continue. At a minimum, it should:

- Cooperate fully with U.N. human rights initiatives, including an international investigation of the Santa Cruz massacre;

- Fully account for the bodies of those killed in the massacre;

- Bring to justice members of the security forces responsible for human rights abuses, in particular those committed during and after the Santa Cruz massacre;

- Permit free and regular monitoring of human rights in East Timor and Indonesia by domestic and international human rights organizations;

- Establish a registry of detainees that is readily accessible to human rights groups, lawyers and the public;

- Permit international observers at political trials, in particular those of East Timorese arrested in connection with the Santa Cruz massacre; and

- Release those imprisoned for their nonviolent political activities or beliefs.

Madam President, I urge the administration to insist that the Indonesian Government take at least these steps to demonstrate its commitment to protecting human rights. The history of Indonesia's treatment of the people of East Timor and Aceh requires no less.

PETER J. CROTTY

Mr. MOYNIHAN. Madam President, I rise to mourn the passing on March 3,

1992 of Peter J. Crotty, lawyer, civic and party leader, and public servant of Buffalo, NY. I knew Peter Crotty for 35 years, from the time that I was a young assistant secretary to Gov. Averell Harriman. My strongest memories of him go back to the 1958 New York State committee meeting at which he was nominated to run for attorney general. The meeting itself, held in Buffalo's old Memorial Auditorium, was a disaster. The only good thing coming out of it being Crotty's nomination. Peter Crotty lost the election to Jacob Javits but then Harriman lost to Nelson Rockefeller. And New York's Democratic Party was in tatters. Torn apart by the mutual distrust of its reformers and its regulars.

At the risk of simplifying a most complex subject, it can be said that the reformers, accustomed as they were to success in every other sphere of life, simply could not understand how and why people like the regulars should have come to dominate them in the party offices and legislative posts, and therefore they have resorted to bossism as an explanation. On the other side the party regulars regarded the liberals as pushy, arrogant newcomers who did none of the work in turning out the vote and yet got all the gravy.

Peter Crotty should have been called on to save the party from itself. Following his election in 1960, President Kennedy wanted a new State chairman to replace Mike Prendergast of the Bronx. Prendergast was the quintessential regular. Politics, Prendergast style, was a decent, quiet, family affair, and the highest priority was assigned to those things which kept it so: patronage, small and not-so-small favors, the strict observance of the complex prerogatives of party members on various levels. Issues in the world of Prendergast were viewed as essentially divisive influences that one would hope to do without. But Kennedy and the reformers wanted him out—so he had to go.

As I wrote some years later:

In casting about for a Catholic liberal to succeed Prendergast, the President chose Peter J. Crotty of Buffalo. Crotty is a working politician from a big, ugly, turbulent city, where tens of thousands of Democrats but very few liberals live. He has managed to bring together a baffling collection of Democratic factions to produce an effective party organization in Buffalo. He is a man of intellect, a diligent student of Catholic social theory, a formidable labor lawyer, and a passionate believer in racial equality. (He once resigned as county chairman when the party balked at making the first major negro political appointment in Buffalo. The party gave in and he withdrew his resignation.) Given all this, Crotty should have been acceptable as state chairman both to the regulars and to the liberals. But the depth of the Democratic division turned out to be deeper than anyone knew, and the New York reform movement promptly announced that Crotty was unacceptable. The reason was visceral rather than logical, much as was the Liberal party's refusal to endorse Crotty

when he ran for state Attorney General in 1958. Organized liberals cannot help being suspicious of the liberalism of Irish Catholic county leaders who are at ease on city councils and who get along with police chiefs.¹

In all events, Peter Crotty did not get the job. He returned to Buffalo cheerful as ever. And to work. He lost nothing for his efforts but New York's democracy lost a great deal. For Peter Crotty represented all that was lacking in our politics in 1961 and all that is lacking this day. We will miss him greatly.

Madam President, I ask that obituaries from the New York Times and the Buffalo News be printed in the RECORD.

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

[From the New York Times, Mar. 4, 1992]

PETER J. CROTTY, DEMOCRATIC FORCE IN WESTERN NEW YORK, DIES AT 82

(By Sam Roberts)

Peter J. Crotty, the erudite kingmaker who dominated Democratic politics in western New York as the party chairman of Erie County and was a force in the campaigns of John F. Kennedy for President and Robert F. Kennedy for the United States Senate, died yesterday at Mercy Hospital in Buffalo. He was 82 years old and lived in Buffalo.

He died of a heart attack, his son James said.

Mr. Crotty was elected president of the Buffalo City Council in 1947, but he was far more successful in elevating other candidates. He was also the patriarch of a dynasty of public servants, including Gerald C. Crotty, who resigned last year as Gov. Mario M. Cuomo's chief of staff, and Paul A. Crotty, a former New York City finance and housing commissioner.

"They are an Irish clan in the most complete sense of the word," said Timothy J. Russert, former counselor to Mr. Cuomo and now an NBC executive, who was Gerald Crotty's high school classmate.

SON OF IRISH IMMIGRANTS

Peter J. Crotty was born and raised in Buffalo, the son of Irish immigrants. His father was a longshoreman. Mr. Crotty worked his way through Canisius College and the University of Buffalo Law School by sorting mail at night at the Buffalo Post Office. After he graduated, he began his government career as a lawyer for the National Labor Relations Board in Buffalo during the administration of Franklin D. Roosevelt.

In 1945, he formed a law firm, McMahon & Crotty, and represented, among others, locals of the steelworkers, teamsters, longshoremen and carpenters in western New York. He continued to practice law until his death and was also a member of the Statler Foundation, which awards grants to schools and students pursuing careers in the hotel and restaurant industry.

After serving as Council President until 1951, he ran unsuccessfully for Mayor of Buffalo in 1953. Five years later, he was nominated for Attorney General on the slate topped by Gov. W. Averell Harriman, but lost in the Rockefeller landslide to Louis J. Lefkowitz.

His greatest political success was not as a candidate though, but in orchestrating cam-

paigns for others as the Erie County Democratic chairman from 1954 to 1965. One of those was John F. Kennedy, for whom he helped swing the New York delegation. The next spring, he was invited to the White House in what was widely viewed as the President's anointment of Mr. Crotty as Democratic state chairman.

BRIDGED BOSS RULE AND REFORM

Mr. Crotty, said Richard Wade, a professor of urban history at the City University of New York Graduate Center, "was a bridge between the old days of boss rule in the Democratic Party in New York and the emergence of reform."

As a boss, he was never fully embraced by the party's reform faction, although he subsequently reconciled with the wing of the party led by Mayor Robert F. Wagner in New York City, and was a pivotal player in delivering the Senate nomination to Robert F. Kennedy in 1964 and the gubernatorial nomination to Hugh L. Carey in 1974. He was elected as a delegate pledged to Senator George McGovern at the 1972 Democratic national convention.

In 1965, Mr. Crotty retired as county chairman. He was succeeded by a protégé, Joseph F. Crangle, with whom he also frequently feuded. His expected Federal appointment to a judgeship or ambassadorship never materialized.

But the public careers of his children contributed to his legacy. In addition to Gerald, who was Mr. Cuomo's counsel and secretary and is now a vice president of the ITT Corporation, and Paul, who returned to private practice in Manhattan after serving in the Koch administration, another son, Peter, was a counsel to two state agencies and still another, James, a lawyer, unsuccessfully sought the Erie County Democratic chairmanship in 1978.

Mr. Crotty is survived by his wife of 52 years, Margaret McMahon Crotty; six sons, Peter and Gerald of Albany; Paul, Robert and Kevin of New York City and James of Buffalo; a daughter, Mary Jo Shapiro of New York City, and 25 grandchildren.

[From the Buffalo News, Mar. 4, 1992]

PETER J. CROTTY, LONGTIME POWER IN DEMOCRATIC PARTY, DIES AT 82

(By George Borrelli)

Political leaders and the legal community mourned the death Tuesday of Peter J. Crotty, a Buffalo attorney who attained national recognition in the Democratic Party.

One of the warmest tributes came from Gov. Cuomo, who said the state had lost "one of its grand citizens."

"In many important public and private roles, his dignity, his great quiet strength and his unflinching commitment to the larger community demonstrated his religious faith in a practical and uplifting way that gave instruction and inspiration to the whole world of people who were fortunate enough to know him," Cuomo said.

Former Gov. Hugh L. Carey said Crotty was "a great friend, a gentleman's political person who knew the game of politics."

"He was the most friendly New Yorker I ever met," added Carey, who recalled staying overnight at Crotty's South Buffalo home during his 1974 campaign for governor. "I think it may have been the luck of the Crotty house that got us elected."

Crotty, a political power on several levels for nearly 50 years, died Tuesday (March 3, 1992) in Mercy Hospital. He was 82.

Prayers will be said at 9:15 a.m. Friday in the Nightengale Funeral Home, 1884 South

¹ Daniel Patrick Moynihan, COPING, On the Practice of Government, New York, Random House, Inc., 1974, p. 66.

Park Ave., followed by a Mass of Christian Burial at 10 in St. Thomas Aquinas Church, 450 Abbott Road. Burial will be in Holy Cross Cemetery, Lackawanna.

State Supreme Court Justice James B. Kane, Jr., administrative judge in the 8th Judicial District, said Crotty, who served as Erie County Democratic leader from 1954 to 1965, was "the last of the strong political leaders."

Crangle's successor as Democratic county leader, Vincent J. Sorrentino, said Crotty was "a significant force" in the Democratic Party and "left an imprint on the party and community that will stand for years to come."

At the time of his death, Crotty was the senior member and chairman of the Statler Foundation, to which he was named a trustee in 1961.

Crotty in 1959 became the first major Democratic county leader in the nation to endorse John F. Kennedy for the party's nomination for president.

During the 1960 presidential campaign, Crotty played a key role in lining up support in the state for Kennedy in the pre-convention and general election campaigns.

As a political leader, Crotty also helped elect U.S. senators, governors, mayors and scores of local officials.

"He was a close friend of my family, a mentor of my father's political career and an example for all of us," said County Executive Gorski, whose father, Chester, served as a congressman and Common Council president.

Roger I. Blackwell, D-Buffalo, chairman of the County Legislature, remembered Crotty as a "savvy" and "brilliant" leader. "What amazed so many of us is how he'd never slam the door, even in the heat of an argument," recalled Blackwell. "When the hot water was flowing, he'd stop, turn on the cool and attempt to find an avenue. He would never just walk away."

Crotty was elected Council president in 1947 and served four years. In 1953, he ran as an independent in the Democratic primary for mayor, losing to Steven Pankow, who went on to win the general election.

Crotty supported and helped elect Frank A. Sedita as mayor in 1957. Sedita lost his bid for a second term but again was elected mayor in 1965 and 1969.

In 1958, Crotty ran statewide as the Democratic candidate for state attorney general, losing to the Republican incumbent, Louis J. Lefkowitz.

"He was an excellent county leader, a forceful speaker and a devoted family man," said Kane, who served as secretary of the Erie County Democratic Committee during the 11 years that Crotty was county chairman.

John A. Dillon, a retired Erie County judge, said Crotty was "a decent, beautiful, honorable man."

"More than one Dillon learned his politics at Peter Crotty's knee," added Dillon, whose late brother, Michael, served as Erie County district attorney and presiding justice of the Appellate Division of State Supreme Court, 4th Department.

Philip H. Magner Jr., a past president of the Erie County Bar Association, said Crotty was "a gentleman in every sense of the word, a lawyer of real distinction and shining integrity, a true example of a life well-lived."

Magner said Crotty was motivated "always by the public interest, with which his deeply held partisan convictions were never allowed to conflict."

Common Council President George K. Arthur described Crotty as "truly a giant in

the political arena. He was responsible for a lot of careers and mine in particular."

Joseph F. Crangle, who learned politics under Crotty's tutelage, remembered his mentor as "a highly principled political leader," despite the political differences that divided them after Crangle became party chairman.

He recalled that Crotty, in the late 1950s, resigned as Democratic county leader after the Common Council refused to appoint Edward Bennett, a black, as city clerk. Party leaders later persuaded Crotty to rescind the resignation.

Crangle succeeded Crotty as Democratic county chairman in 1965 and served as party leader until 1988.

In 1974, Crotty supported Hugh L. Carey in the Democratic primary for governor, while Crangle and other organization Democrats here backed Howard J. Samuels, the endorsed candidate. Carey won the primary and the general election.

Crotty again backed the party organization in 1977, when he was a key supporter and a co-chairman of Mayor Griffin's first successful campaign for the office.

For many years he was a member and chairman of the board of governors of Roswell Park Cancer Institute.

He is survived by his wife, the former Margaret McMahon, and seven children and 24 grandchildren.

His six sons, all attorneys, are James E. of Hamburg; Peter Jr. of Albany; Paul A., Robert E. and Kevin M., all of New York City, and Gerald C. of Minneapolis. His daughter, Mary Jo Shapiro of New York City, is a writer.

His son Gerald served as counsel and secretary to Gov. Cuomo before leaving recently to take a position in the private sector.

REPRESENTATIVE HANK NOWAK, MULTIFACETED LEADER

Mr. MOYNIHAN. Madam President, one of the pleasures of serving in the Senate is that it affords an opportunity to become acquainted with Members of the other body. Why each House persists in referring to the other as the "other body" remains a mystery to me. But what is not a mystery is that for 18 years, Erie County has been blessed by the representation of HENRY J. NOWAK.

HANK NOWAK and I arrived in Congress at about the same time, he having preceded me by 2 years. And during our service together my respect for his clear thinking, ingenuity, and tenacity have continued to grow. Most recently we served together on the joint House/Senate Conference on the Intermodal Surface Transportation Efficiency Act, now known as ICE-TEA. Not only was HANK a mainstay of our efforts to reform transportation policy to accommodate the postinterstate era, but he also made sure that western New York's needs were provided for.

Recently the Buffalo magazine of the Buffalo News ran an article describing this multifaceted leader. What western New York has long known is now in print for all to see. I ask that the article be printed in the RECORD.

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

[From the Buffalo News Magazine, Mar. 8, 1992]

HANK'S PLACE: HENRY NOWAK HAS BEEN IN WASHINGTON 17 YEARS, BUT HIS HEART BELONGS TO BUFFALO

(By Rose Clotta)

After 13 days of tough talks, the lawmakers and staffers were anxious to end the session. It was the weekend, and it was 3 a.m.

Everyone was tired, eager to celebrate their historic agreement as the year's most significant legislation.

The bill on the table dispensed \$155 billion for road and transit projects nationwide, with \$100 million of it en route to Buffalo.

But when the chairman made his last call, Rep. Henry Nowak spoke up, surprising even his own staff. "Just one more thing, Mr. Chairman," Nowak said. Then he made an unscheduled pitch for \$2 million for suburban bus centers for Western New York.

"He explained it. Everybody nodded yes, and he got it," recalls Rep. Sherwood Boehlert, of Utica, a Republican negotiator. "That's typical of Hank."

"His timing was perfect."

Call it the Nowak touch—speak softly, play ball, and get results. Nowak doesn't lecture his colleagues. He gets along and he never takes his eye off where he's going. It's a trait that has guided him well from the streets of Black Rock to his Canisius College Big Three glory years and through the halls of Congress.

Nowak first dreamed of success when he was 12, sitting in a bar, munching on pretzels, drinking root beer and watching Canisius basketball on the neighborhood's only television. "If I could get good enough, I can go there," he told himself.

He was the quiet, determined kid, the one who practiced shooting baskets late into the evening at the school playground. One night, Nowak got carried away, bouncing and shooting until after midnight. The neighbors called police to send him home.

But he was small then, only 5-foot-4, and had no hope of making any team. At Riverside High School, he was cut his first year. He came back as a 6-foot-3 junior to become captain of a winning team.

Nowak had realized that basketball could become his ticket to college. And with the determination that would distinguish him throughout his career, he didn't stop until he had gotten what he wanted—his Canisius team went to the NCAA quarterfinals three times, from 1955 to 1957, and as captain, he scored more points in his senior year than any other Canisius player before him.

"He was a hard-nosed player, physical," said one of his coaches, Bob MacKinnon, now a pro scout. "He drove to the basket, forcing the foul. He was very good at converting an ordinary play into a three-point play."

And quiet didn't mean retiring: From grade school to college, Nowak stood out as class president and team captain.

"He had very obvious leadership qualities," recalled Gene Bartkowski, a Canisius teammate who's now a Williamsville Central School District official. "There was a commanding presence about him."

In 17 years in Congress, Henry Nowak has directed about \$1 billion in federal aid to Buffalo. He has mastered the art of lawmaking in ways that some of his colleagues never learn. You can see him working the House floor—it's like peeking into a men's club. He approaches a cluster of congressmen, sweeps his long arms around two sets of shoulders and leans into the conversation, smiling. In the corridors, warm hellos and handshakes

meet him. The elevator operator tells him about her holiday break.

But Nowak is more than a nice guy. He succeeds by paying attention to detail, taking advantage of openings that others just don't see. His methodical style and his knack of manipulating language, formulas and regulations for his district and for New York State have given him the ironic reputation of being a very successful but obscure congressman. Roll Call, the congressional newspaper, put Nowak among the Top 10 "Most Invisible" lawmakers in 1990.

The label is a badge of honor for him.

"There are some members who feel inclined to speak on every issue that comes to the House floor," said Ronald J. Maseika, Nowak's Washington assistant. "Mr. Nowak is very selective about that." His positions on welfare, drugs and foreign policy are rarely sought. And he devotes a limited amount of his own and his staff's time to positioning himself in those areas.

"Henry Nowak is a very aggressive guy, but he doesn't strike you like that," said James T. Molloy, the former Buffalonian who is now doorkeeper of the House of Representatives. He helped Nowak make his first political run in 1965 for county comptroller. "He doesn't shout or pound on the tables, but when he decides on something, it's going to get done."

The millions for the NFTA bus centers were crumbs in the transportation bill, but frosting for Buffalo and New York State, which will reap benefits through the decade.

Nowak's success here illustrates why Western New York's future is in his hands. If everything that Nowak has his sights on gets built, the region will surely reflect his dream.

"It's more than a job to him," said Maseika. "He cares about what he's doing. He has a vision of a better Buffalo."

Like anyone who's creative, intense and driven, Nowak encounters frustrations—ideas that languish, officials who can't agree and state agencies that often have to be dragged by federal law to take on a project.

His supporters say he's not appreciated and not thanked enough. Critics say he's not "collaborative enough." As one official put it, "He's not one to share his plans beforehand with a lot of people."

Others question why he doesn't use his power to force agreement on thorny issues like the stalled waterfront development.

He does speak up, those close to him say, but it's done privately and directly.

Brad Johnson, New York's Washington lobbyist, is a frequent Nowak tennis partner (a bad back has put a stop to Nowak's game lately) and he often bears the brunt of Nowak's frustration with state agencies dragging their heels on projects that have federal money. "He skewers you," says Johnson. "He uses humor, guilt, feigns outrage just to let you know what it would be like if he wanted to (really get angry)."

"I think you make more progress by persuasion," says Nowak.

Those closest to Nowak say he enjoys down time, whether he's fishing with his older brother, Norman, or hitting golf balls.

"He's a quite man and does a lot of introspective thinking. He knows what he's going to do long before he does it," said Godby E. Plummer, a Nowak staffer in Washington who joined him 27 years ago after Nowak was elected county comptroller, his first and only political upset.

Nowak's laid-back demeanor masks a fierce competitiveness. He likes to win in all contests, and he usually does. "When Henry

and I used to play tennis, he was the toughest and most competitive opponent," said former Buffalo congressman Jack Kemp, now secretary of housing and urban development.

"He loved to beat me and I loved to beat him. He won most of the time."

Mrs. Nowak, who died in 1965, urged her sons to reach, to become supervisors or even go to college. Norman went the trade school route and later became a customs inspector; Henry used basketball as his ticket to Canisius.

"College was very important to my mother," said Nowak. "Basketball was very important to my father." He spent much of his career proving to people that "Hambone," the tall, lanky forward, was also a serious student.

Nowak never forgot being poor. Although he's now worth more than \$1 million, he's conservative, even frugal. And he always has been.

On his wedding day in 1965, Nowak planned to marry Rose Santa Lucia, a woman he met through the Young Democrats, in his best pair of well-worn shoes. "We went there to help him get ready," recalls Thomas Santa Lucia, Nowak's best man, and when they saw his feet, he told him, "You have to have new shoes."

It was too late to shop, so Santa Lucia called Burns Brothers, where Nowak once worked selling school jackets to college students. The new shoes were delivered just in time for the ceremony.

Politics just happened. After a stint in the Army during the Berlin crisis, Nowak graduated from the University at Buffalo Law School.

He joined a downtown law firm with George M. Martin, a former Canisius alumni director who was active in Buffalo's Democratic politics. It was a heady time for Democrats—they were the underdogs countywide. When Michael F. Dillon won the district attorney's office in 1963, Nowak was among the young Democratic lawyers chosen to become assistant DAs. And he served as a confidential law clerk for Supreme Court Justice Arthur J. Cosgrove before making his first political run in 1965.

Martin suggested to newly elected party chairman Joseph Crangle that they run Nowak as the county comptroller candidate. No one else would make the sacrificial run. "We had to have some fresh blood brought into that office, and a person like Hank Nowak made a lot of sense," recalls Crangle, a former Canisius cheerleader.

In Nowak, Crangle had a young, smart athlete with a Polish last name known throughout Erie County—a perfect combination to balance the party ticket and to challenge the entrenched Republican, Clinton C. "Bud" Couhig.

"There was no one helping him," recalls Nowak's campaign manager and soon-to-be brother-in-law, Thomas Santa Lucia, who had worked with Nowak on his own unsuccessful county clerk race. All eyes were on the mayoral race, in which popular former mayor Frank A. Sedita was facing a three-way primary. On election night, Nowak's tiny group of campaigners huddled in a small hotel room, beer chilling in the bathtub.

His campaign slogan was, "A AAA candidate for a AAA job," touting his assets as an attorney, athlete and accountant.

"No one thought he would win," recalls Plummer, who campaigned with Nowak among the city's black voters. He took him to a beer blast where Nowak was invited to address a crowd of some 200. "He was a neo-

phyte. He was stiff. He didn't know how to talk. He wasn't a politician. The other politicians had been around. But Nowak had just a few words and that was it."

On Election Day, Nowak won by just over 10,000 votes.

Since then, Nowak has owned Election Day. His predecessor in Congress, Thaddeus J. Dulski, resigned after the primary deadline and the seat went to Nowak. He has easily won re-election eight times to the most Democratic district in upstate New York.

In Washington, Nowak's focus is Buffalo and everyone knows it. "Buffalo to me is the client I represent in Congress," says Nowak.

"He's always got Buffalo on his mind and his agenda," says Jack Kemp. When he was in Congress, he and Nowak disagreed on how to solve Buffalo's problems, but that didn't stop them from being friends. "A lot of Republicans criticize me for saying nice things about Henry, but certain things transcend politics."

Nowak's goal has always been to bring home federal dollars to improve how Buffalo looks, how it rides and how it grows. He also has staked out his claim as an environmentalist promoting the Great Lakes.

"I found out very quickly that if we didn't receive it, somebody else was going to receive it," said Nowak. "One sewer by itself doesn't turn anybody on. But it's the basic infrastructure that acts as a catalyst for all of the private development that comes after it."

Nowak's jewel is the Buffalo waterfront, where he dreams the city's rebirth will begin.

Visitors to his Washington office immediately get the message. His desk faces a huge black-and-white aerial photo of the Buffalo harbor.

As it begins detail for the outer harbor, the Horizons Waterfront Commission is starting with a proposal first made by Nowak in 1989 for an attraction that blends Great Lakes research, a public aquarium, a planetarium and a Great Lakes museum.

It's no surprise, then, that officials here and in Washington shudder at the prospect that Nowak may be thinking seriously of retirement.

"There's no possible way we can let Henry Nowak leave the House," says New York Sen. Daniel P. Moynihan. "The poor man is sentenced to re-election."

Nowak, who is 57, offers a characteristic shrug on the subject.

"I'm looking at the rest of my life at the same time," said Nowak. "I'm examining whether I want to continue this or have a different lifestyle or career." (He has ruled out running for office locally.)

Can Nowak possibly be ready to leave Buffalo's rebuilding to the next generation? Hard to tell. What's clear, though, is that he's pleased with what he has done and he enjoys making the system work for him.

There's more to Nowak's musings than a midlife crisis, however. He's also looking at redistricting (his district is not expected to be hurt) and the impact of 100 new members. He worries that if he waits two more years to leave, his successor will be behind in seniority to this huge freshman class.

Whatever his plans, Nowak keeps them close to the vest, saying, "It's going to be a personal decision based on a lot of factors."

Already he limits his time in Washington to several long days midweek, preferring both the Buffalo social scene and his Point Abino summer home to the Washington circuit. His schedule these days is opposite to what it was 11 years ago, when his wife—now

a Hunt Real Estate agent—and two children, Diane, now 25, and Henry Joseph, 23, lived in Bethesda, Md.

Even then, he reserved time for his family. "He really tried to keep politics and the family separate," said Mrs. Nowak. "That's why we felt it was a job and not an all-encompassing thing."

Young Hank, a second-year law student at the University of Buffalo, chuckles to think that his friends envied him for his insider's information on current affairs. But his father rarely brought politics home to dinner. "When he got home it would be: 'How was baseball practice? What did you learn today?'"

"He's never let me down," said Diane, a practicing attorney. "That ranges from being in grade school and needing materials for a paper to making a vacation possible."

His wife, Rose, says he likes to spend his free time reading or, in the summer, playing tennis or golf. "He doesn't have to have a lot of people around him."

If it's influence he wants, Nowak has it in Washington.

It flows from his position as fifth ranking Democrat on Public Works and since 1987, chairman of the Subcommittee on Water Resources. This year, Nowak's subcommittee will hold hearings and possibly pass a water resources bill, legislation approving up to 25 water projects nationwide and a clean water bill, a national policy legislation.

James F. Schmidt, a boyhood friend who has worked with Nowak for almost 30 years, sees it like this: "He's established IOUs over 18 years. He's done a lot of favors for people and he's put those IOUs in his pocket."

Nowak is known for conducting thorough hearings that let everyone have his say, but he's still untested on controversial issues such as the ongoing clash over the wetlands. While he pushes compromise and consensus, the sides are far apart and many wonder if Nowak will be able to control the issue.

"This will be the toughest issue for his committee, and a place we'll be watching with concern and hopefulness for him to exert environmental leadership," said Jessica Landman, senior attorney with the Natural Resources Defense Council, a 170,000-member national environmental group.

Nowak's power also comes from having another New Yorker, Moynihan, as chairman of the companion committee in the Senate. "This is the first time in a generation that we've had New Yorkers in public works on either side," said Moynihan.

The positioning helps, but it doesn't mean automatic approval. Moynihan couldn't help Nowak much on a 5-cent gas tax increase backed by Nowak's committee but objected to by the Senate and the House majority. Nowak's committee was out on a limb favoring the tax as the best way to pump monies into public works, including millions more for Buffalo. They eventually pulled back the bill and rewrote it for lower amounts.

Critics say he's too focused on public works at the expense of other policy issues.

Among his most controversial stands is his pro-life voting record, including a 1983 vote against the Equal Rights Amendment because he saw it as helping abortion. Yet he's not very vocal about being pro-life. He votes against federal funding for abortions and supported Bush on the so-called gag rule prohibiting workers at federally funded clinics from telling a woman about abortion. When he's pressed, Nowak says there are other ways to fund abortions and federal funding is the only issue he has to vote on. He won't talk about his personal feelings.

Conservative groups like to lump him among the big spenders because of his public works bills.

Nowak lets the pork label roll off. Pork is when it's someone else's district, not his own.

While Nowak wins kudos for what he does with his committee assignments, the public rarely sees what happens behind the scenes. "Henry Nowak is the consummate insider player," observed Boehlert, the Utica Republican who serves with Nowak on Public Works.

"He's crazy about it," said brother Norman. "He enjoys the committee work, the sense of accomplishment. He enjoys making it work. He was so tickled getting that last (transportation) bill through."

Nowak says his strategy is "to be prepared—to put yourself in the other person's position. What would convince you if you were in their position?" He adds, "You really learn more by listening than you do by talking, especially if you need something."

Nowak's staffers in Washington and Buffalo arm him regularly with the detailed memos that allow him to finalize talks. His forte is his negotiating skill. Most of the time, his opponents don't know what he has done to them.

Notre Dame knows how that feels. Schmidt still remembers Canisius' fabulous 94-89 1957 win over Notre Dame in double overtime with Nowak making key shots. "He just smiled, and I knew he was happy," said Schmidt, who went to Riverside and Canisius with Nowak and shares a unique closeness with him.

"We complemented each other," said Schmidt. "He was good in accounting and I was good in English, history and theology. (Homework) was a great team effort."

The effort continues with Schmidt acting as detail man for Nowak, getting him to the airport on time, representing him at Buffalo events, solving countless constituency problems and running his limited fund-raising and reelection campaigns.

With no re-election worries, Nowak has been free to concentrate on strategy for Buffalo projects.

"He's got a mind like a computer," said Schmidt. "He has things planted back there and he's waiting for these things to strike."

Like the time early in his congressional terms when Nowak found himself chatting at a reception with Wilmer "Vinegar Bend" Mizell, a star St. Louis Cardinals pitcher and former congressman from North Carolina who had become a deputy commerce secretary.

Mizell had heard of "Hammerin' Hank," who had turned down an offer to play for the St. Louis Hawks so he could go to law school. When Nowak got Mizell's ear, he didn't hesitate to tell him, "One of the things I'd like to do is get the waterfront started." Mizell got him \$500,000 that turned mounds of dirt on Erie Street into a small park.

Water holds a special magic for Nowak, who first learned fishing at the towpath along the Black Rock Channel and Delaware Park. "He just likes the quiet moments away from the pressure and everything," says Norman Nowak.

"It was a great existence," said Nowak, recalling his boyhood. His days were filled with basketball, fishing and swimming either in the nearby river, the local pool or his uncle's Swormville farm pond. "We'd milk cows, swim and fish."

From his days fishing with Schmidt along the old Bird Island pier, Nowak knew how

easily fishermen slipped off the rocks and drowned in the rushing river waters.

About 10 years ago on Palm Sunday, Nowak hosted a visit to the pier by Robert Dawson, and assistant Army secretary. After climbing the rocks, Dawson got the point. He agreed to the \$3.5 million rehabilitation project.

At last, Nowak could help the old neighborhood. In many ways he's still at it, turning dreams into reality. If Baltimore can turn its harbor into a mecca for tourists and playground for residents, Buffalo can, too, says Nowak. "And they look out on an industrial area. We can look off into a great Canadian sunset."

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

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

The legislative clerk proceeded to call the roll.

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

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

Ms. MIKULSKI. Mr. President, I ask unanimous consent to proceed as in morning business.

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

PRESIDENT BUSH'S MESSAGE ON THE TAX BILL

Ms. MIKULSKI. Mr. President, I want to take this opportunity to address the Senate, and others who might be watching these proceedings, on the President's message to Congress last Friday, and also how that relates to the peace dividend.

Mr. President, I was very concerned about the President's veto of the tax break bill, which I know the occupant of the Chair worked on, and I know its consequences for housing in this country, as well as his rescission message.

Mr. President, last Friday, when the President vetoed the tax break message, he essentially eliminated an idea of his own to provide a \$5,000 tax credit to be able to purchase housing. He eliminated the opportunity for there to be a flexible IRA which, again, would have provided opportunities for first-time home ownership. These were a series of actions he took that will really impede the ability of the middle class to have access to home ownership, particularly for that young first-time homeowner.

More seriously and also simultaneously, equally as seriously, he rescinded a whole series of legislative line items which he called quirks and which he trivialized. Well, some of them might be subject to ridicule, but I will tell you one that is not, Mr. President. He rescinded a half-billion dollars for the construction of new public housing.

That is regrettable. Because what would that buy? First of all, Mr. President, it would buy jobs—jobs today in

the construction industry, men and women out there building public housing to provide an opportunity structure for the working poor.

The fact that he rescinded a half billion dollars in that HUD appropriations account I find shocking, because that half a billion dollars would mean construction jobs, new public housing, which would help the working poor. In my own hometown of Baltimore, we have 30,000 families on the waiting list for public housing. No new public housing has been built for more than a decade and a half. Thirty-thousand people—many of them are working poor—who get up every day, go to work, perform their duties and earn the minimum wage, and in this country, a minimum wage at a full-time job can still mean poverty. That half billion dollars would have provided them an opportunity to live in Government-sponsored housing until they could move farther on up.

Mr. President, I have spoken before about public housing. I do not believe it should be a way of life, but I believe it should be a way to a better life, as people move up the opportunity structure and better themselves.

So I regret that the President chose, through both his veto of the tax break bill passed by this Congress, as well as rescinding the half billion dollars on public housing construction, to really set back jobs today in the construction industry, as well as the opportunities for the working poor to begin to move up, and to move out, and to show that hard work does mean something.

Mr. President, I know these are tough budget times, and we have to make tough decisions. I agree with that. But, Mr. President, we are going to have a time in the next few days in which we are going to be voting on the budget. We have to decide whether we are going to give the United States of America a peace dividend, how we will essentially remove the firewall now that will prevent cuts in defense and drawdowns in defense being prudently transferred to the domestic spending area.

I know that you and I share with joint enthusiasm the end of imperial communism, the end of the cold war, but the end of the cold war should not mean a continued big chill on our domestic needs. We hope that we would draw down defense in a prudent way that would leave us still with a strong military infrastructure, where we can follow a risk-based strategy, have the ability to respond, follow the doctrine of flexible response and not hollow out our defense industry. However, we can draw down and transfer to our domestic economy and still maintain a ready resolve in the event that somewhere in the world we have to respond 911.

The consequences for the budget subcommittee that I chair, the Appropriation Subcommittee on Veterans, Hous-

ing, Space, the Environment, and the National Science Foundation, have dire consequences if we do not take down the firewall and take to garnering and canceling the Stealth bomber and other unneeded weapons in the cold war. What this means is the current allocation that could be available, we might have to shrink veterans' medical care, shrink veterans' medical care in terms of both hospital staff, nursing personnel, the availability of medical equipment, and prosthetic devices. That is one option that has been presented to this Appropriations Committee.

We reject unilaterally any cuts in veterans' health care. So then where must I go to garner the cuts? Mr. President, I regret that I must have to look to those very areas that could generate jobs today and jobs tomorrow. That is in space, environment, and the National Science Foundation. Those three agencies offer a cornucopia of opportunity to do the type of research and development that could lead to jobs today and jobs tomorrow, because this is the very research to find out the new ideas that lead to the new products, which leads to new jobs.

I know that the Presiding Officer really is an advocate of jobs right here in the domestic program. He has been outspoken in not wanting jobs to be in a fast track to Mexico or in a slow boat to China. He has spoken eloquently on that matter.

Yet, I believe that the Presiding Officer knows that we must have products that we can sell in the global economy. Well, what are they going to be? Yes, agricultural products. Yes, entertainment products, which are the envy of and what the world wants. But I want to make sure we have scientific products, engineering products, things that the world needs that will make it safer and better, and the ability to offer pharmaceuticals that perhaps are the cure for cancer, AIDS, or for Alzheimer's.

Those solutions lie in our domestic scientific spending. I will tell you, if the firewalls do not come down, we might have to shrink or even cancel the space station. We will have to think and severely handicap our mission to planet Earth, in which we will go out and study what appears to be the only intelligence in the universe—that is our own planet. By looking at ourselves, it will yield tremendous environmental information. And also the new technologies to even take a look at us are the very kinds that could be used—radiology equipment at our major high-technology hospitals.

When we look at the National Science Foundation, which is the agency that funds individual scientific pursuits and research that leads to those new products, we might have to eliminate as many as 2,000 grants. What does that mean? People say what is sci-

entific research? Somebody might have to hang up a lab coat. It does not quite work that way.

The University of Wisconsin received grants many years ago, and they found vitamin C. They did other types of research that have yielded untold amounts of medical information. The National Science Foundation, right now, is working on new opportunities to improve manufacturing and engineering, as well as developing new models for science education.

Mr. President, that is what the peace dividend is supposed to be, that we deal with the new security threat to the United States of America, that we would lose out on jobs in the future.

I would hope those walls could come down. I want the United States of America to be No. 1 in science, in engineering, and in technology. I believe we can do it.

Mr. President, you know that we are only 8 years from the year 2000. A new century is coming. A new economy is being born. If the United States of America must continue and can continue to lead the way, the walls must come down and we must make productive investments that generate jobs today and jobs tomorrow. And I hope that my discussion here today enlightens Senators of the consequences that if we do not give ourselves a peace dividend we might seriously harm the future of this country well into the next century.

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

The PRESIDING OFFICER (Mr. WOFFORD). The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

MONTANA NATIONAL FOREST MANAGEMENT ACT

MOTION TO PROCEED

CLOTURE MOTION

Mr. MITCHELL. Mr. President, I move to proceed to the consideration of Calendar No. 385, S. 1696, a bill to designate certain lands in Montana as wilderness, and I send to the desk a cloture motion on this motion to proceed.

The PRESIDING OFFICER. The clerk will report the cloture motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the motion to proceed to S. 1696, the Montana Wilderness bill:

George Mitchell, Claiborne Pell, Wyche Fowler, Tom Daschle, E. Hollings, J. Bennett Johnston, Paul Simon, Kent Conrad, Wendell Ford, Daniel K. Akaka, Jay Rockefeller, Max Baucus, David Pryor, Dale Bumpers, Dennis DeConcini, Harry Reid, Conrad Burns.

Mr. MITCHELL. Mr. President, I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

UNANIMOUS-CONSENT AGREEMENT—S. 1696

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Thursday, March 26, following the conclusion of morning business, there be 2 hours of debate on the motion to invoke cloture on the motion to proceed to S. 1696, with the time equally divided and controlled between Senators JOHNSTON and LEAHY or their designees; that when the time is used or yielded back, the Senate, without intervening action or debate, vote on the motion to invoke cloture on the motion to proceed to S. 1696; that if cloture is invoked on the motion to proceed, the motion be agreed to without any intervening action or debate; and that all amendments must be offered to and be germane to the committee-reported substitute to this bill.

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

REMOVAL OF INJUNCTION OF SECRECY—TREATY WITH SRI LANKA CONCERNING THE ENCOURAGEMENT AND RECIPROCAL PROTECTION OF INVESTMENT (TREATY DOCUMENT NO. 102-25)

Mr. MITCHELL. Mr. President, as in executive session I ask unanimous consent that the injunction of secrecy be removed from the Treaty with Sri Lanka Concerning the Encouragement and Reciprocal Protection of Investment (Treaty Document No. 102-25), transmitted to the Senate today by the President; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

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

The message of the President follows:
To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the United States of America

and the Democratic Socialist Republic of Sri Lanka Concerning the Encouragement and Reciprocal Protection of Investment, with Protocol and a related exchange of letters, signed at Colombo on September 20, 1991. I transmit also, for the information of the Senate, the report of the Department of State with respect to this treaty.

The treaty is an integral part of U.S. efforts to encourage Sri Lanka and the governments of other developing countries to adopt macroeconomic and structural policies that will promote economic growth. The treaty is fully consistent with U.S. policy toward international investment. According to that policy, an open international investment system in which participants respond to market forces provides the best and most efficient mechanism to promote global economic development. A specific tenet, reflected in this treaty, is that U.S. investment abroad and foreign investment in the United States should receive fair, equitable, and nondiscriminatory treatment. Under this treaty, the Parties also agree to international law standards for expropriation and compensation; free transfer of funds associated with investments; and the option of the investor to resolve disputes with the host government through international arbitration.

I recommend that the Senate consider this treaty as soon as possible and give its advice and consent to ratification of the treaty, with protocol and exchange of letters, at an early date.

GEORGE BUSH.

THE WHITE HOUSE, March 24, 1992.

EXECUTIVE SESSION

NOMINATION OF CARL J. KUNASEK TO BE COMMISSIONER ON NAVAJO AND HOPI RELOCATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination: Calendar No. 545, Carl J. Kunasek, to be Commissioner on Navajo and Hopi Relocation; I further ask unanimous consent that the Senate proceed to immediate consideration of the nomination; that the nominee be confirmed; that any statements appear in the RECORD as if read; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action; and that the Senate return to legislative session.

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

The nomination considered and confirmed is as follows:

NAVAJO AND HOPI INDIAN RELOCATION

Carl J. Kunasek, of Arizona, to be Commissioner on Navajo and Hopi Relocation, Office of Navajo and Hopi Indian Relocation.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session.

RELATING TO THE CONSTRUCTION OF ADDITIONAL COURT SPACE IN BROOKLYN, NY, AND TO MAKE A TECHNICAL CORRECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2398, a bill to clarify the provisions relating to the construction of additional court space in Brooklyn, NY, introduced earlier today by Senator MOYNIHAN; that the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; and that statements with respect to passage of this bill be printed at the appropriate place in the RECORD.

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

So the bill (S. 2398) was deemed read the third time and passed, as follows:

S. 2398

SECTION 1. CLARIFICATION OF PROVISIONS RELATING TO THE CONSTRUCTION OF ADDITIONAL COURT SPACE IN BROOKLYN, NEW YORK.

(a) The obligation authority authorized by section 1095 of the Intermodal Surface Transportation Efficiency Act of 1991 shall not be treated as obligation authority established under the Act for purposes of section 1004 of such Act. Any reduction in obligation authority authorized in the Intermodal Surface Transportation Efficiency Act of 1991 resulting from the enactment of section 1095 is restored.

(b) Section 1095 of the Intermodal Surface Transportation Efficiency Act of 1991 is amended in the first sentence by inserting "subject to appropriations," after "is authorized".

Mr. MITCHELL. Mr. President, I ask that the bill be read for the second time.

Mr. BURNS. Mr. President, I object.
The PRESIDING OFFICER. Objection is heard. The bill will lay over for 1 legislative day.

BILL READ THE FIRST TIME—S.

2399

Mr. MITCHELL. Mr. President, on behalf of Senators SASSER, BYRD, MITCHELL, BENTSEN, and others, I ask that S. 2399, introduced earlier today, be read for the first time.

The PRESIDING OFFICER. The clerk will read the bill by title for the first time.

The assistant legislative clerk read as follows:

A bill (S. 2399), to allow rational choice between defense and domestic discretionary spending.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to

the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty which were referred to the appropriate committees.

(The nominations and treaty received today are printed at the end of the Senate proceedings.)

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 120

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 121

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.3 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details

of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 122

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.5 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 123

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.5 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 124

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2.7 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 125

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 126

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the

Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$3.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 127

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 128

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details

of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 129

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 130

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 131

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 132

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$39 thousand in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 133

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the

Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 134

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 135

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$49 thousand in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details

of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 136

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 137

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 138

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 139

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 140

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the

Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 141

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$46 thousand in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 142

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details

of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 143

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 144

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 145

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 146

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 147

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the

Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.6 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 148

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 149

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.5 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details

of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 150

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2,955.3 million in budgetary resources.

The proposed rescissions affect the Department of Defense. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 151

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$547.7 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 152

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 153

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 154

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to

the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 155

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 156

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act

of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 157

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.2 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 158

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 159

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.3 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 160

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$3.9 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 161

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 162

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 163

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to

the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 164

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 165

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act

of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 166

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 167

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 168

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 169

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.5 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 170

Under the authority of the order of the Senate of January 3, 1991, the Sec-

retary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.7 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 171

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.0 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 172

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to

the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 173

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Department of Housing and Urban Development. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 174

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act

of 1974, I herewith report one rescission proposal, totaling \$3.4 million in budgetary resources.

The proposed rescission affects the National Aeronautics and Space Administration. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 175

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.8 million in budgetary resources.

The proposed rescission affects the National Aeronautics and Space Administration. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 176

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$8.6 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 177

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$7.7 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 178

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$2.0 million in budgetary resources.

The proposed rescission affects the Department of the Interior. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 179

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992,

during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$3.0 million in budgetary resources.

The proposed rescission affects the Corps of Engineers. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 180

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.4 million in budgetary resources.

The proposed rescission affects the Corps of Engineers. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 181

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.3 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 182

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.4 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 183

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 184

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$1.5 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 185

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$20.0 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 186

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992,

during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Environment and Public Works:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.1 million in budgetary resources.

The proposed rescission affects the Environmental Protection Agency. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

REPORT ON RESCISSION OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 187

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report one rescission proposal, totaling \$0.2 million in budgetary resources.

The proposed rescission affects the Department of Agriculture. The details of this rescission proposal are contained in the attached report.

GEORGE BUSH.

THE WHITE HOUSE, March 20, 1992.

ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 188

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

In 1991 two events set the stage for a new era in history: the West won the Cold War and the United States led a U.N. coalition to roll back aggression

in the Middle East. Both watershed events demonstrated the power of sustained international cooperation in pursuit of just and moral causes. They underscored the need for U.S. leadership in a complex, interdependent world.

Historic changes are also occurring in the relationship between humanity and the environment. We increasingly recognize that environmental improvement promotes peace and prosperity, while environmental degradation can cause political conflict and economic stagnation. We see that environmental protection requires international commitment and strategic American leadership in yet another just and moral cause.

MERGING ECONOMIC AND ENVIRONMENTAL GOALS

As I often have stated, we can have both economic growth and a cleaner, safer environment. Indeed, the two can be mutually supportive. Sound policies provide both.

My environmental strategy seeks to merge economic and environmental goals. For example, boosting two engines of economic growth—technological change and international trade—can also provide benefits for the environment. Likewise, regulatory approaches that emphasize economic efficiency can help lower the costs of securing greater environmental quality. The following examples are illustrative:

Investments in Technology: My Administration has invested aggressively in key areas of research and development that will boost productivity and economic performance. Several technologies heralded primarily for their benefit to economic growth and competitiveness, such as advanced materials, high performance computing, electric batteries, and biotechnology, also have valuable environmental applications. Increasing investments in basic environmental research will enable policymakers to devise more informed, effective, and efficient policies.

International Trade: In negotiations on the General Agreement on Tariffs and Trade [GATT], the United States calls on other nations to reduce farm subsidies, which harm competitive farm exports and contribute to environmental degradation. In parallel with negotiations toward a North American Free Trade Agreement [NAFTA], the United States and Mexico are expanding environmental cooperation. A free trade agreement would lead to stronger growth in both countries and provide increased financial resources for environmental protection.

Economically Efficient Regulations: Our Clean Air Act initiatives spur utility energy efficiency through innovative tradable sulfur emission allowances and an overall cap on emissions. Restraining electricity demand cuts emis-

sions of carbon dioxide and acid rain precursors, lowers energy bills for homeowners and businesses, and limits the need for new powerplant construction.

THE GLOBAL ENVIRONMENT AND DEVELOPMENT

Robust economic growth is needed to meet the needs and aspirations of the world's peoples. At the same time, the nations of the world must ensure that economic development does not place untenable burdens on the Earth's environment.

My Administration has been working with business leaders, environmentalists, scientists, and the governments of other countries to develop more effective, efficient, and comprehensive approaches to global economic and environmental issues. Preparations for the United Nations Conference on Environment and Development [UNCED or Earth Summit], which convenes this June in Rio de Janeiro, Brazil, have accelerated this process.

My priorities for this historic conference are as follows:

- Sign a satisfactory global framework convention on climate change;
- Agree on initial steps leading to a global framework convention on the conservation and management of all the world's forests;
- Improve U.N. environmental and developmental agencies as well as the Global Environment Facility (GEF), which provides financial assistance to developing nations in meeting the costs of gaining global environmental benefits;
- Launch an action program to conserve biodiversity and, if possible, sign a satisfactory global framework convention on biodiversity;
- Agree on a strategy and expand efforts to improve the condition of oceans and seas; and
- Adopt a strategy and initiatives to promote technology cooperation in a free market context.

Climate Change: On behalf of the United States, I hope to sign by June 1992 a global framework convention that will commit as many nations as possible to the timely development of comprehensive national climate action plans. Such plans would commit nations to a process of continuous improvement, addressing sources and reservoirs of all greenhouse gases as well as adaptation measures. Parties to the convention would compare their action programs on a regular basis and revise them as necessary.

By producing specific, comprehensive environmental commitments that fit each nation's particular circumstances, this approach is preferable on environmental and economic grounds to the carbon-dioxide-only proposals that others have espoused. The United States will continue to restrain or reduce its net carbon dioxide emissions by improving energy efficiency, developing cleaner energy sources, and planting

billions of trees in this decade. But an exclusive focus on targets and timetables for carbon dioxide emissions is inadequate to address the complex dynamics of climate change.

Forests and Biodiversity: The nations of the world need to do a better job of studying and conserving the diversity of life on Earth. Nations also need to work together to improve the management and protection of all the world's forests. For these reasons, I am renewing my call for a global framework convention on the management and conservation of forests and restating the U.S. hope that UNCED will be the occasion for making progress toward such a convention. I am also hopeful that a convention on the conservation of biodiversity may be signed at UNCED.

Institutional Reform and Funding: Member nations need to coordinate U.N. structures and make them more efficient and effective in meeting UNCED goals. I related priority is to continue development of the World Bank's Global Environment Facility (GEF). The GEF should become the principal vehicle for assisting developing nations with the incremental costs of gaining global environmental benefits under new international agreements.

Oceans: Coastal and estuarine areas include some of the most diverse and productive ecosystems on Earth. Increasing population and development are stressing these areas, particularly in nations that lack effective programs to protect and manage marine resources. The United States urges UNCED parties to adopt a set of principles and an action plan to address such issues as the status of living marine resources, coastal zone management, ocean monitoring, and land-based sources of marine pollution.

Technology: The UNCED participants should adopt a strategy and initiatives to promote market-based environmental technology cooperation with developing nations. In some cases, the transfer of environmentally preferable technologies results from official foreign assistance. However, in the vast majority of cases it occurs as the result of private sector activities such as direct foreign investment, joint ventures, licensing, exports, and professional training. Thus the rule of governments and international institutions should be to foster the market conditions that accelerate private sector activity in the growing global market for environmental goods and services.

THE DOMESTIC ENVIRONMENT

In the midst of increased attention to global environmental issues, the United States in the last 3 years has enacted and begun to implement sweeping environmental reforms. We will continue to take action predicated on sound science and efficient solutions.

State and local governments, businesses, community groups, and individual citizens must also play a part.

A number of items on the environmental agenda, including reauthorization of the Clean Water Act, the Resource Conservation and Recovery Act, and the Endangered Species Act, require a thorough, judicious review with an eye toward the long term. Wherever possible, such legislation should encourage economically sensible, market-based mechanisms. Quick-fix actions will not be in the best interest of the environment or of our economy.

The Congress should make a significant contribution to economic growth and the environment by taking the following steps during this session:

- Enact balanced national energy legislation, providing equal measures of new conservation and production;
- As requested in my budget, provide increased funds to a number of key environmental and natural resources programs; and
- Establish a U.S. Department of the Environment.

National Energy Legislation: In the year that has passed since I proposed a National Energy Strategy (NES) providing equal measures of new energy conservation and production, the Administration has moved to implement more than 90 NES initiatives that do not require legislative action. The Congress has followed through by increasing funding for an array of research and development initiatives. Now, in addition to these measures, the Congress needs to complete action on comprehensive national energy legislation.

Environmental and Natural Resources Budget: Within the context of initiatives to tighten Federal budget discipline, my proposed budget for fiscal 1993 reflects my continuing belief that we should increase national investments in key environmental and natural resources programs. Among my priorities are the following:

- \$1.85 billion (a 17-percent increase over fiscal 1992) for the America the Beautiful program, including acquisition of key park, forest, refuge, and other public lands; my program to encourage public participation in the planting of one billion trees per year; a partnership with the States to create state parks and recreation facilities; and projects to improve environmental infrastructure and recreational opportunities on the public lands;
- A record \$5.5 billion (a 26-percent increase over fiscal 1992) for the cleanup of Department of Energy facilities involved in nuclear weapons manufacture;
- \$201 million (almost double the fiscal 1992 level) for U.S.-Mexico border region cleanup, consistent with the Environmental Action Plan I presented to the Congress last year in support of the proposed North American Free Trade Agreement;

—Almost \$1 billion for energy research and development, including over \$350 million for conservation research and development (more than double the fiscal 1989 level) and \$162.4 million (a 47-percent increase over fiscal 1992) for transportation programs such as development of electric automotive batteries and the purchase of 5,000 alternative-fuel vehicles;

—\$812 million (a 35-percent increase over fiscal 1992) for wetlands research, acquisition, restoration, and enhancement, achieving a 175-percent increase over fiscal 1989 levels;

—For the second year in a row, \$340 million for accelerated construction of sewage treatment facilities in six coastal cities that currently have inadequate treatment facilities;

—\$7 million (a 46-percent increase over fiscal 1992) for the designation and management of National Marine Sanctuaries;

—\$229 million (a 22-percent increase over fiscal 1992) for implementation of the 1990 Clean Air Act;

—\$1.75 billion (an 8-percent increase over fiscal 1992) for cleanup of Superfund toxic waste sites; and

—\$1.37 billion (a 24-percent increase over fiscal 1992) for further expansion of the world's largest global climate change research program.

U.S. Department of the Environment: Considering the scope and importance of responsibilities conferred upon the Environmental Protection Agency (EPA), I announced my support in 1990 for legislative efforts to elevate EPA to Cabinet status. The Congressional leadership has responded with controversial, extraneous amendments and parliamentary delays. This legislation should not be held hostage any longer. Once again, I call on the Congress to elevate EPA to Cabinet status and make it the U.S. Department of the Environment.

A NATIONAL COMMITMENT

There is a growing commitment from all segments of society to improve the environment. A key element of my environmental strategy is encouraging private companies and organizations to work with each other and with government to deliver conservation benefits that go far beyond what government acting alone could provide.

In July 1991 I named leaders of business, environmental, recreational, educational, and philanthropic organizations to serve as members of the President's Commission on Environmental Quality (PCEQ). I have challenged this Commission to develop and implement an action agenda to improve the environment through voluntary private sector activities that meet the test of economic efficiency.

I also established a Presidential medal for environment and conserva-

tion achievement and had the honor of presenting medals to an outstanding group of Americans last October. This program rewards private initiative in service to the environment in a manner equivalent to long-standing Presidential recognition of excellence in the arts, humanities, sciences, and world affairs.

We have encouraged additional private sector initiatives through such ground-breaking efforts as the "Green Lights" energy efficiency project, the "33-50" toxic emission reduction program, the U.S. Advanced Battery Consortium to support development of electric vehicles, and land management partnerships between conservation groups and the Departments of Defense, Agriculture, and the Interior.

FREEDOM'S FULL MEANING

As more people around the world join the democratic family and reach for their God-given rights and aspirations, we Americans who have led the way for over 200 years will continue to bear a responsibility to give freedom its full meaning, including freedom from want and freedom from an unsafe environment.

The Cold War was a stark test of the global community's faith in these ideals. We passed that test.

The deadlock in negotiations for improved international trade rules is another challenge to the principles that have drawn the world closer together in the last half century. We must not fail that test.

These struggles for national security and economic growth are now joined by environmental concerns such as deforestation and potential climate change, which also have profound long-term implications. The year ahead will test our ability to redefine the relationship between humanity and the environment—and in so doing, to secure a greater peace and prosperity for generations to come. We must not fail that test.

GEORGE BUSH.

THE WHITE HOUSE, March 24, 1992.

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

ENROLLED BILL SIGNED

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on March 20, 1992, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 4210. An Act to amend the Internal Revenue Code of 1986 to provide incentives for increased economic growth and to provide tax relief for families.

Under the authority of the order of the Senate of January 3, 1991, the enrolled bill was signed on March 20, 1992, during the recess of the Senate, by the

President pro tempore [Mr. BYRD].

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 2:33 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 272. Joint resolution to proclaim March 20, 1992, as "National Agriculture Day."

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

At 5:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the bill (H.R. 1306) to amend title V of the Public Health Service Act to revise and extend certain programs, to restructure the Alcohol, Drug Abuse and Mental Health Administration, and for other purposes, with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. DINGELL, Mr. WAXMAN, Mr. ROWLAND, Mr. LENT, and Mr. BLILEY as managers of the conference on the part of the House.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 2185. A bill to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met;

S. 2199. A bill to provide for the protection of Haitian nations with a well-founded fear of persecution, to provide for the orderly return of those Haitian nationals without such a fear, and to discourage the departure by boat of those Haitians who are unlikely to qualify for refugee status;

S. 2246. A bill to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met; and

H.R. 3844. An Act to assure the protection of certain Haitians in the custody of the United States, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

Exec. 95-2. International Covenant on Civil and Political Rights (Exec. Rept. No. 102-23).

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. LEAHY (for himself and Mr. DOLE):

S. 2387. A bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children (WIC) and of Head Start programs, to expand the Job Corps program, and for other purposes; to the Committee on Appropriations.

By Mr. MCCAIN (for himself, Mr. MCCONNELL, and Mr. ROBB):

S. 2388. A bill to provide for a Democracy Corps to mobilize and coordinate the expertise and resources of United States citizens in providing targeted assistance to support the development of democratic institutions and free market economies in the former Soviet republics and the Baltic states; to the Committee on Foreign Relations.

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

S. 2389. A bill to extend until January 1, 1999, the existing suspension of duty on Tamoxifen citrate; to the Committee on Finance.

By Mr. PACKWOOD (by request):

S. 2390. A bill to amend the Harmonized Tariff Schedule of the United States provisions implementing Annex D of the Nairobi Protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Finance.

By Mr. MURKOWSKI:

S. 2391. A bill to amend the Marine Mammal Protection Act to make improvements in the regulation of the importation of certain native articles of handicrafts and clothing; to the Committee on Commerce, Science, and Transportation.

By Mr. REID (for himself, Mr. BRYAN, Mr. GARN, Mr. HATCH, and Mr. CRAIG):

S. 2392. A bill to establish a right-of-way corridor for electric power transmission lines in the Sunrise Mountain in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WALLOP (by request):

S. 2393. A bill to designate certain lands in the State of California as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HARKIN (for himself, Mr. BURDICK, and Mr. PRYOR):

S. 2394. A bill to amend title XVIII of the Social Security Act and title III of the Public Health Service Act to protect and improve the availability and quality of health care in rural areas; to the Committee on Finance.

By Mr. BAUCUS:

S. 2395. A bill to increase the competitiveness of the United States automotive industry by requiring United States automotive manufacturers to make certain improvements in quality and efficiency and by requiring the President to negotiate a trade agreement with Japan limiting Japanese automotive exports to the United States; to the Committee on Finance.

By Mr. LIEBERMAN (for himself and Mr. LEVIN):

S. 2396. A bill to establish the Manufacturing and Industrial Research Foundation for the Eurasian Republics, and for other purposes; to the Committee on Foreign Relations.

By Mr. WIRTH (for himself and Mr. BROWN):

S. 2397. A bill to expand the boundaries of Yucca House National Monument in Colo-

rado, to authorize the acquisition of certain lands within the boundaries, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 2398. A bill to clarify the provisions relating to the construction of additional court space in Brooklyn, New York, and to make a technical correction; considered and passed.

By Mr. SASSER (for himself, Mr. BYRD, Mr. MITCHELL, Mr. BENTSEN, Mr. SIMON, Mr. SARBANES, Mr. FORD, Mr. BIDEN, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. PELL, Mr. RIEGLE, Mr. LAUTENBERG, Mr. SANFORD, Mr. WIRTH, Mr. FOWLER, Mr. CONRAD, Mr. DECONCINI, Mr. HARKIN, Mr. REID, Mr. ADAMS, Mr. KERREY, Mr. AKAKA, Mr. BREAUX, Mr. DASCHLE, Mr. DIXON, Mr. KERRY, Mr. KOHL, Mr. METZENBAUM, Mr. PRYOR, Mr. ROCKEFELLER, Mr. WELLSTONE, Mr. WOFFORD, Mr. HATFIELD, Mr. BAUCUS, Mr. BRADLEY, Mr. BRYAN, Mr. GRAHAM, Mr. MIKULSKI, Mr. MOYNIHAN, Mr. LEVIN, Mr. GLENN, Mr. BINGAMAN, and Mr. BOREN):

S. 2399. A bill to allow rational choice between defense and domestic discretionary spending; placed on the calendar.

By Mr. PRYOR (for himself, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, and Mr. HARKIN):

S. 2400. A bill to amend title XVIII of the Social Security Act to extend special payments under part A of medicare for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries; to the Committee on Finance.

By Mr. GORE:

S. 2401. A bill to provide for the formation of an endowed, nongovernmental, nonprofit foundation to encourage and fund collaborative research and development projects between the United States and Russia, Ukraine, Belarus, and other democratic republics emerging from the former Soviet Union; to the Committee on Foreign Relations.

By Mr. GARN (for himself and Mr. MOYNIHAN):

S.J. Res. 275. A joint resolution providing for the appointment of Wesley Samuel Williams, Jr. as a citizen regent of Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

By Mr. ADAMS (for himself, Mr. AKAKA, Mr. CRANSTON, Mr. COATS, Mr. COCHRAN, Mr. DOLE, Mr. DODD, Mr. HEFLIN, Mr. KENNEDY, Mr. METZENBAUM, Mr. PELL, Mr. PRESSLER, Mr. REID, Mr. WELLSTONE, Mr. LAUTENBERG, and Mrs. KASSEBAUM):

S.J. Res. 276. A joint resolution to designate May, 1992, as "Older Americans Month"; to the Committee on the Judiciary.

By Mr. D'AMATO:

S.J. Res. 277. A joint resolution to designate May 13, 1992, as "Irish Brigade Day"; to the Committee on the Judiciary.

By Mr. DODD (for himself, Mr. PRESSLER, Mr. GLENN, Mr. HOLLINGS, Mr. STEVENS, Mr. SEYMOUR, Mr. HEFLIN, Mr. DOLE, and Mr. COCHRAN):

S.J. Res. 278. A joint resolution designating the week of January 3, 1993, through January 9, 1993, as "Braille Literacy Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 2387. A bill to make appropriations to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Health Start Programs, to expand the Job Corps Program, and for other purposes; to the Committee on Appropriations.

EVERY FIFTH CHILD ACT

Mr. LEAHY. Mr. President, children are our most precious resource. They are our future. Yet when it comes to facing children's problems on the national level, the military, savings and loans, and foreign aid seem to command more attention. Perhaps it is because children do not vote or form political action committees. Perhaps it is because they are not seen as a constituent group about which we have to be concerned. But we should be.

Every fifth child in the United States lives in poverty. Children, who account for 15 percent of all homeless people, are the fastest growing segment of the homeless population. In the last decade, child poverty increased 21 percent.

Today I am introducing legislation to increase funding for three cost-saving programs which dramatically reduce childhood hunger and poverty: the Special Supplemental Food Program for Women, Infants, and Children [WIC]; Head Start; and Job Corps.

If the United States is to progress into the 21st century, we must dedicate ourselves to sustaining and strengthening our Nation's children. These three programs—WIC, Head Start, and Job Corps—are a step toward achieving that goal.

The purpose of the Every Fifth Child Act of 1992 is simple—to ensure that all children have enough food to eat and the educational skills to lead a productive, successful life.

Bread for the World has been tireless in pursuing this legislation—they have truly been child advocates. With the help of Bread for the World, and other organizations like it, the plight of child poverty across the country has been brought to the forefront of our Nation's consciousness.

It is time to rethink our priorities and set them straight once and for all. We must end child poverty and hunger.

We must invest in our children and make their future our top priority. To be a productive and competitive nation we must nurture and support our children. The very same children that are now lining up at food shelters, or worse yet, going without food, are unable to learn and live a normal childhood.

With the end of the cold war, we have a once-in-a-generation opportunity to redirect taxpayer money—previously lavished on the military—into programs that help our children. There is no better use for the money saved by reductions in military spending.

I am calling for full funding for WIC phased-in by 1996; full funding for Head Start phased-in by 1998; and increased funding for Job Corps, to set up 50 additional Job Corps Centers by the year 2000.

These programs help children at three critical periods of their life: WIC, a program which reduces infant mortality by providing nutritious foods to low-income pregnant women, infants and children; Head Start, which provides a comprehensive preschool program to low-income children; and Job Corps, which offers education and vocational training to disadvantaged youth.

Despite their outstanding record, all of these programs are underfunded. WIC reaches only 55 percent of eligible participants, Head Start reaches only 28 percent, and Job Corps serves only one in seven eligible youth.

The Special Supplemental Food Program for Women, Infants, and Children [WIC], created by Congress in 1972, is universally acclaimed as one of our Nation's most successful nutritional programs. In addition to food, WIC provides nutritional instruction, health assessments, and medically prescribed supplements. WIC also is a cost-saving program.

Much of the short-term savings realized by WIC is due to the fact that WIC reduces the chances that babies will have low birthweights, or that they will be born prematurely. Babies with low birthweight are at greater risk of a range of physical impairments, and often require very expensive long-term care. A 1990 USDA study showed that for every WIC dollar spent on a pregnant woman, between \$2.84 and \$3.90 was saved in Medicaid costs during the first 60 days after birth.

Head Start is an early childhood development program that addresses the wide ranging needs of preschool children. Eligible children receive nutrition, education, and medical services, and their parents receive child rearing counseling. Head Start has dramatically influenced the educational and social development of the children involved. In fact, children in programs such as Head Start are twice as likely to graduate from high school, than those children in similar circumstances who cannot participate. Head Start has a 25-year record of success.

Job Corps is a program that was established to help disadvantaged youths gain job skills and work experience. Through Job Corps Centers, participating youths, ages 16 to 21, attend classes to gain high school equivalency degrees and receive career training, counseling, and health care. Job Corps has helped millions of young adults further their education and has opened doors to job opportunities the children otherwise would not have had.

WIC, Head Start and Job Corps are programs that have proven themselves

as worthwhile public investments—not useless public expenses. Up to \$4.21 is returned to the U.S. economy for every dollar invested in WIC, \$4.75 for each dollar spent on Head Start, and \$1.46 for every dollar invested in Job Corps. Few investments provide such a high rate of return on taxpayer money.

More and more people are falling below the poverty line, and we are only just beginning to feel the magnitude of the recession. As the poverty rates continue to rise, WIC, Head Start, and Job Corps are being placed under increased pressure to handle the swelling numbers of people that rely on these programs for day to day existence.

We must recommit ourselves to policies that show we have a compassionate leadership at the helm of our country. This leadership must be one that realizes that providing basic human needs to struggling Americans is more important than oil, savings and loans, and foreign aid.

This is not a matter, Mr. President, that will gain votes. It is not a matter that will gain political contributions. What it will gain is this: a stronger America, a better America, and the ability for each one of us in our conscious to know that we have done the right thing, not the politic thing, not the grandiose thing, but the right thing.

As I have said so many times on this floor, when it comes to issues of children, when it comes to issues of hunger, we speak not of political or economic issues. We speak of moral issues.

We must end this era of greed and self-interest, and act now to protect our children. Let us not wait, let us make the most of the opportunity before us, and do what is right—help those children crying out for our attention.

Mr. DOLE. Mr. President, I want to join the distinguished chairman of the Senate Agriculture Committee in introducing this bill because I agree with him that we can do more for our Nation's children. The President has demonstrated his concern by requesting significant increases in funding for Head Start and the Special Supplemental Food Program for Women, Infants, and Children [WIC]. Let me stress however that I don't agree with all the findings in the bill and I don't believe all its funding levels are realistic given the Nation's budget deficit. Still, the problems the bill addresses are real, and the programs the bill identifies for increased funding—Job Corps, WIC, and Head Start—are among the best weapons we have in our fight against poverty. So, while I could not vote for the bill if brought to the Senate floor in its original form, it does set the right priorities and I'm pleased to support it for that reason. I hope we can work in a bipartisan, fiscally responsible way to increase funding for these programs.

I want to thank Bread for the World for its work on developing this measure and its untiring advocacy on behalf of the less fortunate.

By Mr. MCCAIN (for himself, Mr. MCCONNELL, and Mr. ROBB):

S. 2388. A bill to provide for a Democracy Corps to mobilize and coordinate the expertise and resources of United States citizens in providing targeted assistance to support the development of democratic institutions and free market economies in the former Soviet Republics and the Baltic States; to the Committee on Foreign Relations.

DEMOCRACY CORPS ACT

Mr. MCCAIN. Mr. President, today I am introducing legislation, the Democracy Corps Act of 1992, on behalf of myself and Senators ROBB and MCCONNELL, which offers an alternative to the American responses to the collapse of the Soviet Union which we have considered to date. However, the bill also recognizes the reluctance of the American public to respond to this historic opportunity by indulging in failed forms of foreign assistance which mirror so completely the failure of welfare state policies here at home.

Mr. President, we have an opportunity to help remake the world, if not in the exact image of our own society, then at least in accordance with the political and economic values which have made our society the greatest force for good on Earth.

The Democracy Corps Act provides for the mobilization and coordination of private American citizens, and the skills and resources they possess, into resident teams of expert advisors, in the new republics of the Commonwealth of Independent States, C.I.S., and the Baltic States. Professionals with legal, political, economic, business, informational, language, and logistical skills will volunteer to serve at least 2 years in what we will call Democracy Houses.

The Democracy Corps would field at least 40 teams, with 5 members each. The teams will operate out of Democracy Houses in key localities in the eligible republics within 4 months after the enactment of initial appropriations for the Democracy Corps.

These volunteers will be drawn from the vast human resources of the United States and other established democracies, and they will help the United States and the West target our assistance so that it supports the development of democratic institutions and free market economies rather than create a permanent dependency on Western largess. They will also serve to develop close, advisory relationships with the emerging political and economic leaders of the nascent democracies of the Commonwealth of Independent States and the Baltics.

Under the provisions of this bill, the Democracy Corps will be terminated

after 5 years, so there need be no fear that we will have added yet another permanent layer to our foreign aid bureaucracy. The bill also employs the resources of experienced American governmental and nongovernmental leaders in the promotion of free economies and democratic political institutions.

The governing Board of the Democracy Corps will be comprised of representatives from the relevant executive branch agencies such as the Departments of State, Commerce, and Defense, the U.S. Information Agency, the Peace Corps, and the Agency for International Development. Representatives from the National Endowment for Democracy, the National Democratic and National Republican Institutes for International Affairs, representatives from the Free Trade Institute, and the National Chamber Foundation will serve on the Board, as well as other Government or Government-funded entities. Finally, nine individuals of nongovernmental organizations will complete the Board.

Mr. President, I am aware that the President will soon submit to Congress a new plan to ensure that the collapse of the Soviet Union will result in a safer, more peaceful and freer world. I hope that the administration will give careful consideration to incorporating into their proposals the provisions of the legislation I am introducing today.

I should note that this legislation has already been introduced in the other body, by Congressmen McCURDY and HYDE. I am pleased and honored to join them in this important effort. I am also very pleased that Senators ROBB and MCCONNELL have joined me in sponsoring the Democracy Corps Act in the Senate. I am sure that the measure will enjoy broad bipartisan support in both Houses of Congress, as Members consider how best the United States can continue to lead the cause to which generation after generation of Americans have been dedicated—the cause of freedom.

Mr. President, the end of the cold war triggered a strong and understandable impulse in the United States to divert our attention from world affairs to our pressing problems at home. This impulse has inspired some very lively, and some very curious, rhetoric here in Congress and on the campaign trail.

Instead of taking stock of America's vast accomplishments in the world and debating how best to consolidate our gains, we are beckoned by calls of "Come home, America." Instead of appreciating how important breaking Saddam Hussein's choke hold on the world's oil supply was to the national security and economic well-being of the United States, we are assailed by shortsighted isolationists who resent American leadership in world affairs.

Certainly, in recognition of changed geopolitical circumstances, America can and should reduce our military

spending, and scale back our vast diplomatic and political efforts that so successfully won the cold war. Our problems at home do require our most urgent attention. But to virtually ignore opportunities to influence international events risks losing not only a more stable world, but our own prospects for a stronger economy and better quality of life. Our society's progress will depend more and more on developing new markets for our goods, taking advantage of new resources, and capitalizing on the technological and political developments that this radically changed world has made available to us.

Shortly before the global collapse of communism began, America's critics warned us that we were dangerously overextended, that we were a nation in decline. Had Americans taken those critics seriously we would not have won the cold war. If we take them seriously now, we will lose the opportunities that our success has created for us.

It will be difficult for the President to win support in an election year for a substantial aid program to the Commonwealth of Independent States. But I hope that thoughtful leaders of both parties will recognize the significant impact that developments there will have on our own security and prosperity. This is a challenge for Republicans and Democrats, for the administration and Congress.

If we are to make the case effectively to the American people we will need to demonstrate to them that we are not becoming the sponsors of an enormous Eurasian welfare state. We must not become indefinite providers to societies that will not develop the means to provide for themselves.

I have not yet seen the details of the President's proposals. But it is imperative that we in Congress begin our own deliberations immediately. We will need to act quickly if we are to influence the course of events overseas.

Mr. President, I would like to offer some considerations that I believe must be addressed if we are to win public support for our policies, and if those policies are to be successful.

Our purpose is to help these nations through a transition, to help them develop the working institutions of democracy and a market economy. All too often in the past, U.S. foreign aid programs have become permanent subsidies to governments that cannot or will not stand on their own feet.

Even today, there are a number of ways that American aid could be exploited to slow down or even derail progress toward democracy and the free enterprise system in the Commonwealth of Independent States. If our assistance allows the leaders to these nations to postpone hard decisions, or provides a life-support system for remnants of the old bureaucracies, we will have defeated our purposes and sown cynicism among the American public.

First, we need to make clear to the leaders of the Commonwealth of Independent States that our willingness to be helpful is strictly connected to their willingness to take very visible steps to reduce any threat, military or otherwise, that they pose to the United States. Such a tradeoff should not be whispered in closed door negotiations—it should be plainly on the table for public inspection.

The simple truth is that I cannot persuade the people of Arizona to spend their money to help anyone who has nuclear weapons aimed at them. Nor am I inclined to support any government that provides arms to America haters in the Middle East and elsewhere, or that bankrolls regimes like Fidel Castro's dictatorship. If, however, aid can be used to eliminate these threats, the American people will see the close connection between our welfare and the peaceful political and economic development of these nations.

Second, we need to be clear that for Americans democracy is not just a matter of elections and majority rule. It also requires respect for civil liberties and minority rights. Yelena Bonner, wife of the late Andrei Sakharov, has spoken forcefully about her concerns that governments or other forces which do not respect individual and minority rights could benefit from foreign assistance. Congress has a special responsibility to insist that this mistake not occur intentionally or unintentionally.

Third, and most important, we should support those individuals who are doing the actual work of building the institutions of democracy and the free market. These are the people who best understand the needs of their countries. These are the people who can best encourage their societies to stand on their own feet.

It is on this point, Mr. President, that I have my greatest concerns about a United States assistance program to the Commonwealth of Independent States. I worry that we will stress humanitarian assistance, especially overcoming food shortages, while there remain serious questions about how much that kind of assistance is really needed. Indeed, many argue that the current food shortage is not attributable to a lack of food, but is caused by a failure of markets and distribution.

Moreover, I am concerned that in our haste to address short-term problems, we will treat support for people engaged in the transformation of their societies as an afterthought.

This should be the primary focus of any assistance to the Commonwealth of Independent States. There are ways to support the hard labor of democracy-building that will cost a fraction of the amounts currently being discussed in Washington, and that will provide larger and more lasting bene-

fits to the United States and to the people of the former U.S.S.R.

In much of our discussion about change in the Communist world, we speak of democracy and free markets as if they were simply mechanical systems that can be set up and turned on like a carnival ride. But a true conservative understands that the institutions of political and economic freedom must be founded on a culture: an array of human values, attitudes, and habits that holds the system together and makes it work.

The culture of freedom has roots in the realm once ruled by Soviet communism. That culture will grow more quickly and more securely with help from the free world. It must grow at its own pace and according to its own lights. But those societies with a long tradition of living freely can help enormously by offering our experience and know-how and even a kind of civic spirit.

During the Marshall plan years in Germany, the United States established some 60 centers throughout the Western Zone—called "America Houses"—which became places for representatives of the emerging civic and business life of the new Germany to meet their counterparts from government and nongovernment agencies of the older democracies.

The "Democracy Houses" provided for in our legislation are patterned after these very successful experiments in sharing the benefits of our own political and economic experiences with the builders of new democracies and free markets.

To staff the America Houses our Government sought out Americans with language skills and an understanding of local culture who would remain in communities long enough to gain real trust and understanding from the people. When special problems emerged in the reconstruction effort, Americans were at hand to make an informed assessment of the problems, contact an appropriate source of expertise or resources to help, and monitor how the help was being used.

Mr. President, there are many Americans today with valuable skills and experience who are willing to help transform the civic and economic life of the peoples of the late Soviet Union, from retired CEO's to former local, State and Federal Government officials. They range across our political spectrum. Both Paul Weyrich of the Free Congress Foundation and Lane Kirkland of the AFL-CIO are already deeply involved.

Any assistance effort must endeavor to get teams of these old hands at democracy out to the grass root levels, to assess the practical obstacles to political and economic development, and to mobilize and target Western support to overcome them.

Mr. President, this is the best way for us to keep ourselves from deluding

these societies with excessive amounts of aid they do not need. This is a way to gain an understanding of the real problems in the area and to build relationships with the competent, pro-democracy leaders who can solve them. This is a way for Americans to learn about peoples in remote regions who have been trapped under the permafrost, but who are not important to the future of world politics and the world economy.

Whatever euphoria there may have been in these societies about the collapse of communism has dissipated quickly. Anxiety about the prospect of building viable new systems is growing fast, and can soon turn to panic. Wheat and soybeans can ease the pain, but democracy does not live by bread alone. This is the time to show our solidarity with the new democrats by being there with them—not for brief visits with prominent leaders, but for extended periods, down where the real work of democracy building is done, where the culture of freedom is put to the acid test.

Mr. President, the United States has won the cold war, now we must move quickly to win the peace. I look forward to discussing this legislation with my colleagues and administration officials as we begin this urgent undertaking.

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. 2388

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 "Democracy Corps Act of 1992".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the dissolution of the Union of Soviet Socialist Republics represents an historic moment for the United States and the international community to seize the opportunity to strengthen world peace and economic prosperity;

(2) former Soviet republics and the Baltic states of Estonia, Latvia, and Lithuania have requested the involvement of the United States in making the transition from Communist political systems and centrally planned economies to democratic societies and free market economies;

(3) it is in the immediate economic and national security interests of the United States to ensure the successful transformation of the former Soviet republics and the Baltic states into fully democratic societies;

(4) the former Soviet republics and the Baltic states have an educated labor force and the capability for productive economies, but they lack many of the basic organizations, institutions, skills, and attitudes—the culture and mechanisms of civil society—on which democracy and free markets must ultimately rest;

(5) traditional United States foreign assistance programs and mechanisms are inad-

equate for responding to this new challenge because they are not designed to mobilize the practical expertise of the American people or to target and deliver that kind of practical assistance to the grassroots level in the widely divergent societies of the region;

(6) there is great willingness on the part of United States citizens to offer hands-on, person-to-person training, advice, support, and technical assistance to the people of former Soviet republics and the Baltic states;

(7) this challenge requires an immediate emergency response, but one that can be of relatively brief duration;

(8) the experience of the United States during the reconstruction of western Germany after World War II proved that the creation of local centers (known as "America Houses") throughout the country was invaluable in providing logistical bases and information clearinghouses that greatly facilitated the work of government agencies and private groups;

(9) the limited United States diplomatic presence in the former Soviet republics and the Baltic states, the inability of United States private organizations to work there under the previous system of government, and difficulties in developing relationships with emerging democratic forces there have resulted in poor understanding of the precise needs of the former Soviet republics and the Baltic states, and of how United States assistance efforts can be carefully targeted to avoid duplication, waste, and corruption;

(10) there needs to be greater coordination and exchange of information between and among the various United States Government, Government-funded, and nongovernmental entities involved in efforts to provide assistance of all kinds for this transformation to democracy and free market economies, including such entities as the Department of State, the Department of Commerce, the Department of Defense, the Peace Corps, the Agency for International Development, the National Endowment for Democracy and its grantees, the Library of Congress, RFE/RL, Incorporated, the Citizens Democracy Corps, the United States Information Agency, and the vast and diverse array of nongovernmental organizations (including business, labor, media, academic, service, and philanthropic organizations) that wish to become involved in assisting this historic transformation; and

(11) by assisting this transformation, the United States will enhance international peace and thereby avoid great expense for military defense, will develop new markets for American goods and services, and will create a group of United States citizens with detailed knowledge of the leaders and peoples of the states that have emerged from the former Soviet Union.

(b) PURPOSE.—The primary purpose of this Act is to establish a Democracy Corps—

(1) that will use United States citizens who have appropriate expertise and reflect the values of American democracy to provide detailed, independent, onsite assessments of the needs of the individuals, institutions, and organizations working at every level in the former Soviet republics and the Baltic states to build democratic institutions, free market economies, and the basic infrastructure of a civil society;

(2) that will assist in mobilizing United States citizens to act to help meet those needs and will assist in coordinating United States assistance directed at meeting those needs; and

(3) that will establish a significant number of local centers (to be known as "Democracy

Houses") in key locations throughout the former Soviet republics and the Baltic states, which will be staffed by Democracy Corps members and serve as logistical and information resources for all those assisting in the work of building democracy.

SEC. 3. THE DEMOCRACY CORPS.

(a) THE DEMOCRACY CORPS.—

(1) ESTABLISHMENT.—The Democracy Corps Board shall establish a Democracy Corps.

(2) MEMBERSHIP.—The Democracy Corps shall be composed of United States citizens who have expertise that is relevant to the development of democratic institutions and free market economies in eligible republics, including individuals with expertise relevant to the provision of humanitarian assistance. Each member of the Democracy Corps shall be required to serve as a member of the Democracy Corps for a period of at least 2 years (subject to section 7), unless otherwise determined by the Democracy Corps Board.

(3) ONSITE ASSESSMENT AND TARGETING TEAMS.—The Democracy Corps shall recruit and train teams of Democracy Corps members and assign such teams to eligible republics to make detailed, onsite assessments of the needs of individuals, institutions, and organizations for training and other assistance relevant to the development of democratic institutions and free market economies. These teams shall also study and prepare detailed reports on critical needs at the regional and local levels, including the need for humanitarian assistance, for assistance in the development of economic processes and institutions, for improvements in political organization and public administration, and for strengthening civic, service, and other private and voluntary organizations. Needs shall be ranked in order of priority and shall be specified as short term or long term needs. The assessments shall also include estimates of the capabilities available through local leaders and organizations for conducting programs to meet these needs. The Democracy Corps teams shall identify local leaders who might benefit from training programs in the United States and other democratic countries. The teams shall also review the effectiveness of the distribution at the local level of United States humanitarian assistance, both public or private. The teams should coordinate their activities with the activities of indigenous democratic organizations and of the governments of other foreign democracies.

(4) DEMOCRACY HOUSES.—The Democracy Corps teams shall establish centers in the localities to which they are assigned. These centers, which shall be known as "Democracy Houses", shall assist local efforts to create democratic institutions and a market economy and shall provide logistical support (including communications) and information resources to United States Government agencies and nongovernmental organizations that are assisting in the development of democracy.

(5) INITIAL ASSESSMENTS.—Each team sent to an eligible republic shall seek to complete its initial assessment with respect to the area for which it is responsible within 90 days after arriving in the eligible republic, including an assessment of the need for emergency humanitarian assistance.

(6) DISSEMINATING NEEDS ASSESSMENTS.—The Democracy Corps shall disseminate the needs assessments made pursuant to paragraph (3) to relevant Government agencies, to the National Endowment for Democracy and its grantees, and to other nongovernmental organizations that are engaged in assisting the transition to democratic institu-

tions and free market economies in the eligible republics. These needs assessments may also be made available to foreign governments and organizations engaged in assisting that transformation.

(7) MOBILIZING SUPPORT.—After the needs of an eligible republic have been assessed pursuant to paragraph (3), the Democracy Corps shall seek to obtain support in the United States, from both Government and nongovernment sources, for those working to consolidate the transition to democracy and free market economies in the eligible republics. This support may include financial support, but priority shall be given to developing direct person-to-person educational activities and technical and training assistance. The Democracy Corps shall also provide training and orientation, upon request, to United States citizens who are involved in activities designed to meet needs identified pursuant to paragraph (3).

(8) NUMBER AND SIZE OF TEAMS.—The Democracy Corps shall seek to have at least 40 teams, with 5 members each, operating out of Democracy Houses in key localities in the eligible republics within 4 months after the date of enactment of the initial appropriations to carry out this Act, and should seek to have at least 75 such teams in eligible republics by the end of fiscal year 1993.

(9) COMPENSATION AND EXPENSES.—Funds made available to carry out this Act may be used to compensate members of the Democracy Corps and to pay expenses related to their service as members of the Democracy Corps, including travel between the United States and eligible republics, living expenses while serving in eligible republics, the establishment and maintenance of Democracy Houses in eligible republics, and other expenses incurred in carrying out their duties as members of the Democracy Corps.

(b) COORDINATING ACTIVITIES.—The Democracy Corps Board, utilizing the Democracy Corps to the extent feasible, shall assist, as appropriate, and cooperate with the efforts of Government agencies, entities receiving Government funds, and private entities, that are providing assistance to the eligible republics to meet needs identified through the assessments made by the Democracy Corps. Activities of the Board (or the Democracy Corps, as the case may be) under this subsection may only be of an advisory nature, and may range from simply providing information to assisting in developing assistance programs or in carrying out such programs. In carrying out this subsection, the Democracy Corps Board shall undertake to limit duplication, waste, and abuses among the various public and private assistance programs.

(c) DEFINITION OF ELIGIBLE REPUBLICS.—As used in this Act, the term "eligible republic" means—

(1) Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and

(2) Estonia, Latvia, and Lithuania.

SEC. 4. DEMOCRACY CORPS BOARD: ESTABLISHMENT AND ADMINISTRATIVE PROVISIONS.

(a) ESTABLISHMENT OF THE BOARD.—There is established a Democracy Corps Board (hereafter in this Act referred to as the "Board") which shall be responsible for carrying out this Act.

(b) ADMINISTRATIVE AUTHORITIES RELATING TO THE DEMOCRACY CORPS.—The Board may carry out its responsibilities for establishing and operating the Democracy Corps (including establishing and operating Democracy Houses)—

(1) directly, and for this purpose shall have the same employment authorities as are available to the Secretary of State with respect to Fellows under the Fascell Fellowship Act (22 U.S.C. 4901 and following); or

(2) through another entity or entities by means of grants or contracts (except that the Board may enter into contracts only to the extent that the budget authority for such contracts has been provided in advance in appropriations Acts); the Board shall, however, be responsible for establishing the policies under which the Democracy Corps operates and for overseeing the activities of the Democracy Corps.

(c) **MEMBERSHIP OF THE BOARD.**—The Board shall have 20 members appointed by the President, after consultation with the Congress, as follows:

(1) Not more than 3 individuals who are representatives of relevant executive branch agencies such as the Department of State, the Department of Commerce, the Department of Defense, the Peace Corps, the United States Information Agency, and the Agency for International Development.

(2) The president or another representative of the National Endowment for Democracy, the president or another representative of the National Democratic Institute for International Affairs, the president or another representative of the National Republican Institute for International Affairs, the president or another representative of the Free Trade Union Institute, and the president or another representative of the National Chamber Foundation.

(3) Not less than 9 individuals who are representatives of the diverse array of non-governmental organizations that have the interest and expertise to assist in the development of democratic institutions and free market economies in eligible republics.

(4) The membership of the Board may also include representatives of relevant Government or Government-funded entities such as the Library of Congress, RFE/RL, Incorporated, and the Citizens Democracy Corps. Appointments pursuant to paragraph (3) shall be made on a nonpartisan basis.

(d) **ADVISORY COMMITTEE.**—The Board shall establish an Advisory Committee consisting of representatives of organizations described in paragraph (3) of subsection (c) that are not represented on the Board, who should include representatives of American ethnic and cultural organizations with ties to the peoples of the Commonwealth of Independent States and the Baltic states.

(e) **TERMS AND VACANCIES.**—Members of the Board appointed pursuant to paragraph (1) of subsection (c) shall serve as members of the Board at the pleasure of the President. Members of the Board appointed pursuant to paragraphs (2), (3), and (4) of subsection (c) shall be appointed for a 1 year term (except that a member appointed to fill a vacancy occurring before the expiration of a term shall be appointed for the remainder of such term); and members so appointed may be re-appointed.

(f) **INITIAL APPOINTMENTS.**—The initial appointments to the Board shall be made within 30 days after the date of enactment of this Act.

(g) **CHAIR.**—The Board shall determine which member of the Board shall serve as Chair, except that the Chair may not be an individual who is a full-time officer or employee of the United States Government.

(h) **COMPENSATION.**—

(1) **BASIC PAY.**—Except for members of the Board who are full-time officers or employees of the United States Government, each

member of the Board shall be paid at a rate not to exceed the rate payable for GS-15 of the General Schedule for each day (including travel time) during which he or she is engaged in the actual performance of duties vested in the Board, except that such payments shall be made only to the extent that the necessary budget authority for such payments is provided in advance in appropriations Acts.

(2) **TRAVEL EXPENSES.**—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(i) **APPOINTMENT AND COMPENSATION OF STAFF.**—The staff of the Board shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service and shall be paid in accordance with the provisions of chapter 51 of subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(j) **EXPERTS AND CONSULTANTS.**—The Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(k) **DETAILING OF GOVERNMENT PERSONNEL.**—Upon the request of the Board, the head of any Government agency may detail, on a reimbursable basis, personnel of that agency to the Board to assist the Board in carrying out this Act.

(l) **GIFTS.**—The Board may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Board, including the work of the Democracy Corps. Gifts, bequests, or devises of money and proceeds of sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Board.

(m) **DELEGATION OF AUTHORITIES.**—The Board may delegate any of the authorities granted by this section to the Chair of the Board or to the staff director.

SEC. 5. REPORTS.

Not later than January 31 each year, the Board shall submit a report to the Congress on the activities carried out pursuant to this Act during the preceding fiscal year.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Board to carry out this Act, \$30,000,000 for fiscal year 1992, \$60,000,000 for fiscal year 1993, and \$70,000,000 for fiscal year 1994. Amounts appropriated to carry out this Act are authorized to remain available until expended.

SEC. 7. TERMINATION.

Unless otherwise provided by a subsequent enactment of the Congress, the activities carried out pursuant to this Act shall be terminated as of the end of the fifth fiscal year beginning after the date of enactment of this Act. Upon submitting its final report with respect to that fiscal year, the Board shall cease to exist.

By Mr. BRADLEY:

S. 2389. A bill to extend until January 1, 1999, the existing suspension of duty on tamoxifen citrate; to the Committee on Finance.

EXTENSION OF DUTY SUSPENSION

• Mr. BRADLEY. Mr. President, I rise to reintroduce legislation that will extend the suspension on the duty of tamoxifen citrate, a drug used to treat

breast cancer patients. Joining me is my friend and colleague Senator LAUTENBERG. In 1989, Senator LAUTENBERG and I introduced the initial duty suspension for tamoxifen citrate. Identical legislation has been introduced on the House side as H.R. 4401 by Congressman GUARINI.

In 1978, ICI Americas, Inc., a company that has several plants in New Jersey, brought tamoxifen citrate to the market in the United States. According to the International Trade Commission, no comparable drug exists in the United States. Tamoxifen is used in conjunction with chemotherapy after breast cancer surgery.

Clearly, breast cancer, directly or indirectly, touches all of us at some point in our lives. According to the National Cancer Care Foundation, Inc., one out of every nine American women will develop breast cancer. Because breast cancer does not discriminate along economic lines, ICI America, Inc., has established a patient assistance program through which over 25,000 women from every State have received tamoxifen. In 1991, ICI donated close to \$8 million worth of tamoxifen to women who could not otherwise afford it. I commend the efforts of ICI America, Inc., for these activities. •

By Mr. PACKWOOD (by request):

S. 2390. A bill to amend the Harmonized Tariff Schedule of the United States provisions implementing annex D of the Nairobi protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, and for other purposes; to the Committee on Finance.

AMENDMENTS TO TARIFF SCHEDULE

• Mr. PACKWOOD. Mr. President, I rise today to introduce a bill, on behalf of the administration, that will update and clarify that part of the Educational, Scientific and Cultural Materials Importation Act of 1966 [the Act] pertaining to duty-free entry of scientific instruments and apparatus. The Act implements U.S. obligations under the UNESCO-sponsored Florence Agreement, including annex D to the agreement relating to duty-free entry for scientific instruments.

Mr. President, two decisions by the court of review highlighted, in particular, the Act's omission of a definition for "scientific instruments," and also the absence of clarity on the question of burden of proof. Furthermore, clarification is needed to bring the Act's commercial-use provisions into conformity with existing national policies regarding cooperative research and development.

More specifically, legislation is needed to centralize decisionmaking regarding the fundamental eligibility of an instrument, a task now split between the administering agencies, and to prevent the anomaly of duty-free entry under annex D of products such

as machine tools, liquid nitrogen plants, and training simulators. Under existing law, even common household appliances such as toasters or hair curlers are eligible for duty-free treatment under annex D. The probability of such outcomes is increased by the absence of any language in the Act specifically placing the burden of proof on the applicant institution. As a result, the burden now effectively rests on the agencies.

Since the early 1980's, the United States has been pursuing a new policy on research and development in an effort to enhance competitiveness in international trade. The policy emphasizes cooperation among the public, private, and nonprofit segments of our national R&D triad, and the rapid and cost-effective dissemination of research products into the commercial realm. It is now urgent to conform existing law to this policy. This bill would allow shared instrumentation, research, or funding and the patenting of results, so long as the nonprofit partner retains control over the instrument and the publication of findings.

Mr. President, I am not aware of any opposition to this proposal, but part of the purpose of introducing this bill is to determine whether opposition exists. However, I do not expect there to be any. Enactment of this bill will cure the deficiencies of existing law, will give the administrators the tools they need in the next decade and into the next century, and will set the stage for renewed efforts to persuade other signatories of the Florence Agreement to follow the forward-looking lead of the United States in this important area.

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

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

S. 2390

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

SECTION 1. AMENDMENT OF TARIFF SCHEDULE.

Whenever an amendment or repeal is expressed herein in terms of an amendment to or repeal of a heading, subheading, U.S. note, or other provision, the reference shall be considered to be made to a heading, subheading, U.S. note, or other provision of the Harmonized Tariff Schedule of the United States.

SEC. 2. AMENDMENT TO SUPERIOR TEXT.

The superior text to subheadings 9810.00.60 through 9810.00.67 is deleted and the following new superior text is inserted in lieu thereof:

"Articles entered for the use of any nonprofit institution established for educational or scientific purposes or for the use of any governmental entity:"

SEC. 3. AMENDMENT TO SUBHEADING 9810.00.60.

The article description of subheading 9810.00.60 is deleted and the following new subheading is inserted in lieu thereof:

"Scientific instruments and apparatus, if no instrument or apparatus of equivalent

scientific value for the purposes for which the instrument or apparatus is intended to be used is being manufactured in the United States, certified by the Secretary of Commerce under the terms of U.S. note 6 to this subchapter".

SEC. 4. DEFINITION OF SCIENTIFIC INSTRUMENTS AND APPARATUS.

Paragraph (a) of U.S. note 6, subchapter X of chapter 98 is deleted and the following new paragraph (a) is inserted in lieu thereof:

"(a) For the purposes of subheading 9810.00.60 and its superior text:

(i) the term "scientific" means pertaining to the physical or life sciences and, unless otherwise precluded by the terms of this note, to applied sciences, but excluding therapeutic and diagnostic applications, other specialized applications, skills, knowledge or uses pertaining solely to or developed principally for commerce, business or professional or vocational training; and

(ii) the term "instruments and apparatus" means devices, instruments, machines or similar contrivances specially designed for generating data useful for scientific experimentation or research or for collecting information therefrom, by means of sensing analyzing, measuring, classifying, recording, separating, or similar operations; but the term does not include instruments and apparatus principally used in the production of merchandise, ordinary equipment suitable for use in building construction or maintenance, or equipment or materials of the type used in the supporting activities of the applicant institution or its administrative, eating, residential, or religious facilities."

SEC. 5. APPLICATION TO SECRETARY OF COMMERCE.

Paragraph (b) of U.S. note 6, subchapter X of chapter 98 is deleted and the following new paragraph (b) is inserted in lieu thereof:

"(b) An institution desiring to enter an article under this subheading shall make an application therefor to the Secretary of Commerce, including therein, in addition to such other information as may be prescribed by regulation, a description of the apparatus or instrument, the purpose for which the instrument or apparatus is intended to be used, the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States, a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention, in the event of favorable action on its application, to place an order therefor on or before the final day specified in paragraph (f) of this U.S. note. Provided that the instrument or apparatus and the purposes intended for it by the applicant are in accordance with this U.S. note and pertinent regulations, the Secretary of Commerce shall regard the instrument as eligible. If the Secretary of Commerce finds the instrument or apparatus eligible, the application shall be promptly forwarded to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by the Secretary before the United States Court of Appeals for the Federal Circuit, an institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such instrument or apparatus, it shall promptly so notify the Secretary or the Court, as the case may be."

SEC. 6. BURDEN OF PROOF.

(a) Paragraph (f) of U.S. note 6, subchapter X of Chapter 98 is deleted.

(b) Paragraphs (c) through (e); inclusive, of U.S. note 6, subchapter X of chapter 98 are redesignated as paragraphs (e) through (g), inclusive, and the following new paragraphs (c) and (d) are added:

"(c) Notwithstanding U.S. note 1 to this subchapter, an instrument or apparatus found otherwise eligible for duty-free entry under this U.S. note shall not be disqualified on the basis of commercial use:

(i) if such use comprises shared instrumentation, funding, or research under joint venture, consortium or other cooperative arrangement between a qualifying institution and one or more private participants provided that the qualifying institution retains title and control of the instrument or apparatus and retains control over publication of research results. An agreement to delay publication for a reasonable period to allow for timely filing of patent applications shall not be deemed relinquishment of control over publication; or

(ii) if a qualifying institution patents or otherwise commercializes its research results.

(d) The applicant institution shall have the burden of proving the eligibility of an instrument or apparatus under this U.S. note, including the burden of proving that no instrument or apparatus of equivalent scientific value for that purpose is being manufactured in the United States."

SEC. 7. CONFORMING AMENDMENTS

(a) U.S. note 1 of subchapter X of chapter 98 is amended by striking "this U.S. note" and inserting "this U.S. note and U.S. note 6 to this subchapter".

(b) Paragraph (e), as redesignated, of U.S. note 6 is amended as follows:

(1) by deleting the second to last sentence and inserting in lieu thereof "Each finding by the Secretary of Commerce under this paragraph shall be promptly certified to the Secretary of the Treasury and reported to the applicant institution."

(2) by deleting in the last sentence "of the Treasury".

(c) The following new paragraph (h) is inserted at the end of U.S. note 6, subchapter X of chapter 98:

"(h) The Secretary of Commerce may prescribe regulations to carry out the functions under this U.S. note."

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall be effective with respect to articles both (1) certified by the Secretary of Commerce from applications filed under U.S. note 6, subchapter X of Chapter 98, on or after the 60th day following the date of enactment of this Act, and (2) entered, or withdrawn from warehouse for consumption, on or after such 60th day.●

By Mr. MURKOWSKI:

S. 2391. A bill to amend the Marine Mammal Protection Act to make improvements in the regulation of the importation of certain native articles of handicrafts and clothing; to the Committee on Commerce, Science, and Transportation.

ALASKA NATIVE CULTURE PROTECTION ACT

● Mr. MURKOWSKI. Mr. President, I rise today to offer a bill to amend the Marine Mammal Protection Act to make improvements in the regulation of the importation of Alaska Native handicrafts and clothing.

The Marine Mammal Protection Act was passed on October 21, 1972, to pro-

fect certain species of marine mammals that were in danger of depletion or extinction. The act has done much to preserve many marine mammal species; however, its effects on the native people of Alaska have not always been so benign. I call this bill the Alaska Native Culture Protection Act to highlight the fact that the Marine Mammal Protection Act is in many ways detrimental to Alaska Native culture.

This legislation will allow Alaska Natives to engage in traditional trade activities with their counterparts in other countries and to bring their personal clothing and handicrafts back into the United States after a visit abroad. The legislation will also expand permit options for Eskimos, Indians, and Aleuts of other countries to temporarily import their own personal items and handicrafts.

SUBSISTENCE NEEDS

Alaska Natives have traditionally depended on marine mammals for a large part of their subsistence needs. The Inupiaq of the North hunt bowhead whales. The Inupiaq and Yupik of the Northwest depend on walrus and beluga whale. Alaska Natives throughout the southeast and southwest coasts utilize the sea otter. Seals are hunted throughout much of Alaska and the Aleut people on the Pribilof Islands are totally dependent on them. These animals are used for food, clothing, and handicrafts to trade and sell.

Alaska Native dependence on marine mammals predates the arrival of non-natives by hundreds of years and yet the Marine Mammals Protection Act could have destroyed that life on the whim of Congress. Fortunately, in 1972, Congress was concerned for the future of Alaska's Native peoples and included an exemption which allows Alaska Natives to continue to harvest mammals for subsistence uses relatively free of government interference.

TRADITIONAL TRADE OVERLOOKED

However, one area of Alaska Native culture was overlooked in the 1972 act—traditional trade between Alaska Natives and their relatives in what was then the Soviet Union and Canada. The act bans the importation of any marine mammal part or product from other countries. Permits are obtainable only for scientific or display purposes.

This ban severely limits Alaska Natives' ability to continue their customary and traditional relationships with their Eskimo, Aleut, and Indian brethren in other countries. Alaska Natives who visit relatives in Lavrentiya cannot return with a gift of sealskin boots from a Russian native, an item that would be legal if received from another Alaska Native. An Alaska Native woman crossing the border into Canada with her sea-otter-fur-trimmed coat cannot return with that same article of clothing even though she legally possessed it in the United States.

UNNECESSARY ENFORCEMENT

Over the years I have heard of, and observed, many, many instances of Alaska Natives having their possessions confiscated by the Fish and Wildlife Service when they return into the country. These items are sometimes displayed in Fish and Wildlife Service offices where their rightful owner can visit them.

This situation is unfair and unnecessary. The Alaska Native Culture Protection Act will remedy this situation by permitting Alaska Natives to receive gifts from their cultural relatives in other countries and to return to the United States with their personal clothing. I will also expand permit options for the Eskimo, Aleut, and Indian peoples of Russia, Canada, and Greenland who have cultural relatives in Alaska to bring their own personal clothing into the United States when they visit and to allow artisans to temporarily import marine mammal parts to be used in cultural activities.

CONCLUSION

Mr. President, with the parting of the so-called ice curtain separating Alaska and the Soviet Far East, Alaska Natives are eager to continue and renew their traditional ties with their relatives in other countries. It is important to remember that for Alaska Natives, the boundaries that were created between countries often split families apart by nationality. National boundaries will continue to exist, but there is no reason Alaska Natives should suffer the end of their traditional cultural ties.●

By Mr. WALLOP (by request):

S. 2393. A bill to designate certain lands in the State of California as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

CALIFORNIA PUBLIC LANDS WILDERNESS ACT

Mr. WALLOP. Mr. President, I rise today to introduce, by request, the California Public Lands Wilderness Act, a bill to designate certain lands in the State of California as wilderness, and for other purposes.

The legislation being proposed by the administration represents the culmination of a 15-year Bureau of Land Management study on the wilderness suitability of all the public lands in California. The lands recommended for wilderness contain outstanding natural qualities and opportunities for solitude and primitive recreation.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in their entirety immediately following my remarks.

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

S. 2393

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

in Congress assembled, That this Act may be referred to as the "California Public Lands Wilderness Act"

SEC. 2. The Congress finds that—

(a) Many areas of undeveloped public land in California and one parcel in Washoe County, Nevada, administered by the Bureau of Land Management have outstanding natural characteristics that give them high value as wilderness and that can, if properly managed, served as an enduring resource of wilderness for the benefit of the American people.

(b) It is in the national interest that these areas be promptly designated as components of the National Wilderness Preservation System in order to preserve and maintain them as an enduring resource of wilderness to be managed to promote and perpetuate their wilderness character and their specific multiple values for natural systems biodiversity, watershed preservation, wildlife habitat protection, scenic and historic preservation, scientific research and educational use, primitive recreation, solitude, physical and mental challenge, and inspiration for the benefit of present and future generations of the American people.

(c) Certain areas of public lands located in Inyo and Riverside Counties, California and appropriate for transfer from the Bureau of Land Management to the National Park Service as additions to the Death Valley and Joshua Tree National Monuments.

SEC. 3. (a) As used in this Act, the term "public lands" shall have the same meaning as defined in section 103(e) of the Federal Land Policy and Management Act of 1976.

(b) As used in this Act the term "Secretary" means the Secretary of the Interior.

SEC. 4. (a) In furtherance of the purposes of the Wilderness Act, the following public lands are hereby designated as wilderness, and therefore, as components of the National Wilderness Preservation System:

(1) certain public lands in the Bakersfield District of the Bureau of Land Management, California, which comprise approximately fifteen thousand eight hundred ninety-seven acres as generally depicted on a map entitled Owens Peak Proposal, dated June 1988 (CA-010-026), and which shall be known as the Owens Peak Wilderness;

(2) certain public lands in the Bakersfield District of the Bureau of Land Management, California, which comprise approximately ten thousand seven hundred twenty one acres, as generally depicted on a map entitled Sacatar Meadows Proposal, dated June 1988 (CA-010-027), and which shall be known as the Sacatar Meadows Wilderness;

(3) certain public lands in the Bakersfield District of the Bureau of Land Management, California, which comprise approximately twenty eight thousand two hundred ninety-one acres, as generally depicted on a map entitled Southern Inyo Proposal, dated June 1988 (CA-010-056), and which shall be known as the Southern Inyo Wilderness;

(4) certain public lands in the Bakersfield District of the Bureau of Land Management, California, which comprise approximately one thousand nine hundred eighty three acres, as generally depicted on a map entitled Pinnacles Proposals, dated June 1988 (CA-040-303), and which shall be known as the Pinnacles Wilderness;

(5) certain public lands in the Susanville District of the Bureau of Land Management, California, which comprise approximately seven thousand four hundred forty three acres, as generally depicted on a map entitled Pit River Canyon Proposal, dated June 1988 (CA-020-103), and which shall be known as the Pit River Canyon Wilderness;

(6) certain public lands in the Susanville District of the Bureau of Land Management, California, which comprise approximately seven thousand eight hundred eighty nine acres, as generally depicted on a map entitled Tunnison Mountain Proposal, dated June 1988 (CA-020-311), and which shall be known as the Tunnison Mountain Wilderness;

(7) certain public lands in the Susanville District of the Bureau of Land Management, California, which comprise approximately thirty seven thousand four hundred eighty-two acres located in Lassen County California, and one hundred sixty-two acres located in Washoe County, Nevada, as generally depicted on a map entitled Skedaddle Proposal, dated June 1988 (CA-020-612), and which shall be known as the Skedaddle Wilderness. However, the designation of the Skedaddle Wilderness will in no way be construed or used to restrain current or future activities associated with the adjacent Sierra Army Depot;

(8) certain public lands in the Susanville District of the Bureau of Land Management, California, which comprise approximately one thousand one hundred sixty one acres, as generally depicted on a map entitled South Warner Proposal, dated June 1988 (CA-020-708), and which shall be known as the South Warner Wilderness;

(9) certain public lands in the Ukiah District of the Bureau of Land Management, California, which comprise approximately four thousand one hundred forty three acres, as generally depicted on a map entitled Chemise Mountain Proposal, dated June 1988 (CA-050-111), and which shall be known as the Chemise Mountain Wilderness;

(10) certain public lands in the Ukiah District of the Bureau of Land Management, California, which comprise approximately twenty thousand two hundred forty eight acres, as generally depicted on a map entitled King Range Proposal, dated June 1988 (CA-050-112), and which shall be known as the King Range Wilderness;

(11) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately three hundred forty four acres, as generally depicted on a map entitled Agua Tibia Proposal, dated June 1988 (CA-060-002), and which shall be known as the Agua Tibia Wilderness;

(12) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty two thousand eight hundred seventy five acres, as generally depicted on a map entitled Sawtooth Mountains Proposal, dated June 1988 (CA-060-024B), and which shall be known as the Sawtooth Mountains Wilderness;

(13) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fifteen thousand four hundred eight acres, as generally depicted on a map entitled Carrizo Gorge Proposal, dated June 1988 (CA-060-025A), and which shall be known as the Carrizo Gorge Wilderness;

(14) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately four thousand three hundred twenty three acres, as generally depicted on a map entitled Western Otay Mountain Proposal, dated June 1988 (CA-060-028), and which shall be known as the Western Otay Mountain Wilderness;

(15) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise ap-

proximately six thousand seven hundred eighty three acres, as generally depicted on a map entitled Southern Otay Mountain Proposal, dated June 1988 (CA-060-029), and which shall be known as the Southern Otay Mountain Wilderness;

(16) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately three hundred ninety two thousand six hundred forty three acres, as generally depicted on a map entitled Saline Valley Proposal, dated June 1988 (CDCA-117), and which shall be known as the Saline Valley Wilderness. Of this acreage approximately thirty thousand two hundred ninety five acres are added to the National Park System pursuant to section 4(a)(1) of this Act.

(17) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately two thousand one hundred fifty four acres, as generally depicted on a map entitled Lower Saline Valley Proposal, dated June 1988 (CDCA-117A), and which shall be known as the Lower Saline Valley Wilderness;

(18) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately thirty five thousand seven hundred ninety two acres, as generally depicted on a map entitled Little Sand Spring Proposal, dated June 1988 (CDCA-119), and which shall be known as the Little Sand Spring Wilderness. All of this acreage is hereby added to the National Park System pursuant to section 4(a)(1) of this Act.

(19) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fifty eight thousand three hundred ninety two acres, as generally depicted on a map entitled Inyo Mountains Proposal, dated June 1988 (CDCA-122), and which shall be known as the Inyo Mountains Wilderness;

(20) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty thousand thirty acres, as generally depicted on a map entitled Hunter Mountain Proposal, dated June 1988 (CDCA-123), and which shall be known as the Hunter Mountain Wilderness;

(21) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately ninety thousand six hundred twenty six acres, as generally depicted on a map entitled Panamint Dunes Proposal, dated June 1988 (CDCA-127), and which shall be known as the Panamint Dunes Wilderness;

(22) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fourteen thousand seventy nine acres, as generally depicted on a map entitled Wild Rose Canyon Proposal, dated June 1988 (CDCA-134), and which shall be known as the Nova Canyon Wilderness;

(23) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately forty four thousand five hundred thirty six acres, as generally depicted on a map entitled Slate Range Proposal, dated June 1988 (CDCA-142), and which shall be known as the South Panamint Wilderness;

(24) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty three thousand four

acres, as generally depicted on a map entitled Funeral Mountains Proposal, dated June 1988 (CDCA-143), and which shall be known as the Funeral Mountains Wilderness. Of this acreage approximately fifteen thousand seven hundred seventy eight acres are added to the National Park System pursuant to section 4(a)(1) of this Act.

(25) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty two thousand eight hundred eleven acres, as generally depicted on a map entitled Greenwater Valley Proposal, dated June 1988 (CDCA-148), and which shall be known as the Salsberry Peak Wilderness;

(26) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately seventy nine thousand eight hundred sixty eight acres, as generally depicted on a map entitled Nopah Range Proposal, dated June 1988 (CDCA-150), and which shall be known as the Nopah Range Wilderness;

(27) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately one hundred twenty one thousand nine hundred twelve acres, as generally depicted on a map entitled Owlshead Mountains Proposal, dated June 1988 (CDCA-156), and which shall be known as the Owlshead Mountains Wilderness;

(28) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately thirty two thousand two hundred twenty-five acres, as generally depicted on a map entitled Little Lake Canyon Proposal, dated June 1988 (CDCA-157), and which shall be known as the Little Lake Canyon Wilderness;

(29) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty-six thousand one hundred thirteen acres, as generally depicted on a map entitled Owens Peak Proposal, dated June 1988 (CDCA-158), and which shall be known as the Owens Peak Wilderness;

(30) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately thirteen thousand nine hundred eighty six acres, as generally depicted on a map entitled El Paso Mountains Proposal, dated June 1988 (CDCA-64), and which shall be known as the El Paso Mountains Wilderness;

(31) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty nine thousand one hundred thirteen acres, as generally depicted on a map entitled Golden Valley Proposal, dated June 1988 (CDCA-170), and which shall be known as the Golden Valley Wilderness;

(32) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty thousand two hundred ninety one acres, as generally depicted on a map entitled Newberry Mountains Proposal, dated June 1988 (CDCA-206), and which shall be known as the Newberry Mountains Wilderness;

(33) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately seventeen thousand six hundred thirty acres, as generally depicted on a map entitled Rodman Mountains Proposal, dated June 1988 (CDCA-207), and which shall be

known as the Rodman Mountains Wilderness;

(34) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately eleven thousand sixty eight acres, as generally depicted on a map entitled Bighorn Mountains Proposal, dated June 1988 (CDCA-217), and which shall be known as the Bighorn Mountains Wilderness;

(35) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately six thousand four hundred ten acres, as generally depicted on a map entitled Morongo Proposal, dated June 1988 (CDCA-218), and which shall be known as the Morongo Wilderness;

(36) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately eleven thousand one hundred sixty nine acres, as generally depicted on a map entitled Whitewater Proposal, dated June 1988 (CDCA-218A), and which shall be known as the Whitewater Wilderness;

(37) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately thirty four thousand three hundred sixty nine acres, as generally depicted on a map entitled Kingston Range Proposal, dated June 1988 (CDCA-222), and which shall be known as the Kingston Range Wilderness;

(38) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately forty one thousand seven hundred one acres, as generally depicted on a map entitled Cinder Cones Proposal, dated June 1988 (CDCA-239), and which shall be known as the Cinder Cones Wilderness;

(39) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately forty six thousand four hundred five acres, as generally depicted on a map entitled Kelso Dunes Proposal, dated June 1988 (CDCA-250), and which shall be known as the Kelso Dunes Wilderness;

(40) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately forty three thousand two hundred thirty two acres, as generally depicted on a map entitled Bristol/Granite Mountains Wilderness;

(41) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty four thousand two hundred thirty eight acres, as generally depicted on a map entitled South Providence Mountains Proposal, dated June 1988 (CDCA-262), and which shall be known as the South Providence Mountains Wilderness;

(42) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fifty nine thousand six hundred eighty one acres, as generally depicted on a map entitled Providence Mountains Proposal, dated June 1988 (CDCA-263), and which shall be known as the Providence Mountains Wilderness;

(43) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately forty three thousand five hundred nineteen acres, as generally depicted on a map entitled Castle Peaks Proposal, dated June 1988 (CDCA-266), and which shall be known as the Castle Peaks Wilderness;

(44) certain public lands in the California Desert District of the Bureau of Land Man-

agement, California, which comprise approximately thirty four thousand eight hundred fifty four acres, as generally depicted on a map entitled Fort Piute Proposal, dated June 1988 (CDCA-267), and which shall be known as the Fort Piute Wilderness;

(45) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately one hundred sixteen thousand four hundred eighty acres, as generally depicted on a map entitled Turtle Mountains Proposal, dated June 1988 (CDCA-307), and which shall be known as the Turtle Mountains Wilderness;

(46) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately sixty one thousand eight hundred fifty three acres, as generally depicted on a map entitled Chemehuevi Mountain Proposal, dated June 1988 (CDCA-310), and which shall be known as the Chemehuevi Mountains Wilderness;

(47) certain public lands in the Yuma, Arizona District of the Bureau of Land Management, located in California, which comprise approximately nine hundred thirty eight acres, as generally depicted on a map entitled Chemehuevi/Needles Addition Proposal, dated June 1988 (AZ-050-004), and which shall be known as the Chemehuevi Mountains Wilderness-East Unit;

(48) certain public lands in the Yuma, Arizona District of the Bureau of Land Management, located in California, which comprise approximately seventy two thousand sixty three acres, as generally depicted on a map entitled Whipple Mountains Proposal, dated June 1988 (CDCA-312), and which shall be known as the Whipple Mountains Wilderness;

(49) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately one thousand three hundred forty three acres, as generally depicted on a map entitled Whipple Mountains Addition Proposal, dated June 1988 (AZ-050-010), and which shall be known as the Whipple Wilderness-East Unit;

(50) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately seventy five thousand six hundred sixty five acres, as generally depicted on a map entitled Palen/McCoy Proposal, dated June 1988 (CDCA-325), and which shall be known as the Palen Mountains Wilderness;

(51) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately fifty two thousand seven hundred eighty two acres, as generally depicted on a map entitled Coxcomb Mountains Proposal, dated June 1988 (CDCA-328), and which shall be known as the Coxcomb Mountains Wilderness;

(52) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately fifty one thousand four hundred thirty four acres, as generally depicted on a map entitled Eagle Mountains Proposal, dated June 1988 (CDCA-334), and which shall be known as the Eagle Mountains Wilderness;

(53) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately forty seven thousand one hundred forty acres, as generally depicted on a map entitled Santa Rosa Mountains Proposal, dated June 1988 (CDCA-341),

and which shall be known as the Santa Rosa Mountains Wilderness;

(54) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately seven thousand one hundred ninety nine acres, as generally depicted on a map entitled Mecca Hills Proposal, dated June 1988 (CDCA-343), and which shall be known as the Mecca Hills Wilderness;

(55) certain public lands in the California Desert District of the Bureau of Land Management, located in California, which comprise approximately twenty eight thousand two hundred seven acres, as generally depicted on a map entitled Orocopa Mountains Proposal, dated June 1988 (CDCA-344), and which shall be known as the Orocopa Mountains Wilderness;

(56) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fifty seven thousand thirty acres, as generally depicted on a map entitled Chuckwalla Mountains Proposal, dated June 1988 (CDCA-348), and which shall be known as the Chuckwalla Mountains Wilderness;

(57) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately thirty one thousand four hundred ninety three acres, including eight hundred ninety one acres adjacent to the Wilderness Study Area, as generally depicted on a map entitled Indian Pass Proposal, dated June 1988 (CDCA-355), and which shall be known as the Julian Wash Wilderness;

(58) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately five thousand four hundred fifty five acres, as generally depicted on a map entitled Picacho Peak Proposal, dated June 1988 (CDCA-355A), and which shall be known as the Gavilan Wilderness;

(59) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty five thousand seven hundred sixteen acres, as generally depicted on a map entitled North Algodones Dunes Proposal, dated June 1988 (CDCA-360), and which shall be known as the North Algodones Dunes Wilderness;

(60) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately twenty six thousand one hundred twenty eight acres, as generally depicted on a map entitled Jacumba Proposal, dated June 1988 (CDCA-368), and which shall be known as the Jacumba Wilderness;

(61) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately fifteen thousand three hundred fifty-nine acres, as generally depicted on a map entitled Fish Creek Mountains Proposal, dated June 1988 (CDCA-372), and which shall be known as the Fish Creek Mountains Wilderness; and

(62) certain public lands in the Carson City Nevada District of the Bureau of Land Management, located in California, which comprise approximately five hundred fifty acres, as generally depicted on a map entitled Carson Iceberg Proposal, dated June 1988 (NV-030-532), and which shall be known as the Carson Iceberg Wilderness.

(b) The acreages cited in this Act are approximate. In the event of discrepancies between acreages cited in this Act and the acreages depicted on the referenced maps, the maps shall control.

SEC. 5. As soon as practicable after enactment of this Act, a map and a legal description for each designated wilderness area and area added to the National Park System shall be filed by the Secretary with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical, and cartographic errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the Offices of the Director and California State Director, Bureau of Land Management, Department of the Interior.

SEC. 6. (a) Subject to valid existing rights, each wilderness area designated by Section 4(a) of this Act shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act (16 U.S.C. 1131 et seq.) and pursuant to the rules and regulations promulgated in implementation thereof.

(b) The following lands are hereby added to the National Park System:

(1) certain public lands in the California Desert District of the Bureau of Land Management, California, which comprise approximately one hundred and three thousand eight hundred acres, as described in the Bureau of Land Management's Monument Environmental Impact Statement, 1989, and generally depicted on maps entitled Proposed Additions to National Park System Death Valley National Monument, 1989, are hereby incorporated in, and shall be deemed to be a part of Death Valley National Monument; and

(2) certain public lands which comprise approximately four thousand eight hundred acres, as described in the Bureau of Land Management's Monument Environmental Impact Statement, 1989, and generally depicted on a map entitled: Proposed Addition to National Park System Joshua Tree National Monument, 1989, are hereby incorporated in, and shall be deemed to be a part of Joshua Tree National Monument.

(c) Upon enactment of this title, the lands described in subsection (a) of this section, are, by operation of law and without consideration, transferred to the administrative jurisdiction of the National Park Service. The boundaries of the California Desert District; Death Valley National Monument and Joshua Tree National Monument are adjusted accordingly. The areas added to the National Park System by this section shall be administered in accordance with the provisions of law generally applicable to units of the National Park System.

(d) The Secretary shall, within a reasonable period of time, prepare plans to manage each designated wilderness area.

(e) For purposes of this Act, any reference in the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

SEC. 7. Any lands within the boundaries of a wilderness area established by this Act that are acquired by the United States after the date of enactment of this Act shall become part of the wilderness area within which they are located and shall be managed in accordance with all the provisions of this Act and other laws applicable to such wilderness area.

SEC. 8. Except as otherwise provided in this Act, and subject to valid existing rights, all Federal lands established as wilderness by

this Act and all lands within wilderness areas designated by this Act which are hereafter acquired by the United States are hereby withdrawn from all forms of entry, appropriation, or disposal under the public lands laws, including the mining, mineral leasing, geothermal leasing, and material sales laws.

SEC. 9. (a) Nothing in this Act designating lands as wilderness shall constitute or be construed to constitute either an express or implied reservation of water or water rights for wilderness purposes. The United States may acquire such water rights as it deems necessary to carry out its responsibilities on any lands designated as wilderness pursuant to the substantive and procedural requirements of the laws of the States of California and Nevada as appropriate.

(b) Nothing in this Act shall be construed to limit the exercise of water rights as provided under California and Nevada State laws as appropriate.

SEC. 10. (a) Military aircraft testing and training activities as well as demilitarization activities in California are an important part of the national defense system of the United States, and are essential in order to secure for the American people of this and future generations an enduring and viable national defense system.

(b) Nothing in this Act shall be construed to restrict, forbid, or interfere with demilitarization activities and the overflight of military aircraft over areas designated in this Act as the components of the National Wilderness Preservation System.

(c) The designation by this Act of wilderness areas in the State of California shall not restrict military overflights of wilderness areas for the purposes of military testing and training.

(d) The fact that military overflights can be seen or heard shall not preclude such activities over the wilderness areas designated by this Act.

(e) Nothing in this Act shall be construed to restrict, forbid, or interfere with demilitarization activities at Sierra Army Depot which is located adjacent to areas designated in this Act as components of the National Wilderness Preservation System and the fact that such demilitarization activities can be detected from within the adjacent wilderness areas shall not preclude such activities.

SEC. 11. In recognition of the past use of portions of the wilderness areas designated by this Act by Indian people for traditional cultural and religious purposes, the Secretary shall assure access to the wilderness areas by Indian people for traditional cultural and religious purposes. In implementing this section, the Secretary, upon the request of an appropriate Indian tribe or Indian religious community, may from time to time temporarily close to general public use of one or more specific portions of wilderness areas in order to protect the privacy of religious cultural activities in such areas by Indian people. Any such closure shall be made so as to affect the smallest practicable area for the minimum period necessary for such purposes.

SEC. 12. (a) Except as provided in subsections (b) and (c) of this section, the Congress finds and directs that all public lands in the State of California administered by the Bureau of Land Management have been adequately studied for wilderness designation pursuant to sections 202 and 603 of the Federal Land Policy and Management Act of 1976 (FLPMA) (43 U.S.C. 1712 and 1782). Those California public lands not designated as wilderness by this Act are no longer subject to the requirements contained in section 603 of

the said Act for management of wilderness study areas in a manner that does not impair the suitability of such areas for preservation as wilderness, and shall be managed for their multiple use or other values in accordance with land management plans developed pursuant to said Act, or as part of the National Park System pursuant to section 6 of this Act.

(b) Those public lands situated in Lassen County, California, and comprising portions of the Dry Valley Rim (CA-020-615), Buffalo Hills (CA-020-619) or Twin Peaks (CA-020-619A) WSAs are hereby excepted from the provisions of this section.

(c) Those public lands situated in Washoe County, Nevada, and included in either the Five Springs WSA (CA-020-609) or the Skedaddle WSA (CA-020-612) have been adequately studied for wilderness designation pursuant to Sections 202 and 603 of FLPMA. Those lands not designated as wilderness by this Act are no longer subject to the requirements contained in Section 603 of the FLPMA and shall be managed in the same manner as provided for public lands in the State of California by subsection (a) of this section.

SEC. 13. There are authorized such sums as may be necessary to carry out the provisions of this Act.

SECTION-BY-SECTION ANALYSIS— CALIFORNIA PUBLIC LANDS WILDERNESS ACT

SEC. 1. SHORT TITLE

This Act would be cited as the "California Public Lands Wilderness Act".

SEC. 2. CONGRESSIONAL FINDINGS

The Congress finds that—

(a) Many areas of undeveloped public land in California and one parcel in Washoe County, Nevada, administered by the Bureau of Land Management (BLM) have outstanding natural characteristics that give them high value as wilderness.

(b) It is in the national interest that these areas be promptly designated as components of the National Wilderness Preservation Systems in order to preserve and maintain them as an enduring resource of wilderness to be managed to promote and perpetuate their wilderness character and generations of the American people.

(c) Certain areas of public lands in Inyo and Riverside Counties, California, are appropriate for transfer from the BLM to the National Park Service as additions to the Death Valley and Joshua Tree National Monuments.

SEC. 3. DEFINITIONS

Section 3(a) would define the term "public lands" to mean the same as defined in section 103(e) of the Federal Land Policy and Management Act of 1976 (FLPMA).

Section 3(b) would define the term "Secretary" to mean the Secretary of the Interior.

SEC. 4. LANDS DESIGNATED AS WILDERNESS/ LANDS ADDED TO THE NATIONAL PARK SYSTEM

Section 4(a) would designate the following 62 areas as components of the National Wilderness Preservation System:

WSA name	Acreage	WSA No.	BLM district, State
Owens Peak	15,897	CA-010-026	Bakersfield, CA.
Sacatar Meadows	10,721	CA-010-027	Do.
Southern Inyo	28,291	CA-010-056	Do.
Pinnacles	1,983	CA-040-303	Do.
Pit River Canyon	7,443	CA-020-103	Susanville, CA.
Tunnison Mountain	7,889	CA-020-311	Do.
Skedaddle	13,482	CA-020-612	Do.
	2152		
South Warner	1,161	CA-020-708	Do.
Chemise Mountain	4,143	CA-050-111	Ukiah, CA.

WSA name	Acreage	WSA No.	BLM district, State
King Range	20,248	CA-050-112	Do.
Agua Tibia	344	CA-060-002	CA Desert, CA.
Sawtooth Mountains	22,875	CA-060-024B	Do.
Carizzo Gorge	15,408	CA-060-025A	Do.
Western Otay Mountain	4,323	CA-060-028	Do.
Southern Otay Mountain	6,783	CA-060-029	Do.
Saline Valley	392,643	CDCA-117	Do.
Lower Saline Valley	2,154	CDCA-117A	Do.
Little Sand Spring	35,792	CDCA-119	Do.
Inyo Mountains	58,392	CDCA-122	Do.
Hunter Mountain	20,030	CDCA-123	Do.
Panmint Dunes	90,626	CDCA-127	Do.
Wild Rose Canyon	14,079	CDCA-134	Do.
State Range	44,536	CDCA-142	Do.
Funeral Mountains	23,004	CDCA-143	Do.
Greenwater Valley	22,811	CDCA-148	Do.
Nopah Range	79,868	CDCA-150	Do.
Owlshead Mountains	121,312	CDCA-156	Do.
Little Lake Canyon	32,225	CDCA-157	Do.
Owens Peak	26,113	CDCA-158	Do.
El Paso Mountains	13,986	CDCA-164	Do.
Golden Valley	29,113	CDCA-170	Do.
Newberry Mountains	20,291	CDCA-206	Do.
Rodman Mountains	17,630	CDCA-207	Do.
Bighorn Mountains	11,068	CDCA-217	Do.
Morongo	6,410	CDCA-218	Do.
Whitewater	11,169	CDCA-218A	Do.
Kingston Range	34,369	CDCA-222	Do.
Cinder Cones	41,701	CDCA-239	Do.
Keslo Dunes	46,405	CDCA-250	Do.
Bristol/Granite Mountains	43,232	CDCA-256	Do.
South Providence Mountains	24,238	CDCA-262	Do.
Providence Mountains	59,681	CDCA-263	Do.
Castle Peaks	43,519	CDCA-266	Do.
Fort Piute	34,854	CDCA-267	Do.
Turtle Mountains	116,480	CDCA-307	Do.
Chemehuevi Mountains	61,853	CDCA-310	Do.
Chemehuevi Needles	938	AZ-050-004	Yuma, AZ, CA.
Whipple Mountains	72,063	CDCA-312	Do.
Whipple Mountains Addition	1,343	AZ-050-010	Do.
Palev/McCoy	75,665	CDCA-325	CA Desert, CA.
Cocomb Mountains	52,782	CDCA-328	Do.
Eagle Mountains	51,434	CDCA-334	Do.
Santa Rosa Mountains	47,140	CDCA-341	Do.
Mecca Hills	7,199	CDCA-343	Do.
Orocopia Mountains	28,207	CDCA-344	Do.
Chuckwalla Mountains	57,030	CDCA-348	Do.
Indian Pass	31,493	CDCA-355	Do.
Picacho Peak	5,455	CDCA-355A	Do.
North Algodones Dunes	25,716	CDCA-360	Do.
Jacumba	26,128	CDCA-368	Do.
Fish Creek Mountains	15,359	CDCA-372	Do.
Carson Iceberg	550	NV-030-532	Carson City, NV, CA.

¹ California.
² Nevada.

Section 4(b) would provide that the acreages are approximate, and the maps shall control in the event of discrepancies between acreages cited in this Act and the acreages depicted on the referenced maps.

SEC. 5. MAPS

Section 5 would require the Secretary, as soon as practicable after enactment, to file a map and a legal description for each designated wilderness area and area added to the National Park System with the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs. Each such map and legal description would have the same force and effect as if included in this Act, and would be on file and available for public inspection in the Offices of the Director and California State Director, BLM, Department of the Interior.

SEC. 6. ADMINISTRATION

Section 6(a) would require the Secretary, subject to valid existing rights to administer each wilderness area designated by this Act in accordance with the provisions of the Wilderness Act (16 U.S.C. 1131 et seq.) and its implementing rules and regulations.

Section 6(b) would add the following lands to the National Park System:

Name	Acreage	BLM district, State
Proposed additions to National Park System, Death Valley National Monument	103,800	CA Desert, CA.
Proposed addition to National Park System, Joshua Tree National Monument	4,800	Do.

Section 6(c) would provide that, upon enactment of this section, the lands described in section 6(b) would be transferred to the administrative jurisdiction of the National Park Service by operation of law and without consideration. The boundaries of the California Desert District, Death Valley National Monument, and Joshua Tree National Monument would be adjusted accordingly. The areas added to the National Park System by this section would be administered in accordance with the provisions of law generally applicable to units of the National Park System.

Section 6(d) would require the Secretary to prepare plans, within a reasonable period of time, to manage each designated wilderness area.

Section 6(e) would provide that, for purposes of this Act, any reference in the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

SEC. 7. AUTOMATIC INCORPORATION OF ACQUIRED LANDS INTO WILDERNESS AREAS

Section 7 would require that any lands within the boundaries of a wilderness area established by this Act become part of the wilderness area within which they are located and be managed in accordance with all the provisions of this Act and other laws applicable to such wilderness area.

SEC. 8. WITHDRAWAL FROM MINING AND MINERAL LEASING

Except as otherwise provided in this Act, and subject to valid existing rights, section 8 would withdraw all Federal lands established as wilderness by this Act and all lands within designated wilderness areas which are hereafter acquired by the United States from all forms of entry, appropriation, or disposal under the public land laws, including the mining, mineral leasing, geothermal leasing, and material sales laws.

SEC. 9. WATER RIGHTS

Section 9(a) would provide that nothing in this Act shall constitute or be construed to constitute either an express or implied reservation of water or water rights for wilderness purposes. The United States would be authorized to acquire such water rights as it deems necessary to carry out its responsibilities on any lands designated as wilderness pursuant to the substantive and procedural requirements of California and Nevada State laws.

Section 9(b) would provide that nothing in this Act shall be construed to limit the exercise of water rights as provided under California and Nevada State laws.

SEC. 10. MILITARY OVERFLIGHTS

Section 10(a) states that military aircraft testing and training activities, as well as demilitarization activities in California, are an important part of the U.S. national defense system, and are essential to secure an enduring and viable national defense system for the present and future generations of the American people.

Section 10(b) would provide that nothing in this Act shall be construed to restrict, forbid, or interfere with demilitarization activities and the overflight of military aircraft over areas designated in this Act as components of the National Wilderness Preservation System.

Under section 10(c), the designation by this Act of wilderness areas in the State of California would not restrict military overflights of wilderness areas for military testing and training.

Under section 10(d), the fact that military overflights could be seen or heard would not

preclude such activities over the wilderness areas designated by this Act.

Section 10(e) would provide that nothing in this Act shall be construed to restrict, forbid, or interfere with demilitarization activities at Sierra Army Depot which is located adjacent to areas designated in this Act as components of the National Wilderness Preservation System and the fact that demilitarization activities could be detected from within the adjacent wilderness areas would not preclude such activities.

SEC. 11. AMERICAN INDIAN RELIGIOUS FREEDOM PROVISIONS

Section 11 would require the Secretary to assure access to the wilderness areas designated by this Act by Indian people for traditional cultural and religious purposes. Upon the request of an appropriate Indian tribe or Indian religious community, the Secretary would be authorized from time to time to temporarily close to general public use one or more specific portions of wilderness areas to protect the privacy of the Indian people's religious cultural activities. Any such closure would be made so as to affect the smallest practicable area for the minimum period necessary for such purposes.

SEC. 12. RELEASE LANGUAGE

Under section 12, the Congress finds and directs that, except as provided in subsections (b) and (c) of this section, all BLM-administered public lands in the State of California have been adequately studied for wilderness designation pursuant to sections 202 and 603 of the Federal Land Policy and Management Act of 1976 (FLPMA) (43 U.S.C. 1712 and 1782). Those California public lands not designated as wilderness by this Act are no longer subject to the requirements of section 603 of FLPMA for management of wilderness study areas in a manner that does not impair the suitability of such areas for designation as wilderness, and shall be managed for their multiple use or other values in accordance with land management plans developed pursuant to said Act, or as part of the National Park System pursuant to section 6 of this Act.

Section 12(b) would except public lands situated in Lassen County, California, and comprising portions of three WSAs from the provisions of the section. The three WSAs are Dry Valley Rim (CA-020-615), Buffalo Hills (CA-020-619) and Twin Peaks (CA-020-619A).

Section 12(c) would provide that those public lands situated in Washoe County, Nevada, and included in either the Five Springs WSA (CA-020-609) or the Skedaddle WSA (CA-020-612) have been adequately studied for wilderness designation pursuant to Sections 202 and 603 of FLPMA. Those lands not designated as wilderness by this Act would no longer be subject to the requirements contained in Section 603 of said Act and shall be managed in the same manner as provided for public lands in the State of California by subsection (a) of this section.

SEC. 13. APPROPRIATION AUTHORIZATION

Section 13 would authorize to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. HARKIN (for himself, Mr. BURDICK, and Mr. PRYOR.)

S. 2394. A bill to amend title XVIII of the Social Security Act and title III of the Public Health Service Act to protect and improve the availability and quality of health care in rural areas; to the Committee on Finance.

RURAL HEALTH CARE PROTECTION AND IMPROVEMENT ACT

• Mr. HARKIN. Mr. President, I rise to introduce legislation I have been working on for some time that I believe is of critical importance for the protection and improvement of access to health care in rural America. My bill, the Rural Health Care Protection and Improvement Act of 1992, will extend and expand three important and successful rural health programs. I am very pleased to be joined in this effort by the cochair of the Senate rural health caucus, the senior Senator from North Dakota [Mr. BURDICK].

The Rural Health Care Protection and Improvement Act of 1992 would do three things:

Extend the special Medicare-dependent small rural hospital payment provisions until 1995, when the urban-rural payment differential is fully phased out;

Authorize an expansion of the Rural Health Outreach Grant Program that was created in the fiscal year 1991 Labor, Health and Human Services appropriations bill; and

Keep the Rural Health Transition Grant Program alive by extending its authorization, set to expire this year, for 5 more years and increasing its authorization level from \$25 million to \$30 million a year.

Mr. President, nowhere is our Nation's health care crisis more acute than in rural America. A particular problem in rural America has been the steady decline in the number of hospitals serving it. Between 1980 and 1990, 330 rural hospitals were forced to close their doors, in large part because of inequities in Medicare reimbursement. In 1989, Congress wisely acted to redress this inequity by establishing the Medicare Dependent Hospital Program as a part of the Omnibus Budget Reconciliation Act [OBRA]. The MDH Program allows rural hospitals under 100 beds to qualify for a cost reimbursement of over 60 percent of their patient days were supported under Medicare. Even with this funding, these hospitals have had a negative Medicare reimbursement—but these funds have provided the needed margin for survival for many. This inequity will continue until at least 1995, when the rural/urban differential is scheduled to be eliminated. The MDH Program will, however, end in 1992, unless extended through this legislation. It is therefore essential to extend this program at least until the urban-rural payment differential is completely phased out in 1995.

Mr. President, the impending end of the MDH Program is already having a profound effect on these critically important health care providers, their employees and their patients across rural America. In my home State of Iowa, where four rural hospitals have closed in the last 6 years, and where a

quarter of rural hospitals are now operating at a loss, the Franklin General Hospital in Hampton, IA will lay off 25 employees—11 percent of their staff—effective immediately due to the anticipated cutbacks in Medicare funding. If this program is not extended, the Van Buren County Hospital, a 40-bed acute care facility, will lose \$149,000 next year, an amount equal to their entire bottom line last year. Francis T. Carr, administrator of the Eldora Regional Medical Center, told me that the \$100,000 his hospital would lose if the Medicare Dependent Hospital Program ended would amount to 5 percent of its annual budget. Their only recourse would be to raise taxes on country residents who are already bearing more than their fair share of health care costs, or to increase fees which would have the same effect, further fueling the spiraling cost of health care. Richard C. Hamilton, administrator of the Clarinda Municipal Hospital refers to the scheduled end of this program as "slow, constant financial strangulation."

A total of 35 rural Iowa hospitals participate in this program. Without continued supplemental Medicare funding they will lose \$7.2 million a year. For some, that could well mean the end. And for thousands Iowans, that would mean significantly reduced health care access.

Mr. President, this legislation also authorizes an expansion of the Rural Health Outreach Program that I worked to establish as a part of the fiscal year 1991 Labor, Health and Human Services appropriations bill. We began this initiative to demonstrate the effectiveness of outreach programs in rural areas that do not normally seek or have trouble accessing health or mental health services. The outreach grants are designed to address two major needs: First, improved outreach efforts by community and migrant health centers and local health departments to reach many people in need of primary and preventive care who now are not being reached until they are acutely ill and need extensive and expensive hospital care; and second, improved cooperation between health and social service agencies in reaching these people. This program has received overwhelmingly positive response from around the Nation.

In the outreach grant program's short history, it has already had a great impact on improving coordination between health care providers and expanding access to needed health and mental health services. In 1991, \$18.3 million in grants was awarded to 100 communities in 46 States. In Iowa, the Grundy County Memorial Hospital in Grundy Center will establish a hospice program to provide needed care to terminally ill individuals. Case management and respite care services will be provided as well. Mahaska County Hos-

pital in Oskaloosa, IA, will coordinate improved occupational health services to farm families and agribusiness employees in 15 southeastern Iowa counties. This outreach grant project is the result of a tremendous collaborative effort of 17 hospitals, the university, and farm related organizations.

As chairman of the Labor-HHS Subcommittee, I was pleased to be able to win an increase to \$22.5 million in appropriations for this program in fiscal year 1992. I was very distressed, however, to see that the President's fiscal year 1993 budget contains no funding for this critical rural health program.

The legislation we are introducing today would authorize an expansion of the outreach grant program to \$30 million in 1993 and such sums as necessary for fiscal years 1994-97.

The Rural Health Care Protection and Improvement Act of 1992 would also keep alive the Rural Health Transition Grant Program which is scheduled to expire this year. This very successful program, established as a part of OBRA '87, helps small rural hospitals and their communities adapt to changing situations and needs. Situations such as excess hospital capacity and a declining supply of health professionals, increasing demand for ambulatory and emergency services, and the need for adequate access to emergency and inpatient care in areas where many underutilized hospital beds are being eliminated. Eligible hospitals receive grants of up to \$50,000 a year for up to 3 years. In 1991, 188 hospitals in 44 States received grants under this program. As chairman of the Labor, Health and Human Services appropriations subcommittee, I have worked to significantly expand funding for this program. And this legislation would allow an even further expansion by increasing the program's authorization \$50 million a year.

Iowa has been particularly helped by the Transition Grant Program. It has consistently ranked among the top states in the number of hospitals receiving grants under the program. Among Iowa hospitals receiving new grant awards last year were the Winneshiek County Memorial in Decorah, Anamosa Community Hospital in Anamosa, Virginia Gay Hospital in Vinton, Grundy County in Grundy Center, Veterans Memorial in Waukon, Mercy in Corning, Van Buren County in Keosauqua, Story County in Nevada, Cass County Memorial in Atlantic, and Humboldt County Memorial in Humboldt.

This legislation would extend authorization for the transition grants until 1997 and increase the maximum funding level from \$25 million to \$30 million a year.

Mr. President, rural Americans are at triple jeopardy—they are more often poor, more often uninsured, and more often without access to health care.

They are at increased risk to motor vehicle injury and death with two-thirds of motor vehicle deaths occurring in rural areas. Over 12 million rural Americans also face the increased occupational risks of farming, America's most hazardous occupation. Rural America is home to a disproportionately large segment of older citizens who more often require long-term care for their illnesses and disabilities. And rural America is not immune from the social stresses of modern society. This is manifest by escalating needs for mental health services to deal with necessary alcohol and drug related treatment, and by the significantly higher rate of suicide in rural areas. Yet, rural Americans are increasingly becoming commuters for their health care. Rural Americans deserve to be treated equitably and this legislation takes several meaningful steps toward assuring that quality health care is readily accessible to them.

It is time for fundamental health care reform in America. This reform must provide not only affordable and comprehensive health care, but offer real access to health care for all Americans including those living in rural and other underserved areas. It must provide comprehensive long-term care for the elderly and for those with disabilities. It must provide a system of care that assures vertical integration that provides preventive care, primary care, acute care, long-term care, mental health care, and social services through public and private partnerships. Without a strong and functional infrastructure for health care delivery, no type of health care reform will meet the mandatory test of equal access of health care for all Americans.

Mr. President, I urge my colleagues to join us in supporting this important legislation and ask unanimous consent that a copy and summary of the proposed bill be printed in the RECORD.

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

S. 2394

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 "Rural Health Care Protection and Improvement Act of 1992."

SEC. 2. EXTENSION OF CERTAIN PAYMENT PROVISIONS FOR MEDICARE-DEPENDENT SMALL RURAL HOSPITALS.

(a) IN GENERAL.—Section 1886(d)(5)(G)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G)(i)) is amended by striking "March 31, 1993" and inserting "March 31, 1995".

(b) PAYMENT.—Section 1886(b)(3)(D) of such Act (42 U.S.C. 1395ww(b)(3)(D)) is amended by striking "March 31, 1993" and inserting "March 31, 1995".

SEC. 3. EXTENSION AND EXPANSION OF RURAL HEALTH TRANSITION GRANT PROGRAM.

(a) IN GENERAL.—Section 4005(e)(9) of the Omnibus Budget Reconciliation Act of 1987,

as amended by section 6003(g)(1)(B) of the Omnibus Budget Reconciliation Act of 1989 is amended—

(1) by striking "1989 and" and inserting "1989,"; and

(2) by striking "1992" and inserting "1992 and \$30,000,000 for each of the fiscal years 1993, 1994, 1995, 1996 and 1997".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 4. ESTABLISHMENT OF RURAL HEALTH OUTREACH GRANT PROGRAM.

(a) IN GENERAL.—Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by inserting after part L the following new part M:

"SEC. 399B. RURAL HEALTH OUTREACH GRANT PROGRAM.

(a) IN GENERAL.—The Secretary may make grants to demonstrate the effectiveness of outreach to populations in rural areas that do not normally seek or do not have adequate access to health or mental health services. Grants shall be awarded to enhance linkages, integration, and cooperation in order to provide health or mental health services, to enhance services, or increase access to or utilization of health or mental health services.

(b) MISSION OF THE OUTREACH PROJECTS.—Projects under subsection (a) should be designed to facilitate integration and coordination of services in or among rural communities in order to address the needs of populations living in rural or frontier communities.

(c) COMPOSITION OF PROGRAM.—

(1) CONSORTIUM ARRANGEMENTS.—Participation in the program established in subsection (a) requires the formation of consortium arrangements among three or more separate and distinct entities to carry out an outreach project.

(2) CERTAIN REQUIREMENTS.—

(A) A consortium under paragraph (1) must be composed of three or more public or private nonprofit health care or social service providers. Consortium members may include such entities as: local health departments, community or migrant health centers, community mental health centers, hospitals or private practices, or other publicly funded health or social services agencies.

(B) Grantees currently receiving support under this program shall continue to be eligible for support.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated \$50,000,000 for fiscal year 1993, and such sums as may be necessary for each of the fiscal years 1994, 1995, 1996 and 1997."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

SUMMARY OF THE RURAL HEALTH CARE PROTECTION AND IMPROVEMENT ACT OF 1992

This legislation would preserve and expand three programs that are critical to maintaining and improving access to health care in hundreds of rural communities across the nation. The "Rural Health Care Protection and Improvement Act of 1992":

Extends the special Medicare-Dependent Small Rural Hospital payment provisions until 1995, when the urban-rural payment differential is fully phased out.

Keeps the Rural Health Transition Grant Program alive by extending its authorization, set to expire this year, for five more years and increasing its authorization level from \$25 million to \$30 million a year.

Authorizes an expansion of the Rural Health Outreach grant program that was created in the Fiscal Year 1991 Labor, Health and Human Services Appropriations bill.

MEDICARE DEPENDENT HOSPITAL PROGRAM

Established in OBRA '89, this program provides a measure of relief to rural hospitals with 100 or fewer beds that are dependent upon Medicare for at least 60 percent of their patient days and do not qualify as sole community hospitals (SCHs). These hospitals are eligible for the same payment rules available so SCHs which allow them to receive hospital-specific rates higher than they would normally receive under PPS. 21 percent of rural hospitals are designated as Medicare Dependent Hospitals (MDHs) and 45 percent of MDHs receive higher Medicare payments because of this status. For those 243 hospitals, the average increase in Medicare payments is 17 percent what they would otherwise be receiving.

This legislation would extend the MDH program, which is set to expire with cost reporting periods ending April 1, 1993, for two additional years. It would provide strapped rural hospitals much needed relief until the urban/rural differential in Medicare payments is completely phased out in 1995.

RURAL HEALTH TRANSITION GRANT PROGRAM

This very successful program, established as a part of OBRA '87, helps small rural hospitals and their communities adapt to changing situations and needs. Situations such as excess hospital capacity and a declining supply of health professionals, increasing demand for ambulatory and emergency services, and the need for adequate access to emergency and inpatient care in areas where many underutilized hospital beds are being eliminated. Eligible hospitals receive grants of up to \$50,000 a year for up to 3 years. In 1991, 188 hospitals in 44 states received grants under this program. Fiscal year 1992 funding is \$23 million.

Authorization for the transition grants expires in 1992. This legislation would extend it until 1997 and increase the authorization from \$25 million to \$30 million a year.

RURAL HEALTH OUTREACH PROGRAM

The FY '91 Labor, Health and Human Services Appropriations Act began this initiative to demonstrate the effectiveness of outreach programs to populations in rural areas that do not normally seek or have trouble accessing health or mental health services. The outreach grants, which have proven to be in great demand, are designed to address two major needs: 1) improved outreach efforts by community and migrant health centers, local health departments and other providers to reach many people in need of primary and preventive care who now are not being reached until they are acutely ill and need extensive and expensive hospital care, and, 2) improved cooperation between health and social service agencies in reaching these people. In 1991, \$18.3 million in grants were awarded to 100 communities in 46 states. \$22.5 million will be awarded in 1992.

This legislation would authorize an expansion of the outreach grant program to \$50 million in 1993 and such sums as necessary for fiscal year 1994-97.

By Mr. BAUCUS:

S. 2395. A bill to increase the competitiveness of the United States automotive industry by requiring United States automotive manufacturers to make certain improvements in quality and efficiency and by requiring the

President to negotiate a trade agreement with Japan limiting Japanese automotive exports to the United States; to the Committee on Finance.

AUTOMOTIVE COMPETITIVENESS ACT OF 1992

Mr. BAUCUS. Mr. President, on October 4, 1957, a startled America learned that a Soviet rocket had placed the satellite Sputnik in orbit around the Earth. The event spurred widespread panic. American technology, it appeared, was no match for the Soviets. The United States was losing the battle for the future.

Today, more Americans fear Japanese manufacturing prowess than Russian rockets. And rightfully so. The end of the cold war has focused a new light on international commerce.

Tough economic competition has forced our nation to ask fundamental questions about basic components of our economy. Too often, we find ourselves lacking.

I introduce today the Automotive Competitiveness Act of 1992.

The act challenges the American auto industry to rise to the demands of this new era.

SOMETHING FOR NOTHING

There is a pattern in U.S. trade policy that has become all too familiar. In sector after sector, American industries face tough competition from abroad.

Thirty years ago, Americans set the standard of excellence for autos, steel, and electronics. Today, these standards are set more often by the Japanese, the Koreans, and the Germans.

In reaction to this competition, American industries often have requested import relief from the Federal Government. More often than not, the siren's call of protection has proved too strong to resist—the Government granted the request.

Protection usually is sold as an opportunity for breathing space. At the end of the protection period, we are told, industry will be competitive enough to stand alone.

Unfortunately, this is rarely the case. In most cases, protected industries do not become more competitive. Instead, they become addicted to the protection. At the end of the relief period, Congress hears a new call for "just a few more years" of breathing space.

THE AUTOMOTIVE COMPETITIVENESS ACT

The Automotive Competitiveness Act that I am introducing today seeks to remedy the primary flaw with relief extended to industry in the past. Namely, it makes sure Americans get something for their investment.

And let's be honest—it is a big investment. When a VRA is negotiated to limit imports, consumers pay a cost. For example, it is estimated that the last auto VRA cost consumers \$5 billion.

In a year of recession and massive budget deficits, it is certainly reason-

able for Americans to insist that they get a return on their investment. They have the right to insist that they get a competitive industry in return for temporary protection.

The core of my proposal is a straightforward swap: The U.S. Government will provide temporary relief in exchange for a tough competitiveness commitment on the part of the Big Three.

First, my bill establishes a standstill of 3.6 million on the number of Japanese vehicles that can be sold in the United States—including both direct exports from Japan and vehicles produced in so-called transplant facilities. Any vehicle containing 70 percent or more U.S. content does not count against the limit.

Second, and most importantly, my legislation charges the auto industry a price for this relief. Namely, the ITC will evaluate the Big Three every 2 years against the competitiveness criteria established by the Department of Commerce in awarding the prestigious Baldrige Award.

I ask unanimous consent that a copy of the Baldrige criteria and an article from today's Wall Street Journal be placed in the RECORD at the end of my statement.

My bill will also force the auto industry to reduce executive salaries to levels consistent with those in Germany and Japan. Auto executives cannot expect to become multimillionaires while their companies live off the public dole.

If the ITC determines that the Big Three are not meeting these requirements, the relief will be terminated.

Frankly, I do not know if these terms are acceptable to the U.S. auto industry. If they are unacceptable, I will not push this proposal. If the Big Three determine they can go it alone, more power to them.

But let me be clear: I will work against any VRA for the auto industry—or any other industry—that does not include tough conditions along the lines that I have outlined. Our country can no longer afford something for nothing import relief.

CONCLUSION

The task of returning America's auto industry to a position of preeminence will not be achieved overnight.

In the years following the launching of Sputnik, the Soviets beat the Americans to several more milestones. It was a Soviet who first entered space. It was a Soviet who first orbited the Earth.

But on July 20, 1969, it was an American who first walked on the Moon. A decade of national dedication to excellence put America first.

There is nothing unique about the space race. When Americans commit to achieving, great achievements follow.

Today we must commit to building national industries that lead the world in quality, efficiency and innovation.

Americans came from behind to put the first man on the Moon. Does anyone doubt that we can once again set the standard for automobiles and steel?

To their credit, U.S. automakers have taken significant initial steps toward reestablishing the credentials of "Made in U.S.A." Names like Taurus, Saturn, and Viper are associated with state-of-the-art achievement.

If we can turn the promise of these products into the norm throughout the industry, we will see a day when the United States recaptures its pre-eminent position in the international auto industry.

The bill I introduce today is a first step toward that day.

I ask unanimous consent that the text of the bill, the Baldrige criteria, and two articles be printed in the RECORD.

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

S. 2395

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 "Automotive Competitiveness Act of 1992".

SEC. 2. NEGOTIATION OF TRADE AGREEMENT.

(a) IN GENERAL.—The President shall take action to initiate negotiations with Japan for the purpose of entering into a bilateral agreement which meets the requirements of subsection (b).

(b) REQUIREMENTS OF AGREEMENT.—In order to meet the requirements of this subsection the bilateral agreement negotiated under subsection (a), shall provide—

(1) that the level of "Japanese motor vehicle exports" (as defined in subsection (d)) to the United States does not exceed 3,600,000, or such adjusted level established by the United States International Trade Commission under section 3, in any calendar year in which the agreement is in effect;

(2) that it shall be reviewed every 2 years by the United States International Trade Commission (hereafter in this Act referred to as the "Commission") as provided in section 3; and

(3) that such agreement shall not be in effect for a period that exceeds 7 calendar years from the effective date of this Act.

(c) INCREASE IN TARIFFS IN CASE OF NON-AGREEMENT.—If the President is unable by January 1, 1993, to enter into an agreement with Japan which meets the requirements of subsection (b), the President shall provide for the imposition of tariffs on Japanese motor vehicle exports at such a rate as to achieve a level of imports of such vehicles into the United States as would have been achieved under the requirements of the bilateral agreement described in subsection (b) had such agreement been in effect.

(d) JAPANESE MOTOR VEHICLE EXPORTS DEFINED.—For purposes of this Act, the term "Japanese motor vehicle exports" means—

(1) passenger automobiles, multipurpose vehicles and light trucks exported from Japan to the United States; and

(2) sales in the United States of passenger automobiles, multipurpose vehicles and light trucks, if such automobiles, vehicles and trucks have an aggregate average value of goods originating in the United States incor-

porated into such automobiles, vehicles and trucks which is less than 70 percent of the average total value of the automobile, vehicle or light truck.

In making a determination as to the origination of goods under this subsection, such determination shall be made in the same manner as determined under Article 301 and annex 301.2 of the Canada-United States Free Trade Agreement.

SEC. 3. CONDITIONS OF CONTINUED ENFORCEMENT OF AGREEMENT.

(a) IN GENERAL.—The bilateral agreement negotiated under section 2(a) or the imposition of tariffs under section 2(b), shall terminate or be modified—

(1) at the close of the seventh anniversary of the effective date of this Act; or

(2) before the close of the second, fourth, or sixth anniversary of the effective date of this Act, if the Commission submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a recommendation based on the review and findings of the Commission under subsection (b) that such agreement or tariffs should be terminated or modified, unless such recommendation is rejected by means of a joint disapproval resolution as described in subsection (d).

(b) RECOMMENDATIONS AND FINDINGS OF THE INTERNATIONAL TRADE COMMISSION.—The Commission in consultation with the President and the Congress, shall prior to the close of the second, fourth, and sixth years of the effective date of this Act, review the bilateral agreement negotiated under section 2(a) or the tariffs imposed under section 2(b) of such section and may make a recommendation to the Congress providing—

(1) for elimination of the import limits negotiated under the bilateral agreement or the tariffs imposed in lieu of such agreement, if the Commission makes a negative determination under section 4 as to the competitiveness of the United States auto industry;

(2) for adjustments in the number of Japanese motor vehicle exports to the United States based on United States consumer demand; or

(3) for a one-to-one adjustment in Japanese motor vehicle exports to the United States if United States motor vehicle exports to Japan increase.

(c) IMPLEMENTATION OF COMMISSION RECOMMENDATION.—A recommendation of the Commission under this section shall take effect unless such recommendation is rejected by means of a joint disapproval resolution as described in subsection (d).

(d) JOINT DISAPPROVAL RESOLUTION DEFINED.—For purposes of this section, the term "joint disapproval resolution" means only a joint resolution of the two Houses of the Congress—

(1) the matter after the resolving clause of which is as follows: "That the Congress disapproves the recommendation of the United States International Trade Commission under section 3 of the Automotive Competitiveness Act of 1992, as submitted by the Commission on March 15; and

(2) the title of which is as follows: "Joint Resolution disapproving the recommendation of the United States International Trade Commission submitted under section 3 of the Automotive Competitiveness Act of 1992".

SEC. 4. UNITED STATES AUTOMOTIVE INDUSTRY COMPETITIVE MEASURES.

(a) IN GENERAL.—In order for the Commission not to make a "negative determination" (as defined in subsection (b)) under this

section, the United States automotive industry must, taken as a whole, be able to demonstrate to the Commission that it has undertaken the following measures:

(1) Improvements in quality of product and efficiency of production process as measured against the criteria utilized by the Department of Commerce for selecting Baldrige award winners.

(2) A reduction in executive compensation that provides that such compensation is consistent with the executive compensation paid in the automotive industry in Japan and the European Communities.

(b) NEGATIVE DETERMINATION DEFINED.—The term "negative determination" means for purposes of this section, a determination by the Commission that the United States automotive industry has failed in a reporting period to meet the measures for such industry described in subsection (a) of this section.

BALDRIGE CRITERIA

INTRODUCTION

The Malcolm Baldrige National Quality Award is an annual Award to recognize U.S. companies that excel in quality management and quality achievement.

The Award promotes: awareness of quality as an increasingly important element in competitiveness; understanding of the requirements for quality excellence; and sharing of information on successful quality strategies and the benefits derived from implementation of these strategies.

Award Participation: The Award has three eligibility categories: Manufacturing companies, Service companies and Small businesses.

Up to two Awards may be given in each category each year. Award recipients may publicize and advertise their Awards. In addition to publicizing the receipt of the Award, recipients are expected to share information about their successful quality strategies with other U.S. organizations.

Companies participating in the Award process submit applications that include completion of the Award Examination.

Award Examination Review: The Award Examination is based upon quality excellence criteria created through a public-private partnership. In responding to these criteria, each applicant is expected to provide information and data on the company's quality processes and quality improvement. Information and data submitted must be adequate to demonstrate that the applicant's approaches could be replicated or adapted by other companies.

The Award Examination is designed not only to serve as a reliable basis for making Awards but also to permit a diagnosis of each applicant's overall quality management.

All applications are reviewed and evaluated by members of the Malcolm Baldrige National Quality Award Board of Examiners. When Board members are assigned to review applications, business and quality expertise is matched to the business of the applicant. Accordingly, applications from manufacturing companies are assigned primarily to Board members with manufacturing expertise, and service company applications are assigned primarily to those with service expertise. Strict rules regarding real and potential conflicts of interest are followed in assigning Board members to review applications.

Applications are reviewed without funding from the United States government. Review expenses are paid primarily through application fees; partial support the reviews is pro-

vided by the Foundation for the Malcolm Baldrige National Quality Award.

After the Award Examination review, all applicants receive feedback reports prepared by members of the Board of Examiners.

Purpose of This Document: This document contains the Award Criteria, a description of the Criteria, scoring guidelines, and other information. In addition to serving as a basis for submitting an Award application, the material contained in this document helps provide a basis for self-assessment, planning, training, and other uses by any organization.

DESCRIPTION OF THE 1992 AWARD CRITERIA

Award Criteria Purposes

The Malcolm Baldrige National Quality Award Criteria are the basis for making Awards and providing feedback to applicants. In addition, they have three other important national purposes:

To help elevate quality standards and expectations;

To facilitate communication and sharing among and within organizations of all types based upon common understanding of key quality requirements; and

To serve as a working tool for planning, training, assessment, and other uses.

The Award Criteria are directed toward dual results-oriented goals: To project key requirements for delivering ever-improving value to customers while at the same time maximizing the overall productivity and effectiveness of the delivering organization.

To achieve these results-oriented goals, the Criteria need to be built upon a set of values that together address and integrate the overall customer and company performance requirements.

Core values and concepts

The Award Criteria are built upon these core values and concepts: Customer-driven quality, leadership, continuous improvement, full participation, fast response, design quality and prevention, long-range outlook, management by fact, partnership development, and public responsibility.

Brief descriptions of the core values and concepts follow.

Customer-Driven Quality: Quality is judged by the customer. All product and service attributes that contribute value to the customer and lead to customer satisfaction and preference must be addressed appropriately in quality systems. Value, satisfaction, and preference may be influenced by many factors throughout the customer's overall purchase, ownership, and service experiences. This includes the relationship between the company and customers—the trust and confidence in products and services—that leads to loyalty and preference. This concept of quality includes not only the product and service attributes that meet basic requirements. It also includes those that enhance them and differentiate them from competing offerings. Such enhancement and differentiation may include new offerings, as well as unique product-product, service-service, or product service combinations.

Customer-driven quality is thus a strategic concept. It is directed toward market share gain and customer retention. It demands constant sensitivity to emerging customer and market requirements, and measurement of the factors that drive customer satisfaction. It also demands awareness of developments in technology, and rapid and flexible response to customer and market requirements. Such requirements extend well beyond defect and error reduction, merely meeting specifications, or reducing com-

plaints. Nevertheless, defect and error reduction and elimination of causes of dissatisfaction contribute significantly to the customers' view of quality and are thus also important parts of customer-driven quality. In addition, the company's approach to recovering from defects and errors is crucial to its improving both quality and relationships with customers.

Leadership: A company's senior leaders must create clear and visible quality values and high expectations. Reinforcement of the values and expectations requires their substantial personal commitment and involvement. The leaders must take part in the creation of strategies, systems, and methods for achieving excellence. The systems and methods need to guide all activities and decisions of the company and encourage participation and creativity by all employees. Through their regular personal involvement in visible activities, such as planning, review of company quality performance, and recognizing employees for quality achievement, the senior leaders serve as role models reinforcing the values and encouraging leadership in all levels of management.

Continuous Improvement: Achieving the highest levels of quality and competitiveness requires a well-defined and well-executed approach to continuous improvement. Such improvement needs to be part of all operations and of all work unit activities of a company. Improvements may be of several types: (1) enhancing value to the customer through new and improved products and services; (2) reducing errors, defects, and waste; (3) improving responsiveness and cycle time performance; and (4) improving productivity and effectiveness in the use of all resources. Thus, improvement is driven not only by the objective to provide better quality, but also by the need to be responsive and efficient—both conferring additional marketplace advantages. To meet all of these objectives, the process of continuous improvement must contain regular cycles of planning, execution, and evaluation. This requires a basis—preferably a quantitative basis—for assessing progress, and for deriving information for future cycles of improvement.

Full Participation: Meeting the company's quality and performance objectives requires a fully committed, well-trained, and involved work force. Reward and recognition systems need to reinforce full participation in company quality objectives. Factors bearing upon the safety, health, well-being, and morale of employees need to be part of the continuous improvement objectives and activities of the company. Employees need education and training in quality skills related to performing their work and to understanding and solving quality-related problems. Training should be reinforced through on-the-job applications of learning, involvement, and empowerment. Increasingly, training and participation need to be tailored to a more diverse work force.

Fast Response: Success in competitive markets increasingly demands ever-shorter product and service introduction cycles and more rapid response to customers. Indeed, fast response itself is often a major quality attribute. Reduction in cycle times and rapid response to customers can occur when work processes are designed to meet both quality and response goals. Accordingly, response time improvement should be included as a major focus within all quality improvement processes of work units. This requires that all designs, objectives, and work unit activities include measurement of cycle time and responsiveness. Major improvements in re-

sponse time may require work processes and paths to be simplified and shortened. Response time improvements often "drive" simultaneous improvements in quality and productivity. Hence, it is highly beneficial to consider response time, quality, and productivity objectives together.

Design Quality and Prevention: Quality systems should place strong emphasis on design quality—problem prevention achieved through building quality into products and services and into the processes through which they are produced. Excellent design quality may lead to major reductions in "downstream" waste, problems, and associated costs. Design quality includes the creation of fault-tolerant (robust) processes and products. A major design issue is the design-to-introduction cycle time. To meet the demands of ever-more rapidly changing markets, companies need to focus increasingly on shorter product and service introduction times. Consistent with the theme of design quality and prevention, continuous improvement and corrective actions need to emphasize interventions "upstream"—at the earliest stages in processes. This approach yields the maximum overall benefits of improvements and corrections. Such upstream intervention also needs to take into account the company's suppliers.

Long-Range Outlook: Achieving quality and market leadership requires a future orientation and long-term commitments to customers, employees, stockholders, and suppliers. Strategies, plans, and resource allocations need to reflect these commitments and address training, employee development, supplier development, technology evolution, and other factors that bear upon quality. A key part of the long-term commitment is regular review and assessment of progress relative to long-term plans.

Management by Fact: Meeting quality and performance goals of the company requires that process management be based upon reliable information, data, and analysis. Facts and data needed for quality assessment and quality improvement are of many types, including: customer, product and service performance, operations, market, competitive comparisons, supplier, employee-related, and cost and financial. Analysis refers to the process of extracting larger meaning from data to support evaluation and decision making at various levels within the company. Such analysis may entail using data individually or in combination to reveal information—such as trends, projections, and cause and effect—that might not be evident without analysis. Facts, data, and analysis support a variety of company purposes, such as planning, reviewing company performance, improving operations, and comparing company quality performance with competitors.

A major consideration relating to use of data and analysis to improve competitive performance involves the creation and use of performance indicators. Performance indicators are measurable characteristics of products, services, processes, and operations the company uses to evaluate performance and to track progress. The indicators should be selected to best represent the factors that determine customer satisfaction and operational performance. A system of indicators tied to customer and/or company performance requirements represents a clear and objective basis for aligning all activities of the company toward common goals. Through the analysis of data obtained in the tracking processes, the indicators themselves may be evaluated and changed. For example, indica-

tors selected to measure product and service quality may be judged by how well they correlate with customer satisfaction.

Partnership Development: Companies should seek to build internal and external partnerships, serving mutual and larger community interests. Such partnerships might include those that promote labor-management cooperation such as agreements with unions, cooperation with suppliers and customers, and linkages with education organizations. Partnerships should consider longer-term objectives as well as short-term needs, thereby creating a basis for mutual investments. The building of partnerships should address means of regular communication, approaches to evaluating progress, means for modifying objectives, and methods to accommodate to changing conditions.

Public Responsibility: A company's customer requirements and quality system objectives should address areas of corporate citizenship and responsibility. These include business ethics, public health and safety, environment, and sharing of quality-related information in the company's business and geographic communities. Health, safety, and environmental considerations need to take into account the life cycle of products and services and include factors such as waste generation. Quality planning in such cases should address adverse contingencies that may arise throughout the life cycle of production, distribution, and use of products. Plans should include problem avoidance and company response if avoidance fails, including how to maintain public trust and confidence. Inclusion of public responsibility areas within a quality system means not only meeting all local, state, and federal legal and regulatory requirements, but also treating these and related requirements as areas for continuous improvement. In addition, companies should support—within reasonable limits of their resources—national, industry, trade, and community activities to share nonproprietary quality-related information.

Criteria framework

The core values and concepts are embodied in seven categories, as follows:

- 1.0 Leadership.
- 2.0 Information and Analysis.
- 3.0 Strategic Quality Planning.
- 4.0 Human Resource Development and Management.
- 5.0 Management of Process Quality.
- 6.0 Quality and Operational Results.
- 7.0 Customer Focus and Satisfaction.

The framework connecting and integrating the categories is given in the figure on page 5.

The framework has four basic elements:

Driver: Senior executive leadership creates the values, goals, and systems, and guides the sustained pursuit of quality and performance objectives.

System: System comprises the set of well-defined and well-designed processes for meeting the company's quality and performance requirements.

Measures of Progress: Measures of progress provide a results-oriented basis for channeling actions to delivering ever-improving customer value and company performance.

Goal: The basic aim of the quality process is the delivery of ever-improving value to customers.

The seven Criteria categories shown in the figure are further subdivided into Examination Items and Areas to Address. These are described below.

Examination Items: In all, there are 28 Examination Items among the seven Examination

tion Categories. Examination Categories each contain two or more Examination Items. Each Item focuses on a major element of an effective quality system. All information submitted by applicants is in response to the specific requirements given within these Items. Each Item is assigned an Examination point value.

Areas to Address: Each Examination Item includes a set of Areas to Address (Areas). The Areas serve to illustrate and clarify the intent of the Items and to place limits on the types and amounts of information the applicant should provide. Areas are not assigned individual point values, because their relative importance depends upon factors such as the applicant's type and size of business and quality system.

The Pivotal Role of the Quality and Operational Results Category: The Quality and Operational Results Category (6.0) plays a central role in the Award Criteria. This Category provides a focus and purpose for all quality system actions. In addition, it represents the bridge between the quality system and the customer. Through this focus, the dual purpose of quality—superior value of offerings as viewed by the customer and the marketplace, and superior company performance as determined through productivity and effectiveness indicators—is maintained. The other major purpose of Category 6.0 is to provide key information (measures of progress) for evaluation and improvement of quality system processes and practices.

The Quality and Operational Results Category consists of four items:

6.1 Product and Service Quality Results.—This item calls for reporting quality levels and improvements for key product and service attributes—attributes that truly matter to the customer and to the marketplace. These attributes are derived from customer-related Items ("listening posts") which make up Category 7.0. If the attributes have been properly selected, improvements in them should show a strong positive correlation with customer and marketplace improvements indicators—captured in Items 7.4 and 7.5. The correlation between quality and customer indicators is a critical management tool. It is a device for focusing on key attributes. In addition, the correlation may reveal emerging or changing market segments or changing importance of attributes.

6.2 Company Operational Results.—This Item calls for reporting performance and improvements in quality and productivity of the company. Paralleling Item 6.1, which focuses on attributes that matter to the customer, Item 6.2 focuses on attributes that best reflect overall company performance. Such attributes are of two types: (1) generic—common to all companies; and (2) business-specific. Generic attributes include cycle time, internal quality, and those that relate to productivity, as reflected in use of labor, materials, energy, capital, and assets. Indicators of productivity, cycle time, or internal quality should reflect overall company performance. Business- or company-specific effectiveness indicators vary greatly and may include indicators such as rates of invention, environmental quality, export levels, new markets, and percent of sales from recently introduced products or services.

6.3 Business Process and Support Service Results.—This Item calls for reporting performance and improvements in quality, productivity, and effectiveness of the business processes and support services which support the principal product and service production activities. This permits a demonstration of how support units of the company link to

and contribute to overall improvement in quality (reported in Item 6.1) and overall improvement in company operational performance (reported in Item 6.2). This Item is thus a useful device in aligning support activities with the company's overall principal quality, productivity, and business objectives. Through this Item, special requirements, which differ from work unit to work unit and define work-unit effectiveness, can be set, tracked, and linked to one another.

6.4 Supplier Quality Results.—This Item calls for reporting quality levels and improvements in key indicators of supplier quality. The term "supplier" refers to external providers of products and services, "upstream" and/or "downstream" from the company. The focus should be on the most critical quality attributes from the point of view of the company—the buyer of the products and services. Trends and levels of quality should reflect results by whatever means they occur—via improvements by suppliers within the supply base, through changes in selection of suppliers, or both.

Key characteristics of the award criteria

1. The Criteria are directed toward producing results.

The values outlined above are directed toward the results-oriented goals of the Criteria. Results, as used in the Criteria, are a composite of key performance areas:

- Customer satisfaction.
- Customer satisfaction relative to competitors.
- Market share.
- Customer indicators such as complaints and customer retention.
- Market responsiveness and cycle time.
- Product and service quality.
- Internal quality, productivity, waste reduction, and asset utilization.
- Company-specific effectiveness indicators such as new markets, new technology, and new products.
- Supplier quality and supplier development.
- Environmental quality, occupational safety and health, and regulatory compliance.
- Employee development, well-being, and satisfaction.
- Contributions to national and community well-being.

Assessment of these results is based upon one or more of three factors: (1) improvement trends; (2) current levels; and (3) benchmarks, evaluations, and other comparisons that establish levels and trends relative to the performance of others, especially appropriately selected leaders.

2. The Criteria are nonprescriptive.

The Criteria represent an integrated set of requirements incorporating the ten core values described above. However, the Criteria do not prescribe how the core values are to be implemented in a particular company. Specifically, they do not prescribe:

- Company organization.
- Quality organization, if any (The seven categories of the Criteria do not necessarily correspond to departments or company units.)
- Specific quality techniques.
- Type of quality system.
- Method of quality system implementation.
- Technologies to be used.

The Criteria are nonprescriptive for two important reasons:

- (1) Organizations, techniques, and technologies vary greatly among businesses, depending on business size, type, and other factors.
- (2) By focusing on requirements, companies are encouraged to develop unique, creative, or adaptive overall approaches to achieving the goals of the Criteria.

3. The Criteria link process to results.

The Award Criteria provide a link between processes and results, as described above in the Pivotal Role of the Quality and Operational Results Category. Integration in the Criteria is achieved through many direct and indirect relationships and linkages among the requirements. In addition, many parts of the Criteria call for aggregation and assessment of unit-level and company-level performance, thus encouraging an integrated view of all activities.

4. The Criteria are part of a diagnostic system.

The Criteria and the scoring system make up a two-part diagnostic system. The Criteria focus on requirements. The scoring system focuses on the factors that should be used in assessing strengths and areas for improvement. Together the two parts of the diagnostic system direct attention to activities that contribute to reaching the goals of the Criteria.

5. The Criteria are comprehensive.

The requirements contained in the Criteria cover all operations, processes, and work units of the company. In addition, the Criteria support business strategy and business decisions and pertain to all transactions, including those related to fulfilling public responsibilities.

6. The Criteria include key learning cycles.

The arrows in the figure on page 5 denote linkage and dynamic relationships and feedback among the framework elements. The primary dynamic characteristic of the Criteria is their inclusion of cycles of continuous improvement. These cycles of learning, adaptation, and improvement are explicit and implicit in every part of the Criteria. The cycles have four, clearly-defined stages:

- (1) Planning, design of processes, selection of indicators, deployment of requirements.
- (2) Execution of plans.
- (3) Assessment of progress, taking into account internal and external indicators.
- (4) Revision of plans, taking into account progress, learning, and new information.

7. The Criteria emphasize quality system alignment.

The Criteria call for improvement cycles to occur at all levels and in all parts of the company. In order to ensure that such improvement cycles carried out in different parts of the organization do not operate at counterpurposes, overall aims need to be consistent or aligned. Alignment in the Award Criteria is achieved via interconnecting and mutually reinforcing key indicators, derived from overall company requirements. The latter relate directly to delivery of customer value, improvement of organizational performance, or both. The use of key indicators channels activities toward agreed-upon goals. At the same time, use of indicators avoids detailed procedural prescriptions or unnecessary centralization of process management. Key indicators provide a basis for deploying customer and company performance requirements to all work units. Such alignment ensures consistency while at the same time challenging work units to consider new approaches to superior performance.

Linkage of the award criteria to quality-related corporate issues

Incremental and Breakthrough Improvement: Use of nonprescriptive, results-oriented Criteria and key indicators are intended to focus on what needs to be improved. This approach helps to ensure that improvements throughout the organization contribute to the organization's overall purposes. In addition to supporting creativity in

approach and organization, results-oriented Criteria and key indicators encourage "breakthrough thinking"—openness to the possibility for major improvements as well as incremental ones. However, if key indicators are tied too directly to existing work methods, processes, and organizations, breakthrough changes may be discouraged. For this reason, analysis of operations, processes, and progress should focus on the selection of and the value of the indicators themselves. This will help to ensure that indicator selection does not unwittingly contribute to stifling creativity and preventing beneficial changes in organization.

Benchmarks may also serve a useful purpose in stimulating breakthrough thinking. Benchmarks offer the opportunity to achieve significant improvements based on adoption or adaptation of current best practice. In addition, they help encourage creativity through exposure to alternative approaches and results. Also, benchmarks represent a clear challenge to "beat the best," thus encouraging major improvements rather than only incremental refinements of existing approaches. As with key indicators, benchmark selection is critical, and benchmarks should be reviewed periodically for appropriateness.

Financial Performance: The Award Criteria address financial performance via three major avenues: (1) emphasis on quality factors and management actions that lead to better market performance, market share gain, and customer retention; (2) emphasis on improved productivity, asset utilization, and lower overall operating costs; and (3) support for business strategy development and business decisions.

The focus on superior offering and lower costs of operation means that the Criteria's principal route to improved financial performance is through requirements that seek to channel activities toward producing superior overall value. Delivering superior value—an important part of business strategy—also supports other business strategies such as pricing. For example, superior value offers the possibility of price premiums or competing via lower prices, which may enhance market share and asset utilization, and thus may also contribute to improved financial performance.

Business strategy usually addresses factors in addition to quality and value. For example, strategy may address market niche, facilities location, diversification, acquisition, export development, research, technology leadership, and rapid product turnover. A basic premise of the Award Criteria is that quality principles support the development and evaluation of business decisions and strategies, even through many factors other than product and service quality must be considered. Examples of applications of the Criteria to business decisions and strategies include:

- Quality management of the information used in business decisions and strategy—scope, validity, and analysis.

- Quality requirements of riches, new businesses, export target markets.

- Quality statue of acquisitions—key benchmarks.

- Analysis of factors—societal, regulatory, economic, competitive, and risk—that may bear upon the success or failure of strategy.

- Development of scenarios built around possible outcomes of strategy or decisions including risks of failures, probable consequences of failures, and management of failure.

- Lessons learned from previous strategy developments—within the company or available through research.

The Award Criteria and evaluation system take into account market share, customer retention, customer satisfaction, productivity, asset utilization, and other factors that contribute to financial performance. However, the Criteria do not call for aggregate financial information such as quarterly or annual profits in evaluation of applications for Awards. This exclusion is made for several reasons—technical, fairness, and procedural:

Short-term profits may be affected by such factors as accounting practices, business decisions, write-offs, dividends, and investments.

Some industries historically have higher profit levels than others.

The time interval between quality improvement and overall financial improvement depends upon many factors. Nor would this interval likely be the same from industry to industry or even for companies in the same industry.

The Award Criteria measure performance relative to rigorous, customer-oriented, company-performance criteria. Though improved quality may improve a company's financial performance, its financial performance depends also on the quality performance of competitors—which the Award process cannot measure directly. The inclusion of aggregate financial indicators in evaluations would place at a disadvantage many applicants in the most competitive businesses.

Financial performance depends upon many external factors, such as local, national, and international economic conditions and business cycles. Such conditions and cycles do not have the same impact on all companies.

Some companies would not participate in the Award process if required to provide more detailed financial information.

Invention, Innovation, and Creativity: Invention, innovation, and creativity—discovery, novel changes to existing practices or products, and imaginative approaches—are important aspects of delivering ever-improving value to customers and maximizing productivity. While state of technology may play a key role in corporate involvement in research leading to discovery, innovation and creativity are crucial features in company competitiveness and can be applied to products, processes, services, human resource development, and overall quality systems.

The Award Criteria encourage invention, innovation, and creativity in all aspects of company decisions and in all work areas:

Nonprescriptive criteria, supported by benchmarks and indicators, encourage creativity and breakthrough thinking as they channel activities toward purpose, not toward following procedures.

Customer-driven quality places major emphasis on the "positive side of quality," which stresses enhancement, new services, and customer relationship management. Success with the positive side of quality depends heavily on creativity—usually more so than steps to reduce errors and defects which tend to rely more on well-defined quality techniques.

Human resource utilization stresses employee involvement, development, and recognition, and encourages creative approaches to improving employee effectiveness, empowerment, and contributions.

Continuous improvement and cycles of learning are integral parts of the activities of all work groups. This requires analysis and problem solving everywhere within the company.

Strong emphasis on cycle time reduction in all company operations encourages com-

panies to analyze work paths, work organization, and the value-added contribution of all process steps, thus fostering change, innovation, and creative thinking of how work is organized and conducted.

Strong emphasis on cycle time and design encourages rapid introduction of new products and services, including those based on new concepts emerging from research areas.

Quality and quality improvement requirements are deployed to all work units, including research, development, and other groups which have responsibility for addressing future requirements. For such groups, measures and indicators are expected to reflect quality, productivity, and effectiveness appropriate to the exploratory nature of their activities.

Focusing on future requirements of customers, customer segments, and customers of competitors encourages companies to think in terms of attributes and, hence, innovative and creative ways to serve needs.

Changes from the 1991 award criteria

The 1992 Award Criteria are built upon the same seven-category framework and use the same approach as in 1991. However, numerous changes have been made to improve clarity and to strengthen key themes. Major changes are:

The number of items has been reduced from 32 to 28. A description of the actual changes is summarized, by Category, below.

The number of Areas to Address has been reduced from 99 to 89.

Point values have been adjusted to provide a better overall balance among items and to place more emphasis on results.

An expanded introductory section entitled "Description of the 1992 Award Criteria" replaces the "Description of the 1991 Examination." The purpose of this new section is to enhance the educational value of the Criteria for wide usage—training, self-assessment, and design of quality systems, as well as actual Award applications.

Key Themes Strengthened in the 1992 Criteria:

- Cycle time reduction.

- Productivity.

- Overall company performance.

- Work process and organization simplification and waste reduction.

- Relationship between quality and other business management considerations: business planning, financial results, overall company effectiveness, innovation, and future orientation.

- Alignment of requirements in plans.

- Design quality and prevention.

- Data aggregation, analysis, and use.

- Work force development.

- Quality system integration via Category 6.0.

A summary of the most significant changes from 1991, by Category, follows:

Leadership:

The Category has been reduced from four to three items. The Quality Values item (1991) has been subsumed in items 1.1 and 1.2.

The importance of personal involvement of senior executive leadership has been further stressed through increased point value and greater emphasis on executives' personal use of improvement processes.

The Management for Quality item (1992) now requires applicants to analyze their organizational structures to determine how well they support quality, cycle time, and innovation objectives. The intent of this change is to encourage users of the Criteria to work toward organizations capable of speed and flexibility, maximizing value-added work.

Information and Analysis:

The importance of item 2.3 has been increased and is now more clearly the "central intelligence" item within the Criteria. This item serves as the analysis point for the development of company strategy and plans and for the review of company progress. Analyses carried out in item 2.3 support the dual, result-oriented goals given on page 2.

The Item addressing Competitive Comparisons and Benchmarks now requires applicants to describe how benchmark data encourage innovation and better knowledge of processes.

Strategic Quality Planning:

Item 3.1 seeks to provide a better integration of quality and performance planning into overall business planning. Planning issues such as research and development and technology leadership are now more explicitly addressed.

Together, items 3.1 and 3.2 place more emphasis on the process the company uses to deploy customer and company performance requirements to all company units. The importance of such deployment is discussed under quality system alignment (page 8).

Human Resource Development and Management:

The title of this Category has been changed to better reflect development and the investment in human resources which the Category seeks to balance with utilization.

More emphasis is placed on improvement of personnel practices such as recruitment and management to achieve excellence taking into account a more diverse work force.

Management of Process Quality:

The title of this Category has been changed to reflect the greater emphasis on definition, management, and improvement of processes.

The Category has been reduced from seven to five items. The themes of the 1991 Continuous Improvement of Processes Item have been built into all items of the Category. The 1991 Documentation item requirements have been included under the Quality Assessment item for 1992.

Research and development work of companies with such activities can be described in one or more of three Items: 5.1, 5.2, and 5.3. Product research and development is covered under 5.1; process research is covered under 5.2; and basic research is covered under 5.3. Applicants are not expected to reveal proprietary research and development activities. However, they are expected to provide information on how they use quality principles in managing research and development for greater innovation and better coupling to the company's chosen directions.

Quality and Operational Results:

The title of this Category has been changed to better reflect its dual purposes and the composite nature of results.

The Category has been increased from three to four Items. The Business Process, operational, and Support Service Quality Results Item (1991) has been divided into two Items to provide better clarity and focus. The four Items of this Category are described in detail on page 6.

Customer Focus and Satisfaction:

The title of this Category has been changed to better reflect its overall purposes.

The Category has been reduced from eight Items to six. Customer Relationship management (1992) is a composite of three Items from the 1991 Criteria: Customer Relationship Management; Customer Service Standards; and Complaint Resolution for Quality Improvement.

The 1991 Item, Determining Customer Requirements and Expectations, is given more of a future orientation in 1992. The new title of the Item is Future Requirements and Expectations of Customers. This Item (7.6) occurs last in the sequence. The first five Items in the Category are devoted to current and near-term customer issues.

Business factors considered in the evaluation of applications

The Award Examination is designed to permit evaluation of any quality system for manufacturing and service companies of any size, type of business, or scope of market. The 28 Items and 89 Areas to Address have been selected because of their importance to virtually all businesses. Nevertheless, the importance of the Items and Areas to Address may not be equally applicable to all businesses, even to businesses of comparable size in the same industry. Specific business factors that may bear upon the evaluation are considered at every stage of evaluation. Below is an outline of the key business factors considered in the Award Examination.

Key Business Factors:

Size and resources of the applicant.

Number and types of employees.

Nature of the applicant's business: products, services, and technologies used.

Special requirements of customers or markets.

Scope of the applicant's market: local, regional, national, or international.

Regulatory environment within which the applicant operates.

Importance of suppliers, dealers, and other external businesses to the applicant and the degree of influence the applicant has over its suppliers.

Application Overview:

Applicants need to submit a four-page Overview that addresses key business factors that must be considered in the Award evaluation process. The Overview is intended to "set the stage" for the Examiners who conduct the evaluation.

Information that should be included in the Overview:

Types of major products and services.

Key quality requirements for products and services.

Nature of major markets (local, regional, national, or international).

Description of principal customers (consumers, other businesses, government).

Competitive environment.

Applicant's position in the industry.

Major equipment and facilities used.

Types of technologies used.

General description of the applicant's employee base, including: number, type, and education level.

Importance of and types of suppliers of goods and services.

Occupational health and safety, environmental, and other regulatory considerations.

Other factors important to the applicant.

If the applicant is a subsidiary, a description of the organizational structure and management links to the parent company should be presented. Subsidiaries should also include information that shows key relationships to the parent company: (1) percent of employees; (2) percent of sales; and (3) types of products and services. (The overview is not counted as part of the page limit.)

[From the Wall Street Journal, Mar. 24, 1992]
DESPITE BIG 3'S CLAIMS OF HIGHER QUALITY, JAPANESE STILL BOAST FEWER SAFETY RECALLS

(By Neal Templin)

DETROIT.—The Big Three auto makers, despite claims that they have closed the qual-

ity gap with Japan, have a much higher rate of safety recalls than the top Japanese companies.

Last year, General Motors Corp., Ford Motor Co. and Chrysler Corp. recalled 6.2 million cars and trucks for various safety problems, such as malfunctioning brakes and defective seat belts, according to the National Highway Transportation Safety Administration. The top three Japanese companies—Toyota Motor Corp., Honda Motor Co. and Nissan Motor Co.—recalled a total of 297,500 vehicles.

Of course, the Big Three sell almost four times as many cars and trucks in the U.S. as the Japanese. But even adjusting for that, the numbers are way out of whack. While Honda recalled one car for every 24 it sold last year, both Ford and Chrysler recalled more than three-quarters of the number that they sold. Just yesterday, Ford said it is recalling 689,000 1988-1991 Taurus and Sable models because of a defect in the front brakes.

"The recall comparisons reinforce the view that the Big Three really haven't completely closed the gap with Japan," says analyst Susan Jacobs of Jacobs Automotive, a Little Falls, N.J., consulting firm. "If you bring out a product right the first time, there won't be a recall."

What's more, Japanese cars continued to dominate Consumer Reports magazine's list of recommended vehicles, released yesterday. There were a few bright spots for Detroit, though, notably GM's Saturn cars, which the magazine said had "exceptional first-year reliability, a breakthrough for a car designed and built in the U.S."

EARLIER MODELS

Detroit maintains that the recall numbers are misleading because last year's recalls include models from previous years when their quality wasn't as good as it is today. The current Ford cars "are surpassing many of the Japanese in quality," asserts Ross Roberts, general manager of Ford's largest marketing division. Ford recalled 2.3 million vehicles last year, but nearly two-thirds of them were from previous model years, company officials note.

Still, some of Detroit's latest models are being hit with worrisome safety recalls. Just last month, Chrysler quietly recalled 19,000 1992 model cars and minivans because of a defective bolt that could cause the vehicles to lose steering. And Ford announced in November that it was recalling 755,700 recent-model trucks—including its red-hot Explorer sport utility vehicle—because the vehicles may roll away when the automatic transmission is left in the park position. Ford has received 500 reports of runaway trucks.

In the Taurus/Sable recall announced yesterday, Ford says the cars' brake rotors can become corroded and malfunction. As a result, the cars may take longer to stop and pull to one side. The recall affects only cars sold or registered in 14 Midwestern and Northeastern states where road salt is used heavily. Ford says it isn't aware of any accidents caused by the defect.

The Japanese aren't immune to recalls. Nissan last year recalled 33,000 vans after it received 20 reports of engine fires caused by leaking power steering fluid. Back in 1989, Toyota had to recall its newly launched Lexus luxury car because of a serious cruise-control defect.

FUEL LEAKS

Honda has an impressive recall record the past three years, but it recalled more than 700,000 vehicles in 1988 and is expected to an-

nounce in the next few days another big recall of Honda Accords built in the mid-1980s that are prone to fuel leaks.

Even so, all three Japanese companies had significantly lower recall rates in 1991 than their U.S. counterparts. The numbers bounce around a lot from year to year, and Ford and Chrysler each had relatively few recalls in 1990. But over the past three years—1989 through 1991—two of the three Japanese companies had far lower recall rates than any U.S. car maker. The exception is Nissan, which recalled 750,000 trucks in 1990 because of a technicality: The vehicles carried an incorrect tire-inflation sticker.

Virtually all recalls today are classified as voluntary actions by car makers, which are required to tell the government promptly of any defects. In reality, car makers often don't initiate recalls until they learn that the federal traffic safety agency has launched its own investigation of a suspected defect.

As a result, safety recalls aren't the definitive measure of quality, particularly on any specific model. A model with exceptionally high overall quality ratings—such as the Lexus—may be hit with a safety recall while another model with lousy paint and loose trim may never get a safety recall.

ONE DEATH

Sometimes, too, alarming safety problems don't result in recalls. Last December, GM sent letters to 1.5 million owners of 1986 and 1987 cars that are prone to stalling. The problem has been linked to 300 accidents and one death, GM says. Still, the federal traffic safety agency didn't require a safety recall once GM had sent out its letters.

But over time, high numbers of recalls often indicate high numbers of other car problems, says Derek Tetlow, a Nissan engineering executive. "Recall problems are just the tip of the iceberg of the types of problems you have with vehicles," he says. "These are just the serious ones."

Reducing the high number of safety recalls has proved an elusive task for Detroit. The Big Three say one reason—GM's tactics on the stalling problem notwithstanding—is that they initiate recalls today for problems that they probably would have ignored in the past. Chrysler, for instance, recalled 640,000 minivans last year after receiving just four reports of a damaged seat-belt anchor.

"We bend over backwards to make sure if there's any question the vehicles are brought in," says Dale Dawkins, Chrysler's director of vehicles compliance. "If that makes the numbers big, so be it. The arithmetic of recalls doesn't make a difference to what we're going to do."

Nonetheless, Detroit's bigwigs have complained to underlings for years about the high number of recalls, partly because they're so expensive. Some of the large ones cost tens of millions of dollars, which is why Ford and GM won't announce a major recall unless it has been approved by their top officers.

Car makers also worry about what safety recalls do to their image. That's why Ford, while acknowledging that it recalled one vehicle for every 1.3 that it sold last year, notes that the recalls totaled "only" 6% of the 38 million Fords on the road.

It's also why Chrysler and Toyota rarely announce their recalls. Instead, both usually send out letters to affected owners without issuing a news release. That way, the news media rarely report the recalls until they appear in the traffic-safety agency's monthly report.

"You get a double hit" of bad publicity by announcing safety recalls, explains Tom

Houston, Chrysler's manager of media relations, "because you get another hit when the federal government puts it out."

By Mr. LIEBERMAN (for himself and Mr. LEVIN):

S. 2396. A bill to establish the Manufacturing and Industrial Research Foundation for the Eurasian Republics, and for other purposes; to the Committee on Foreign Relations.

MANUFACTURING AND INDUSTRIAL RESEARCH FOUNDATION FOR THE EURASIAN REPUBLICS ACT

• Mr. LIEBERMAN. Mr. President, I am introducing today, along with my colleague and friend Senator LEVIN, legislation that would create a foundation—the Manufacturing and Industrial Research [MIR] Foundation—to help American entrepreneurs and scientists from the nations of the Commonwealth of Independent States [CIS] to set up joint business ventures. These joint ventures would help to channel the skills of the scientific community in CIS nations for peaceful purposes, while enabling American businesses to take advantage of their special knowledge in certain cutting edge scientific fields.

In addition, the foundation would fund cooperative research efforts for nondefense products and technologies, as well as fund scientific exchanges between the United States and the nations of the CIS. The foundation would also promote the development of teaching factories in the nations of the CIS as part of the joint venture projects. These teaching factories would operate much like teaching hospitals. Their purpose would be to make money but also to instruct factory employees in business and other skills related to the factory's production process.

The legislation also requests that the President draw on the resources and expertise of international organizations like the International Atomic Energy Agency and the International Energy Agency to devise a program to employ scientists from CIS nations in peaceful pursuits. The bill recommends that exchange programs be established by these and other related agencies for these scientists.

I have introduced legislation in the last two Congresses to establish a similar foundation for Eastern Europe. That foundation—the Industrial Development in Eastern Europe [IDEE] Foundation—was accepted as an amendment to the Senate-passed Foreign Assistance Act last year. Both MIR and IDEE are modeled after the highly successful Binational Industrial Research and Development [BIRD] Foundation, which was established in 1977 to develop a cooperative relationship between American and Israeli high technology industries. BIRD has an income of approximately \$10 million a year, most of which comes from its \$110 million endowment. With its income, it shares the expense—50-50—with an Israeli-American venture trying to de-

velop and commercialize a nondefense technical produce or process. In the last decade, BIRD has supported over 250 joint ventures, and over 100 of these led to sales of about \$1.5 billion.

The word "mir" in Russian means world, or peace. And that is the rationale behind the MIR Foundation—it will bring a measure of stability and peace to the old by promoting ventures and research projects that will prevent scientists from CIS nations from becoming nuclear mercenaries, selling their services to the highest bidder.

We can not only do good, we can also do well by funding profitable joint ventures for American entrepreneurs. In a study I requested of the Congressional Research Service to last year entitled "Eastern European and Soviet Science and Technology: Capabilities and Needs," Bill Boesman, the study's author, writes that "the Soviets excel in some areas of basic research and in military and space science and technology, while being unable to conduct much satisfactory civilian R&D or produce many state-of-the-art civilian products * * *". By putting together our business expertise with the skills of CIS scientists, American investors will be able to share in any profits and innovations developed through joint ventures. And these new enterprises can help to create a culture of capitalism in CIS nations.

For over four decades, we promised the people of the nations of the former Eastern bloc that we would help them in their struggle to free themselves of the yoke of communism. They have succeeded beyond our expectations, but we are not yet living up to our end of the bargain. We are understandably concerned about our domestic economic problems. There is little money to spare in our budget. But with a creative use of our resources, we can help the nations of the CIS. A cost effective program like the MIR Foundation is such a useful approach for channeling our aid efforts because it is conditioned on the commitment of these nations to fundamental economic reforms and elective democracy.

MIR, like BIRD, would receive its operating expenses from the interest on its endowment, as well as any royalties it may receive from successful projects. Contributions would be made by all member nations not just the United States.

An initial contribution of \$28 million from the United States would be complemented by a contribution of \$5 million from any CIS nation wishing to be a member of the foundation. These contributions to the foundation would be made over a period of time and could be made in local currency. Contributions could also be made in lieu of the repayment of debt owed by these governments to the United States.

MIR would be governed by a board which would control its activities. The

board would consist of representatives from the U.S. State Department, Department of Commerce, Secretary of Defense, Secretary of Energy, and the head of the National Science Foundation, along with a representative from each member nation. An executive director, appointed by the board, would be in charge of the foundation's day to day activities. In addition, an advisory council consisting of business executives would help the board and the executive director and his or her staff evaluate projects and make recommendations on investment opportunities.

Finally, it is my hope that the MIR Foundation will develop a mutually beneficial relationship with BIRD, facilitating closer contact between the Israeli private sector, the private sector of CIS nations, and the American business community. Since BIRD has been a tremendous success, it would be very useful to have the board and staff of the MIR Foundation work closely with the BIRD staff to make certain that it is equally successful.

I ask unanimous consent that a copy of the bill be included in the RECORD following my statement.

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

S. 2396

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 "Manufacturing and Industrial Research Foundation for Eurasian Republics Act".

SEC. 2. DEFINITION.

For the purposes of this Act—

(1) the term "Board" means the Board of Governors of the Foundation appointed under section 102;

(2) the term "Commonwealth" (hereafter in this Act referred to as "Commonwealth") means the Commonwealth of Independent States consisting of the republics of Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan;

(3) the term "Council" means the Advisory Council on Manufacturing and Industrial Research for the Eurasian Republics established under section 105;

(4) the term "eligible foreign country" means any Commonwealth member country that the President determines, and so certifies to the Congress—

(A) has made sufficient progress toward marketization, democratization;

(B) is observant of arms control agreements previously agreed upon by the United States and the Government of the Soviet Union;

(C) is not in violation of section 502B of the Foreign Assistance Act of 1961; and

(D) is in compliance with the Final Act of the Conference on Security and Cooperation in Europe;

(5) the term "Foundation" means the Foundation established under section 101;

(6) the term "International Energy Agency" means the agency by that name established under the Organization for Economic Cooperation and Development on November 15, 1974; and

(7) the term "participating country" means any eligible foreign country that is a party to an agreement under section 101(b).

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to promote and support joint, non-defense, industrial research and development activities of mutual benefit to the United States and participating Commonwealth countries;

(2) to develop nondefense high technology industry in these countries, particularly through joint and cooperative projects between firms in participating countries;

(3) to assist these countries to modernize their economies through the creation of a more sophisticated manufacturing base;

(4) to assist these countries to become economically viable by providing benefits to their industrial sector, particularly through joint projects;

(5) to assist with the conversion of defense industries in participating Commonwealth countries for the research and development of nondefense products, including the development of teaching factories, similar to teaching hospitals, where personnel of a factory are given on-the-job training on how a modern, technologically advanced factory functions;

(6) to promote cooperative research in science, particularly nuclear science, for the research and development of products and technologies for nondefense purposes;

(7) to assist the countries of the Commonwealth to improve their energy systems and to otherwise assist with the cleaning up of the environment of the countries of the Commonwealth;

(8) to facilitate scientific exchanges and to assist with the relocation of scientists from participating countries into endeavors not related to the research and development of defense or defense-related products; and

(9) to support and promote collaborative research and development activities which—

(A) involve all applied science activities in the process through which an innovation becomes a commercial product;

(B) assist with product engineering and manufacturing start up; and

(C) support pure scientific research and scientific exchange programs.

TITLE I—THE MANUFACTURING AND INDUSTRIAL RESEARCH AND FOUNDATION FOR THE EURASIAN REPUBLICS

SEC. 101. ESTABLISHMENT OF THE FOUNDATION.

(a) ESTABLISHMENT.—There is established as a United States Government agency the Manufacturing and Industrial Research Foundation for the Eurasian Republics. The Foundation shall be a nonprofit corporation and shall have no capital stock.

(b) COMMONWEALTH PARTICIPATION.—(1) The President is authorized to negotiate and enter into an agreement with each eligible foreign country for the participation by such country in the Foundation if such country agrees—

(A) to contribute at least \$5,000,000 to the Foundation during the first 5 years of its membership, which amount may be paid in dollars or local currency; and

(B) to make such changes in its laws as may be necessary to enable the Foundation to operate in such country.

(2) The President is authorized, to the extent and in the amounts provided in an appropriation Act, to cancel the indebtedness owed by a participating country to the United States to the extent of that country's contribution under paragraph (1)(A).

(c) RESPONSIBILITIES.—The Foundation shall—

(1) carry out the purposes of this Act through direct investment, grants, and joint ventures with one or more Commonwealth participating countries; and

(2) develop technology, research, and products, consistent with the purposes of this Act, which shall be freely transferable among the countries participating in a program being carried out by the Foundation; and

(3) work closely with, and to the extent practicable coordinate its activities with, the Organization for Economic Cooperation Development (OECD), and the International Energy Agency, the European Bank for Economic Recovery and Development, the International Atomic Energy Agency, the Binational Industrial Research and Development Foundation of the United States and Israel, and the International Institute for Applied Systems Analysis, drawing on the expertise of those institutions in achieving its purposes.

(d) LOCATION.—The Foundation shall establish a principal office in a nonparticipating country. The Foundation is authorized to establish agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the Foundation may carry on all or any of its operations and business.

(e) EXEMPTION FROM TAXATION.—The Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

(f) COMPLIANCE WITH UNITED STATES EXPORT CONTROL LAWS.—All programs undertaken by the Foundation shall comply with the export control laws of the United States.

(g) DISPOSITION OF INTELLECTUAL PROPERTY RIGHTS IN JOINT VENTURES.—Notwithstanding any other provision of law, the intellectual property rights derived from a joint venture under this Act shall be the property of the joint venture partners.

(h) CONSTRUCTION.—Nothing in the Act may be construed to preclude any other arrangement for scientific cooperation between the United States and any other participating country.

(i) TERMINATION.—Upon termination of the corporate life of the Foundation all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the Treasury of the United States as property of the United States, except that a pro rata share (not to exceed the contributions to the Foundation by participating countries) shall be returned to those countries.

SEC. 102. BOARD OF GOVERNORS.

(a) ESTABLISHMENT.—(1) The Foundation shall have a Board of Governors, and all powers of the Foundation shall vest in, and be exercised by or under the authority of the Board.

(2) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the Foundation may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(3) The powers of the Board shall take effect on the date the President makes the first appointment to the Board of a representative of a participating Commonwealth country.

(b) COMPOSITION.—The Board shall consist of—

(1) the Secretary of State or his designee;

(2) the Secretary of Commerce or his designee;

(3) the Secretary of Energy or his designee;
(4) the Secretary of Defense or his designee;

(5) the head of the National Science Foundation or his designee;

(6) one representative from each participating country, appointed by the President of the United States upon the recommendation of the government of that country; and

(7) one additional United States Government official, appointed by the President of the United States, for each foreign country represented on the Board in excess of four.

(c) **TENURE; VACANCIES.**—(1) Members of the Board appointed by the President under paragraph (5) or (6) of subsection (b) shall serve at the pleasure of the President.

(2) Any vacancy on the Board shall be filled in the same manner as was the original appointment.

(d) **CHAIRMANSHIP.**—The chairman of the Board shall be a United States national and shall serve for a one-year term. The President shall designate a chairman for the first one-year term and, thereafter, the chairmanship shall rotate among the other Board members who are United States nationals.

(e) **DIRECTION BY THE PRESIDENT.**—Members of the Board who are nationals of the United States shall cast their votes as directed by the President.

(f) **TRAVEL EXPENSES.**—(1) Except as provided in paragraph (2), members of the Board shall serve without compensation.

(2) While away from their homes, regular places of businesses, or official stations in performance of services under this Act, members of the Board shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code.

(g) **PROHIBITION.**—The Board shall not approve expenditures in any participating Commonwealth country unless the Board first determines that such country is capable of carrying out the program, project, or activity to be funded.

(h) **MEETINGS.**—The Board shall meet at least twice a year, but meetings of the Board may be held at such times and places as the Board may from time to time determine.

(i) **VOTING.**—The Board shall act by a vote of at least two-thirds of its entire membership.

(j) **AUDITS.**—(1) Financial transactions of the Commission shall be audited by the Comptroller General of the United States pursuant to chapter 35 of title 31, United States Code. In conducting any audit pursuant to such Act, the appropriate representatives of the Comptroller General shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission and necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(2) The report of each audit, which shall be submitted to all governments of participating countries, shall contain certification as to the accounts of the Foundation and shall evaluate the Foundation's internal control and auditing system.

SEC. 103. EXECUTIVE DIRECTOR.

(a) **APPOINTMENT.**—(1) There shall be an Executive Director of the Foundation, who shall be appointed by the Board from among United States citizens and who shall act as chief executive officer of the Foundation.

(2) The Executive Director shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) **DEPUTY DIRECTORS.**—There shall be one deputy director for each participating Commonwealth country, who shall be appointed by the Board who shall be responsible for evaluating programs from his country and making recommendations to the Board and the Executive Secretariat as to whether or not the Foundation shall support the project.

(c) **DUTIES.**—The Executive Director shall—

(1) employ, oversee, and dismiss the members of the professional administrative staff, subject to the approval of the Board;

(2) evaluate proposals submitted to the Foundation and prepare and submit recommendations and draft agreements concerning program proposals to the Board for its approval;

(3) prepare and submit to the Board for its approval an annual budget and research program, including long-range plans for use of the Foundation's resources;

(4) prepare and submit to the Board for its approval an annual report, including an audited financial statement, on the activities of the Foundation; and

(5) implement decisions of the Board.

(d) **DELEGATION AUTHORITY.**—Any power of the Executive Director under this Act or delegated to him by the Board may be delegated by him to other officers of the Foundation, except as otherwise prescribed by the Board.

(e) **BOOKS AND RECORDS.**—The Executive Director shall maintain an appropriate system of internal control, including books and records which reflect the transactions of the Foundation and show the current financial condition of the Foundation. Such system shall include adequate internal financial and operational audits. The books, records, and internal audit reports shall be available for review by authorized representatives of participating countries. The Executive Director shall be permitted to retain financial and accounting experts for the purposes of carrying out this provision.

(f) **REPORTING REQUIREMENT.**—The Executive Director shall submit an annual report to the President, the Speaker of the House of Representatives, and the President of the Senate.

SEC. 104. POWERS OF THE FOUNDATION.

The Foundation shall be a legal entity and shall have all the powers necessary to carry out its objective, including the power to—

(1) shall have perpetual succession unless sooner dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially notices;

(3) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;

(4) acquire, hold, administer, and dispose of real and personal property;

(5) employ and fix the compensation of staff;

(6) employ experts and consultants, as authorized by section 3101 of title 5, United States Code;

(7) may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and make advances, grants, and loans to any individual, corporation, or other body of persons, whether within or without the United States of

America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the Foundation in furtherance of its purposes;

(8) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(9) shall have such other powers as may be necessary and incident to carry out its powers and duties under this section.

SEC. 105. ADVISORY COUNCIL.

(a) **ESTABLISHMENT.**—There is established an Advisory Council on Manufacturing and Industrial Research for the Eurasian Republics, which shall consist of three members from the business and science community from each participating country, appointed by the President upon the recommendation of each participating country. Members of the Council who are United States nationals shall serve five-year terms.

(b) **DUTIES.**—The Council shall—

(1) assist the Board in evaluating programs and proposals;

(2) make proposals as to which sectors of the economies of Commonwealth participating countries offer the best opportunity for a favorable return on investment; and

(3) make such other recommendations to the Board regarding the activities of the Foundation as the Council deems necessary.

(c) **CHAIRMANSHIP.**—The chairmanship of the Council shall rotate once a year among the members of the panel and alternating among member countries.

(d) **MEETINGS.**—The Council shall meet at least twice a year. To the extent practical, it shall meet at the same time and place as the Board.

(e) **TRAVEL EXPENSES.**—(1) Except as provided in paragraph (2), members of the Council shall serve without compensation.

(2) While away from their homes, regular places of businesses, or official stations in performance of services under this Act, members of the Council shall be allowed travel or transportation expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code.

SEC. 106. AUTHORIZATION OF APPROPRIATIONS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—(1) There are authorized to be appropriated to the Foundation \$28,000,000 for fiscal year 1993 to carry out the purposes of this Act.

(2) Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(b) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—Of the amount appropriated pursuant to subsection (a), not more than \$3,000,000 may be used for administrative expenses.

(c) **DEPOSIT OF FUNDS.**—Amounts appropriated pursuant to subsection (a) may be deposited in accounts of financial institutions in Commonwealth participating countries if such deposits would earn interest at prevailing market or LIBOR rates.

TITLE II—INTERNATIONAL ENERGY AGENCY ASSISTANCE

SEC. 201. POLICY ON NEGOTIATIONS.

It is the sense of Congress that the President should direct the United States representative to International Atomic Energy Agency and the International Energy Agency to enter into discussions with other member countries of such Agencies for the purposes of facilitating a process—

(1) to assist the development and funding of research projects for scientists from the

Commonwealth, particularly nuclear scientists working in defense-related industries;

(2) to develop international exchange programs for Commonwealth scientists;

(3) to assist scientists from Commonwealth member countries who have been employed in defense-related industries to find employment in nondefense-related occupations, either within the Commonwealth or within other member countries of the International Energy Agency or the International Atomic Energy Agency;

(4) to assist in providing financial support for scientists who have been working in highly sensitive, nuclear-related defense industry until such time as nondefense-related employment can be found for these individuals;

(5) to assist, to the fullest extent possible, the conversion of defense-related industries in the Commonwealth to the production of products for commercial, nonmilitary purposes; and

(6) to assist, to the maximum extent possible, scientists from the Commonwealth to use their skills to improve the energy systems and capability of the countries of the Commonwealth and to otherwise help them clean up their environment.

SEC. 202. COORDINATION OF IEA ACTIVITIES.

It is further the sense of the Congress that, to the maximum extent practicable, the International Energy Agency and the International Atomic Energy Agency should coordinate their activities described in section 201 of this Act with—

(1) the Organization for Economic Cooperation and Development (OECD);

(2) the European Bank for Reconstruction and Development; and

(3) the International Institute for Applied Systems Analysis.

SEC. 203. REPORTING REQUIREMENT.

Not later than 6 months after the date of enactment of this Act, and every 12 months thereafter, the President shall submit a report to Congress on the progress of the negotiations described in section 201 of this Act.●

By Mr. WIRTH (for himself and Mr. BROWN):

S. 2397. A bill to expand the boundaries of Yucca House National Monument in Colorado, to authorize the acquisition of certain lands within the boundaries, and for other purposes; to the Committee on Energy and Natural Resources.

YUCCA HOUSE NATIONAL MONUMENT EXPANSION ACT

● Mr. WIRTH. Mr. President, I rise today to introduce the Yucca House National Monument Expansion Act of 1992. This bill would simply allow the Secretary of the Interior to accept the donation of roughly 24 acres of lands adjacent to the monument in southwestern Colorado. I am also pleased to be joined by Senator BROWN in supporting this measure.

Yucca House National Monument, located in southwestern Colorado near the town of Cortez, preserves and provides for the public enjoyment of cultural resources of great archeological value related to the Anasazi culture. While the National Park Service manages a number of ruin sites associated with the Anasazi, Yucca House is

unique. It is unlike any other site now in the National Park System, and its significance lies in its part within the whole Anasazi network.

Yucca House offers unparalleled potential to add significant information to the understanding of the interactions between two major groups of the Anasazi culture—the Chaco branch and the Mesa Verde branch. Because of its size and its physiographic location at the southern end of the Montezuma Valley, it appears that the site played an important role along the trade route extending north from the large trade centers of Chaco Canyon and Aztec ruins to the farmlands of Montezuma Valley and the major ruins of Mud Springs, Goodman Point, Yellowjacket, Ackman/Lowery, Escalante, and a large number of other ruins scattered throughout the area. Yucca House is considered to be the gateway to the Montezuma Valley.

Unlocking the secrets of Yucca House is dependent on the addition of certain lands adjacent to the current boundary. On April 2, 1990, Ms. Hallio Ismay fulfilled a long-stated intention of hers to donate approximately 24 acres of her land to the National Park Service for administration as a part of the national monument by signing a deed which transferred these lands to the National Park Foundation for ultimate addition to the national monument.

Legislation is now required in order for the National Park Service to accept these 24 acres on behalf of the United States. It gives me great pleasure today to introduce a bill to accomplish this very objective, and in so doing I wish to add my sincere appreciation to those who have already recognized her generosity.

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

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

S. 2397

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 "Yucca House National Monument Expansion Act of 1992".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to enhance visitor use of Yucca House National Monument (referred to in this Act as the "Monument");

(2) to permit necessary archaeological research to ensure the scientific integrity of National Park Service investigations of the archaeological resources at the Monument; and

(3) to permit effective management of the Monument.

SEC. 3. BOUNDARY EXPANSION.

(a) IN GENERAL.—The boundaries of the Monument are revised to include the approximately 24.27 acres of lands generally depicted on the map entitled "Boundary—Yucca House National Monument, Colorado", numbered 318/80,001-8, and dated February 1990.

(b) MAP.—The map referred to in subsection (a) shall be on file and available for public inspection in appropriate offices of the National Park Service of the Department of the Interior.

SEC. 4. ACQUISITION OF LANDS.

(a) IN GENERAL.—Within the lands described in section 3(a), the Secretary of the Interior may acquire lands and interests in lands by donation.

(b) ADMINISTRATIVE COSTS.—The Secretary of the Interior may pay administrative costs arising out of any donation described in subsection (a) with appropriated funds.

SEC. 5. ADMINISTRATION AND ACQUIRED LANDS.

Lands and interests in land acquired pursuant to section 4 shall be administered as part of the Monument and shall be subject to all laws applicable to the Monument.●

By Mr. PRYOR (for himself and Mr. BOREN):

S. 2400. A bill to amend title XVIII of the Social Security Act to extend special payments under part A of Medicare for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries; to the Committee on Finance.

MEDICARE-DEPENDENT HOSPITAL RELIEF ACT OF 1992

● Mr. PRYOR. Mr. President, I am pleased to be joined today by my good friend from Oklahoma, Senator BOREN, the senior Senator from Arkansas, Senator BUMPERS, the cochairman of the Senate Rural Health Caucus, Senator BURDICK, and Senator HARKIN, the chairman of Appropriations Subcommittee on Labor-HHS, in introducing the Medicare Dependent Hospital Relief Act of 1992. This legislation would extend a provision included in OBRA 1989 that grants a modified payment status to small, rural Medicare dependent hospitals—that is, those rural hospitals which are under 100 beds and have at least 60 percent of their patient days paid for by Medicare.

Since the implementation of the Medicare prospective payment system [PPS], rural hospitals have fared poorly. In 1989, I authored a provision, later incorporated into OBRA 1989, to provide some modest, short-term—3 years—relief to financially vulnerable rural hospitals who were serving disproportionate numbers of Medicare patients. At that time, we were unable to eliminate the discriminatory Medicare urban/rural payment differential that was contributing to the closures of countless hospitals in rural America.

In 1990, I was proud to join Chairman BENTSEN in eliminating the Medicare PPS urban/rural reimbursement differential when we passed OBRA 1990. Unfortunately, this reimbursement disparity had to be phased out over a number of years and, because of budget constraints, it will not be completely eliminated until 1995. As a result, the relief we provide to the Medicare-dependent hospitals needs to be extended to coincide with the final elimination of the urban/rural differential.

Medicare dependent hospitals have been particularly hard hit by PPS. Hospitals eligible for this assistance have lower average operating margins than their nonhigh Medicare counterparts. It has become clear that the higher the proportion of Medicare patients served, the lower the operating margin. These hospitals are disadvantaged because they are more vulnerable to payment inaccuracies, and less able to revenue shift to other payers to make up for shortfalls in Medicare reimbursement. Their Medicare patients also tend to be older; in fiscal year 1989, 36 percent of high Medicare hospitals' Medicare patients were age 80 or older, compared to only 29 percent for nonhigh Medicare hospitals.

An estimated 541 hospitals, or 21 percent of rural hospitals, are designated as Medicare-dependent hospitals, with about 20 in my home State of Arkansas. In fiscal year 1988, before this provision went into effect, these hospitals' average PPS operating margin was -5.2 percent, compared to -3.0 percent for nonhigh Medicare rural hospitals.

The Prospective Payment Assessment Commission [ProPAC] examined the issue of Medicare dependent hospitals in 1990, and found that these hospitals had lower aggregate PPS and total margins. Although ProPAC was not able to fully explain the reasons for these lower margins, it did conclude that "hospitals with high Medicare shares are more likely to have characteristics that lead to poor performance under PPS."

A recent CBO study on rural hospitals simulated PPS operating margins for 1989 using 1991 payment rules, which includes the Medicare dependent hospital provision. CBO found that these hospitals had a Medicare operating margin of 10.5 percent, with an overall operating margin of 5.9 percent. I have also asked ProPAC to analyze the actual effect of this provision, which I expect to receive in the next few weeks. Preliminary estimates from ProPAC demonstrate that Medicare-dependent hospitals are in fact faring better as a result of this provision.

The OBRA 1989 provision will begin to expire April 1 of this year, with a final expiration date of March 31, 1993, and our bill would extend this provision until March 31, 1995. Urban Medicare-dependent hospitals, who are similarly disadvantaged under PPS, have asked for comparable help. While I believe they are deserving of assistance, limited resources demand that we in Congress make difficult decisions. However, it is my intention to work closely with Chairman BENTSEN of the Senate Finance Committee to explore ways to help all such hospitals, be they urban or rural.

I urge my colleagues to join Senators BOREN, BUMPERS, BURDICK, HARKIN, and me in cosponsoring the Medicare Dependent Hospital Relief Act of 1992.●

● Mr. BOREN. Mr. President, I rise today along with Senator PRYOR to introduce a bill to sustain rural hospitals which are in danger of closing without the immediate relief this bill proposes. Specifically, the bill allows small rural hospitals with a Medicare patient load of at least 60 percent to choose to be reimbursed by a target amount based either on their 1982 or 1987 cost report; or accept the current Federal rate, whichever is more favorable to the hospital.

For a long time, we have recognized that providing quality health care in rural areas requires our special attention. We know that rural hospitals serve a broad range of needs in the community. It is not only a place for care of the sick, it is also an important part of the economy. The local hospital provides jobs, and new industries looking to relocate are attracted by good health services. Many times attracting and maintaining qualified health professionals depends on the quality of the local hospital.

Rural hospitals face a number of special challenges. Often, people in rural areas don't have health insurance so many rural hospitals provide more charity care than hospitals in urban areas. It is more difficult to recruit and retain physicians. Poverty rates are higher in rural areas than in urban areas so financing rural health care is more difficult.

We have shown our commitment to rural health care by passing legislation that will phase out the difference in payment between urban and rural hospitals by 1995. Other measures have provided more immediate relief. These measures have made a difference. Because of them, many rural hospitals are still open. We are beginning to succeed in making improvements in access to quality care in rural areas.

Now, is not the time to withdraw our support. The financial health of Medicare-dependent rural hospitals will be weakened if we do not continue to recognize their special circumstances. In my home State, we have 26 of these hospitals. I hear from their administrators who are concerned that their hospitals will close if we do not extend this provision; they are aware that this provision brings a much needed \$4 million of additional hospital reimbursement payments to our State.

Seventy-five percent of hospital closures in rural areas have involved facilities with the smallest number of beds. This flexible reimbursement policy keeps their doors open. Let us not forget the difference we make in small communities by helping them maintain this total service.●

By Mr. GORE:

S. 2401. A bill to provide for the formation of an endowed, nongovernmental, nonprofit foundation to encourage and fund collaborative re-

search and development projects between the United States and Russia, Ukraine, Belarus, and other democratic republics emerging from the former Soviet Union; to the Committee on Foreign Relations.

AMERUS FOUNDATION FOR RESEARCH AND DEVELOPMENT ACT OF 1992

● Mr. GORE. Mr. President, I am pleased to introduce the Senate version of a bill scheduled to be introduced today in the House by several distinguished Members there, including the chairman of the House Committee on Science, Space, and Technology. This bill, entitled the "AmeRus Foundation for Research and Development Act of 1992," aims to create an independent foundation to help define and support cooperative R&D ventures in non-defense fields, between the engineering and scientific communities of the United States and those of the states emerging from the former Soviet Union, beginning with Russia, Ukraine, and Belarus.

The AmeRus Foundation would be initially brought into being by the Directors of the National Science Foundation and the National Institute of Standards and Technology. It would be an endowed, nongovernmental, nonprofit body, funded by a mix of direct governmental appropriations, private donations, debt conversions, and local foreign currency accounts. The legislative intent is that after a 5-year period, the Foundation would no longer require official U.S. Government financial support. In fiscal years 1992, 1993, 1994, and 1995, however, it would require \$50 million, for the purpose of getting operations underway and establishing its endowment.

In my opinion, this bill opens the way for the kinds of cooperation that are essential if we are to successfully close the book on the history of our relations with the former Soviet Union, and begin a new era in our relations with its successor states. The scientific and engineering talent that exists in those states is now available to join with us in working out products and processes for a peaceful future. I am hopeful that this measure will gain bipartisan support as well as approval from the Bush administration. It is a good-faith effort to find practical and affordable means to build a new kind of relationship, and to make that much more certain that the democratic experiment manages to survive in the successor states.

This bill is an opportunity for the administration to make up its mind whether it thinks American purposes are best served by trying to salvage as much as possible of the Soviet Union's scientific and engineering establishment, or to stand aside in hopes that as much of it as possible will be trashed. We cannot have it both ways in the same policy. It is time for the administration to make a fundamental choice.

This bill offers them an excellent chance to do so.●

By Mr. ADAMS (for himself, Mr. AKAKA, Mr. CRANSTON, Mr. COCHRAN, Mr. COATS, Mr. DOLE, Mr. DODD, Mr. HEFLIN, Mr. KENNEDY, Mr. METZENBAUM, Mr. PELL, Mr. PRESSLER, Mr. REID, Mr. WELLSTONE, Mr. LAUTENBERG, and Mrs. KASSEBAUM):

S.J. Res. 276. Joint resolution to designate May 1992 as "Older Americans Month"; to the Committee on the Judiciary.

OLDER AMERICANS MONTH

● Mr. ADAMS. Mr. President, I rise today to recognize a special group of individuals, our Nation's older citizens. I am proud to introduce legislation that would formally designate May 1992 as Older Americans Month. During that month, we, as a Nation, recognize the wisdom, knowledge, and experience of our senior Americans and pay tribute to their numerous achievements and accomplishments.

May has been recognized as Older Americans Month since President Kennedy signed the first resolution almost three decades ago in 1963. This resolution not only recognizes the contributions of senior Americans, but also reaffirms our national commitment to respect and protect the rights of the elderly and enhance their life through better health care and other services.

Americans are living longer these days and millions of them are leading full, healthy, and productive lives. Yet, there are too many who suffer from serious and debilitating health problems that can be both emotionally and financially draining. As for all Americans, current health care costs are astronomical. A recent report from Families U.S.A. shows that seniors now spend proportionately more out of pocket on health care than they did before the enactment of Medicare.

Millions of older Americans are able to enjoy their retirement years in the comfort of their own homes, but for others who need care for chronic conditions, the costs of care can force them into nursing homes. A considerable portion of the out-of-pocket costs paid by seniors is for nursing home costs. It is crucial that we commit ourselves to ensuring access to affordable, high quality long-term care for seniors. I hope that Older Americans Month will serve as a reminder of the necessity to enact true long-term care reform.

Finally, I hope that our older citizens will soon have another important accomplishment to celebrate: reauthorization of the Older Americans Act [OAA]. Pending amendments to the OAA will improve many of the important services, such as congregated and home-delivered meals, and ombudsman and legal assistance services.

As chairman of the Committee on Labor and Human Resources Sub-

committee on Aging, I intend for the subcommittee to keep the concerns of our older citizens at the forefront of our national agenda. I ask my colleagues to join me in recognizing the contributions and needs of the Nation's elderly by joining me in legislation to proclaim May 1992 as Older Americans Month.●

By Mr. D'AMATO:

S.J. Res. 277. Joint resolution to designate May 13, 1992, as "Irish Brigade Day"; to the Committee on the Judiciary.

IRISH BRIGADE DAY

● Mr. D'AMATO. Mr. President, I rise today to offer a joint resolution calling for May 13, 1992, to be designated as Irish Brigade Day. This day has been chosen to commemorate the day in 1779, when members of the Irish Brigade volunteered their services to John Paul Jones.

The United States of America has always been a Nation of immigrants and those of Irish descent have always been characterized by their defense of liberty.

The officers and men of the Irish Brigade in the service of France, volunteered to fight for American Independence in 1775, 3 full years prior to French intervention. The soldiers of the Walsh regiment of the Irish Brigade volunteered to serve as American continental Marines with John Paul Jones on the *Bonhomme Richard*. During our war for independence, the Irish Brigade fought at Savannah, GA and at Gloucester Point, VA. The Irish troops of Count Arthur Dillon of the Legion of Lauzin, tightened the noose around Cornwallis at Yorktown.

Irish military and naval service to the United States has produced many heroes. The predominantly Irish Battalion of Pennsylvania, under Anthony Wayne, was known as the Line of Ireland. At Fort Leavenworth, KS, the U.S. Army Command and General Staff School, has chosen Col. William "Wild Bull" Donovan of the 69th Regiment of New York—165 U.S. infantry—as the "epitome of combat leadership" in World War I. To this day Irish-Americans continue the tradition of brave and honorable military service in the defense of the United States.

I urge my colleagues to join me in honoring these brave men by designating May 13, 1992 as Irish Brigade Day. I ask that the full text of my resolution follow my statement.

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

S.J. RES. 277

Whereas the United States of America is a nation of immigrants and the contributions of Irish immigrants and their descendants to the defense of the Public Liberty has been a hallmark of Irish Americans;

Whereas the officers and men of the Irish Brigade in the service of France volunteered to fight for American liberty in 1775, three

years before the entry of France in our War for Independence;

Whereas the Irish Brigade fought for American liberty in our war for independence at Savannah, Georgia and Irish troops at Gloucester Point, Virginia under Count Arthur Dillon of the Legion of Lauzin in the Army of Rochambeau close the ring around Cornwallis at Yorktown, thus assuring victory for Washington and independence for the United States;

Whereas throughout history, the Irish military and naval contribution to the United States has included many noted heroes;

Whereas the predominately Irish Thompson Battalion of Pennsylvania became the keystone of Washington's Continental Army and under Anthony Wayne, the Infantry Line of Pennsylvania was known as the "Line of Ireland";

Whereas the United States Army command and General Staff School at Fort Leavenworth, Kansas in its Hallway of Combat Leaders, has chosen Colonel William "Wild Bull" Donovan of the 69th Regiment of New York (165th U.S. Infantry) as "epitome of combat leadership in World War I; and,

Whereas Irish Americans continue the tradition of honorable military service in the defense of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 13, 1992 is designated as "Irish Brigade 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 such day with appropriate ceremonies and activities.●

Mr. DODD (for himself, Mr. PRESSLER, Mr. GLENN, Mr. HOLLINGS, Mr. STEVENS, Mr. SEYMOUR, Mr. HEFLIN, Mr. DOLE, and Mr. COCHRAN):

S.J. Res. 278. Joint resolution designating the week of January 3, 1993, through January 9, 1993, as "Braille Literacy Week"; to the Committee on the Judiciary.

BRaille LITERACY WEEK

● Mr. DODD. Mr. President, I rise today to amend Senate Joint Resolution 226, which designated the week of January 4, 1992, as "National Braille Literacy Week" to the week of January 3-9, 1993. I introduced Senate Joint Resolution 226 during the first session of the 102d Congress, however, it did not receive a sufficient number of co-sponsors before the first session ended to secure passage.

As you may know, braille is a system of raised dots that offers blind and visually impaired children and adults the opportunity to read and write. However, approximately 10 percent of the blind population is not literate in braille. National Braille Literacy Week raises public awareness to the importance of braille literacy. It recognizes braille as an effective medium that provides blind people with the ability to work, learn and communicate. Also, it acknowledges the need that more documents be made available in braille.

Braille literacy is necessary for blind people to lead independent, successful

lives. Passage of this resolution will bring well-deserved attention to a system that serves millions of people. I feel that this is a very important issue and urge my colleagues to cosponsor this resolution with me. I ask unanimous consent that the text of this resolution be printed in the record.

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

S.J. RES. 278

Whereas Braille, the system of raised dots used by the blind to read and write, is an elegant and effective medium of literacy;

Whereas blind and visually impaired children and adults must be afforded the opportunity to achieve literacy so that they can compete in employment, succeed in education, and live independent, fruitful lives;

Whereas recording devices, the optacon, and other reading machines and computer access programs have enabled blind individuals to gain access to a wide variety of printed material, but such devices cannot be a replacement for a medium that allows an individual to read and write independently;

Whereas the teaching of braille has been neglected over the past several decades;

Whereas in many States, legislation is being considered or has already been enacted to ensure that blind and visually impaired school age students are taught Braille if it is the appropriate medium to provide literacy for those students: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION

The week of January 3, 1993, through January 9, 1993, is designated as "Braille Literacy Week".

SEC. 2. PROCLAMATION BY THE PRESIDENT.

The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe Braille Literacy Week with appropriate ceremonies and activities.

SEC. 3. PROCLAMATIONS BY STATE AND OTHER OFFICIALS.

Each State governor, the chief executive of the District of Columbia, each chief executive of each territory or possession of the United States, and each chief executive of each political subdivision of each State, territory or possession is urged to issue a proclamation or other appropriate official statement calling upon the citizens of the State, the District of Columbia, the territory, the possession, or the political subdivision to observe Braille Literacy Week with appropriate ceremonies and activities.

SEC. 4. CEREMONIES AND ACTIVITIES.

The ceremonies and activities referred to in sections 2 and 3 should include educational activities—

(1) to celebrate the contributions of the inventor of Braille, Louis Braille, who was born on January 4, 1809;

(2) to heighten public awareness of the importance of Braille literacy among children and adults who are blind; and

(3) to heighten public awareness of the great need for the production of a wide variety of commonly available print documents in Braille.●

ADDITIONAL COSPONSORS

S. 972

At the request of Mr. BRADLEY, the name of the Senator from California

[Mr. CRANSTON] was added as a cosponsor of S. 972, a bill to amend the Social Security Act to add a new title under such Act to provide assistance to States in providing services to support informal caregivers of individuals with functional limitations.

S. 1333

At the request of Mr. SASSER, the names of the Senator from Montana [Mr. BURNS] and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 1333, a bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make available for humanitarian relief purposes any nonlethal surplus personal property, and for other purposes.

S. 1423

At the request of Mr. DODD, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1931

At the request of Mr. STEVENS, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1931, a bill to authorize the Air Force Association to establish a memorial in the District of Columbia or its environs.

S. 1992

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1992, a bill to amend title XIX of the Social Security Act to provide for waivers to allow States that meet certain criteria to operate pharmaceutical benefit programs independent of the Medicaid drug purchasing requirements.

S. 2070

At the request of Mr. MOYNIHAN, the names of the Senator from Maine [Mr. MITCHELL] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 2070, a bill to provide for the Management of Judicial Space and Facilities.

S. 2109

At the request of Mr. BAUCUS, the names of the Senator from Kansas [Mrs. KASSEBAUM] and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 2109, a bill to amend the Internal Revenue Code of 1986 to permit certain entities to elect taxable years other than taxable years required by the Tax Reform Act of 1986, and for other purposes.

S. 2167

At the request of Mr. SEYMOUR, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 2167, a bill to restrict trade and other relations with the Republic of Azerbaijan.

S. 2246

At the request of Mr. KENNEDY, the name of the Senator from Washington

[Mr. ADAMS] was added as a cosponsor of S. 2246, a bill to suspend the forcible repatriation of Haitian nationals fleeing after the coup d'etat in Haiti until certain conditions are met.

S. 2277

At the request of Mr. COHEN, the names of the Senator from Wyoming [Mr. WALLOP] and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 2277, a bill to amend the Public Health Service Act to facilitate the entering into of cooperative agreements between hospitals for the purpose of enabling such hospitals to share expensive medical or high technology equipment or services, and for other purposes.

S. 2345

At the request of Mr. SPECTER, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 2345, a bill to extend the provisions of the Steel Import Stabilization Act for specialty steel and other purposes.

S. 2357

At the request of Mr. DOMENICI, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 2357, a bill to reduce and control the Federal deficit.

S. 2373

At the request of Mr. BOREN, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 2373, a bill to amend the Job Training Partnership Act to establish a community works progress program, and a national youth community corps program, and for other programs.

SENATE JOINT RESOLUTION 35

At the request of Mr. HOLLINGS, the names of the Senator from Texas [Mr. BENTSEN] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors 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 242

At the request of Mr. SPECTER, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 242, a joint resolution to designate the week of September 13, 1992, through September 19, 1992, as "National Rehabilitation Week."

SENATE JOINT RESOLUTION 248

At the request of Mr. CONRAD, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 248, a joint resolution designating August 7, 1992, as "Battle of Guadalcanal Remembrance Day."

SENATE JOINT RESOLUTION 251

At the request of Mrs. KASSEBAUM, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Ala-

bama [Mr. SHELBY], the Senator from Arizona [Mr. DECONCINI], the Senator from Florida [Mr. MACK], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Michigan [Mr. RIEGLE], the Senator from North Carolina [Mr. SANFORD], the Senator from California [Mr. SEYMOUR], the Senator from Georgia [Mr. FOWLER], the Senator from Illinois [Mr. SIMON], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Wisconsin [Mr. WELLSTONE], the Senator from Wisconsin [Mr. KOHL], the Senator from Nebraska [Mr. EXON], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. COATS], the Senator from Texas [Mr. BENTSEN], and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of Senate Joint Resolution 251, a joint resolution to designate the month of May 1992 as "National Huntington's Disease Awareness Month."

SENATE JOINT RESOLUTION 257

At the request of Mr. LAUTENBERG, the names of the Senator from Washington [Mr. ADAMS], the Senator from Michigan [Mr. RIEGLE], the Senator from Ohio [Mr. METZENBAUM], and the Senator from Utah [Mr. GARN] were added as cosponsors of Senate Joint Resolution 257, a joint resolution to designate the month of June 1992, as "National Scleroderma Awareness."

SENATE JOINT RESOLUTION 260

At the request of Mr. COCHRAN, the names of the Senator from New York [Mr. D'AMATO], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. HEFLIN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Montana [Mr. BURNS], the Senator from Colorado [Mr. BROWN], and the Senator from California [Mr. SEYMOUR] were added as cosponsors of Senate Joint Resolution 260, a joint resolution designating the week of October 18, 1992, through October 24, 1992, as "National School Bus Safety Week."

SENATE JOINT RESOLUTION 263

At the request of Mr. SARBANES, the names of the Senator from Tennessee [Mr. SASSER], the Senator from Hawaii [Mr. AKAKA], and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of Senate Joint Resolution 263, a joint resolution to designate May 4, 1992, through May 10, 1992, as "Public Service Recognition Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. DODD, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of Senate Joint Resolution 274, a joint resolution to designate April 9, 1992, as "Child Care Worthy Wage Day."

SENATE CONCURRENT RESOLUTION 57

At the request of Mr. BOREN, the names of the Senator from New Hampshire [Mr. SMITH], and the Senator from Missouri [Mr. DANFORTH] were

added as cosponsors of Senate Concurrent Resolution 57, a concurrent resolution to establish a Joint Committee on the Organization of Congress.

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. KERRY, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution to express the sense of the Congress concerning the United Nations Conference on Environment and Development.

SENATE CONCURRENT RESOLUTION 94

At the request of Mr. DODD, the names of the Senator from Pennsylvania [Mr. SPECTER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of Senate Concurrent Resolution 94, a concurrent resolution urging the Government of the United Kingdom to address continuing human rights violations in Northern Ireland and to seek the initiation of talks among the parties to the conflict in Northern Ireland.

SENATE CONCURRENT RESOLUTION 99

At the request of Mr. PELL, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Concurrent Resolution 99, a concurrent resolution expressing the sense of the Congress concerning travel to Taiwan.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a markup on Wednesday, March 25, 1992, beginning at 9:30 a.m., in 485 Russell Senate Office Building, on S. 1607, the Northern Cheyenne reserved water rights; and, recommendations to the Appropriations Committee on the funding of Indian programs for fiscal year 1993.

Those wishing additional information should contact the Select Committee on Indian Affairs at 224-2251.

SUBCOMMITTEE ON FEDERAL SERVICES, POST OFFICE, AND CIVIL SERVICE

Mr. PRYOR. Mr. President, I would like to announce that the Subcommittee on Federal Services, Post Office, and Civil Service, of the Committee on Governmental Affairs, will hold a hearing on Wednesday, March 25, 1992. The focus of the hearing will be to examine procurement irregularities associated with the Department of Defense's airborne self-protection jammer program. The subcommittee will hear witnesses from the Department of Defense and the General Accounting Office.

The hearing is scheduled for 9:30 a.m., in room 342 of the Senate Dirksen Office Building. For further information, please contact Ed Gleiman, subcommittee staff director, on 224-2254.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON STRATEGIC FORCES AND NUCLEAR DETERRENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces and Nuclear Deterrence of the Committee on Armed Services be authorized to meet on Tuesday, March 24, 1992, at 2:30 p.m., in open session, to receive testimony on the Department of Energy's Environmental Restoration and Waste Management Program in review of the amended Defense authorization request for fiscal year 1993.

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

SUBCOMMITTEE ON AGING

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Aging of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, March 24, 1992, at 9:30 a.m. for a joint hearing with the House Select Committee on Aging on "Alzheimer's Disease: The Time Bomb in the Health Care System."

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

ADDITIONAL STATEMENTS

DR. MIMI SILBERT AND THE DELANCEY STREET FOUNDATION

• Mr. BRADLEY. Mr. President, I rise today to honor the Delancey Street Foundation and its founder, Dr. Mimi Silbert, during the week of the foundation's 21st anniversary and Dr. Silbert's birthday.

At a time when our cities are being strangled by increasing violence, rising poverty and homelessness, escalating racial tensions, and rapidly eroding resources, the Delancey Street Foundation is breathing hope into the urban landscape. For 21 years, this entirely self-supporting residential program has encouraged those who have hit bottom to begin again, to learn useful trades, to complete their education, and to make responsible choices.

When I visited the foundation in San Francisco, I met people who had pulled themselves up from despair and were building a new future based on the principles of self-respect, hard work, community, and self-reliance. I saw a vast new residential complex and several successful business enterprises, built and managed entirely by Delancey Street residents, which stand as testaments to the efficacy of the program and the determination of Dr. Silbert. I learned of the 10,000 graduates of the program, many of whom are now attorneys, business people, construction workers, and others who have developed skills and left their previous lives of drug abuse, prostitution, and street crime far behind.

It is appropriate that we take a moment to celebrate the success of Dr. Silbert, a woman who not only understands the problems, but has the creativity to propose the solutions and the courage to put them into practice. I ask my colleagues to join me in recognizing the achievement of Dr. Silbert and of the thousands of strong men and women who have accepted the challenge of rebuilding their lives.●

50TH ANNIVERSARY OF THE SEABEES

● Mr. D'AMATO. Mr. President, March 5, 1992, was the 50th anniversary of the Seabees, and I rise today to proclaim that day as "Seabee Day." The celebrating which began on that day will continue throughout the rest of this year.

The Naval Facilities Engineering Command [NAVFAC] is responsible for advanced base construction plus the acquisition, maintenance and operation of naval facilities worldwide. The Naval Construction Force [NCF] exists to support wartime requirements and is comprised of three major commands: the 1st Brigade, the Reserve Seabees; the Regional Wartime Construction Manager for the Mediterranean region; and the Reserve Division Naval Facilities Engineering Command.

The Seabees evolved from the Navy's need for advanced base construction capability during World War II. The Naval Construction Force consisted of nine active duty battalions. The 17 Reserve Seabee battalions would be deployed to theatres of operation and provide the advanced base construction, battle damage repair, and facility operation and repair support required by the theatre commander.

The Seabees have served our country both on the battlefield and in times of peace. Their skills have been utilized both in military contingency construction and in humanitarian relief efforts. They are known throughout the world for their can-do spirit.

Founded on March 5, 1942, the Seabees, both Regular and Reserve, demonstrate professionalism, knowledge of construction and individual skills which fulfill their motto: "With Compassion for Others We Build—We Fight for Peace With Freedom."

New York State is proud to be the home of the distinguished Seabees from Naval Construction Battalion 13, headquartered at Camp Smith, Peekskill, NY. Naval Construction Battalion 13 has members from across New York State—Buffalo to Horseheads to Long Island—who continually train for possible mobilization assignments anywhere in the world.

The anniversary celebration has already begun and will continue throughout the year. The years of service that the Seabees have provided have brought proficiency and expertise to

many challenging assignments and have certainly been a tremendous asset to the Navy. I wish the Seabees many challenges and many rewards in the years ahead.●

IN MEMORY OF HAL O. HALL

● Mr. DIXON. Mr. President, I have come to the floor today to mourn the passing of Hal O. Hall who died this past Sunday in a nursing home in Louisiana, VA. Like many Americans today Hal lived well into his eighties and outlived most of his dear friends. His death was therefore all but unnoticed by the thousands of people that so greatly benefited from his contributions and long public service.

Mr. President, Hal O. Hall was a native of Illinois. He was born and raised in Carbondale, IL, where he graduated from Southern Illinois University and returned for some years to serve as a coach, commerce teacher, and superintendent of the University High School. He held similar positions in Greenview, IL; he was superintendent of the high schools in Elmhurst, IL; and along the way he found the time and energy to earn an MBA from Northwestern University and a doctorate in education from New York University. In the last 15 years of his career he served with the Agency for International Development in Indonesia, Vietnam, and finally in Washington, DC.

I did not know Hal for most of the years of his long career in education and public service. However, in the middle years of his career—from 1945 until 1956—Hal served as the superintendent of Belleville Township High School in my hometown of Belleville, IL. Upon his appointment as superintendent the board of education announced that they wanted to establish a junior college. Dr. Hall's background made him just the man to do that.

On February 29, 1946, Dr. Hall obtained approval for the college in Belleville. The college, which offered tuition-free instruction to students residing in the district, opened later that year. From that beginning, Dr. Hall became a leader in the Illinois junior college movement. From that beginning, the Belleville Area College was founded and continues today with an enrollment of over 60,000.

Mr. President, it is many leaders like Hal Hall who weave the fabric of our communities, who nurture and build the institutions that educate and train our children, who tend to the requirements of our civic life. Hal Hall and his wife Hazel paid their mortgage, raised their children, and sent them to college. These are the efforts that built our Nation and these are the efforts that must continue if we are to meet the new challenges of America today.

Mr. President, I come to the floor to honor the life of Hal O. Hall. He was

well known and well loved in my hometown of Belleville, IL. I know that my community will long remember his life and his contributions.●

TRIBUTE TO ROLLIN HELTON

● Mr. McCONNELL. Mr. President, I rise today to recognize an outstanding Kentuckian, Rollin Helton. Mr. Helton recently joined millions of Americans in observing the 50th anniversary of the attack on Pearl Harbor, a tragedy which he witnessed as a member of the 27th Infantry.

Rollin Helton, a native of Leslie County, is now retired from the JOC Coal Co. and lives in Harlan County. However, he has no difficulty remembering the time he spent away from his Kentucky home during World War II.

Mr. Helton enlisted in the Army in 1940, expecting the United States to be drawn into a fight across the Atlantic. However, on December 7, 1941, Mr. Helton found himself in the center of battle on the Hawaiian island of Oahu. He remembers the Pearl Harbor attack vividly. He says he was just pouring his morning coffee when the first attack came. According to Mr. Helton, the infantry troops were caught off guard, even though they had been training for months to prepare for an amphibious assault. More than 2,000 Americans lost their lives at Pearl Harbor. Mr. Helton considers himself lucky to have survived.

After the Pearl Harbor attack, Mr. Helton and his fellow infantrymen prepared for ground troops they were certain would eventually come. However, that never happened, and about 1 month later, Mr. Helton, along with the rest of the 25th Division, was transferred to Guadalcanal to relieve marines stationed there. Mr. Helton later joined the 27th Division, fighting in the Marshall and Gilbert Islands, and on Saipan and Tinian in the Marianas chain. He was wounded on Okinawa, where he remained until the end of the war.

Rollin Helton came home to Kentucky after being discharged from the military. His mother had moved from Leslie County to Harlan County, and Mr. Helton followed. He married Hazel Howard, and worked for Georgia Pacific before moving on the JOC Coal Co.

Mr. President, as we mark the 50th anniversary of the Pearl Harbor attack, we must remember the survivors as well as the victims. Rollin Helton recently said, "December the 7th, 1941 will be with me as long as I live." I commend Mr. Helton for his service to this great country during World War II, and also for his role as an outstanding Kentucky citizen.

Please enter my comments, as well as an article from the Harlan Daily Enterprise into the RECORD.

The article follows:

[From the Harlan (KY) Daily Enterprise, Dec. 7, 1991]

COUNTIANS RECALL "DAY OF INFAMY"—TODAY MARKS 50TH ANNIVERSARY OF PEARL HARBOR ATTACK

(By Andy Messer)

When the first bomb shattered windows in Scofield Barracks, Rollin Helton thought a plane had crashed.

Instead, what crashed that Sunday morning was America's sense of invincibility and its last hopes of remaining untouched by the conflagration that was already sweeping Europe and would soon engulf the Pacific.

Helton, a Leslie County native, had enlisted in the army in 1940, expecting the U.S. to be drawn into the fighting across the Atlantic. But on Dec. 7, 1941, Helton found himself with the 27th Infantry on the Hawaiian island of Oahu, guarding the American naval base at Pearl Harbor.

Helton was up early and pouring a cup of coffee when the first wave hit. When he ran outside, he saw one Japanese plane begin its dive, preparing to drop another bomb on Wheeler Field. Meanwhile, the first plane wheeled around toward the barracks for a strafing run.

Infantry troops on the island had been training for several months in preparation for an amphibious assault; they strung barbed wire in the surf to slow down attackers attempting to wade ashore; they built concrete pillboxes to house machine gun emplacements.

But when the attack came, the island's defenders were caught off guard as the Hawaiian skies filled with fighter planes.

Along Battleship Row, greasy black smoke boiled into the sky as the USS Arizona, the Oklahoma, the New Mexico, the Utah, the Nevada and the California burned at their moorings and slipped down in to the oil-coated waves.

American fighter planes were destroyed on the ground. The infantry's rifles were locked in gunracks, their ammunition stowed away for safety's sake.

But no one was safe that day.

All told, the U.S. military lost eight ships and 170 aircraft in the attack. More than 2,000 Americans—military personnel and civilians—lost their lives. Nearly as many were wounded.

Franklin Roosevelt called it "a day that will live in infamy."

For Helton, it is a day that lives in memory.

"You could be old or young," he says, "and yet you'd sit down and cry to see what had taken place."

Helton and his fellow infantrymen spread out along miles of beach to man the pillboxes and wait for the ground troops they believed would come.

As days and then weeks passed, the threat of a beachhead assault waned. But reminders of the battle and portents of battles to come lingered on the island as dumptrucks full of bodies lumbered up Red Hill, bound for mass graves.

"It was sickening to see," Helton says.

After 30 days, Helton's unit and the rest of the 25th Division were transferred to Guadalcanal to relieve the Marines.

Later, Helton left the 25th and joined the 27 Division, fighting in the Marshall and Gilbert Islands, and on Saipan and Tinian in the Marianas chain.

He was wounded on Okinawa.

He describes the kamikaze attacks on Okinawa as "almost like watching a movie," the shrapnel flying "like a hailstorm."

From the day Pearl Harbor was attacked to July of 1944, Helton says he never slept in a bed.

Helton was on Okinawa, part of the force making ready for the invasion of Honshu, largest of the Japanese islands, when two atomic bombs dropped on Hiroshima and Nagasaki ended the second world war.

While Helton had been in the Pacific, his mother had moved to Harlan County.

Helton followed her there after he was discharged from the army. Soon, he married Hazel Howard.

He worked in several capacities for Georgia Pacific, and later retired from his post as a superintendent for JOC Coal Co.

"I've not been a burden to my country," he says.

Today, he is distressed that many do not remember Pearl Harbor and the day that plunged this country into a war that remade the world.

"December the seventh, 1941," Helton says, "will be with me as long as I live." ●

TELECOMMUNICATIONS DEVELOPMENT

● **Mr. BURNS.** Mr. President, on Friday, March 20, 1992, I introduced S. 2377 and asked that a copy of the bill be printed in the RECORD at that time. Since it was not, I would ask that the bill be printed in today's RECORD and that the permanent RECORD be corrected to place the text of the bill immediately after my introductory remarks.

The text of S. 2377 follows:

S. 2377

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

SECTION 1. PURPOSE.

It is the purpose of this Act to acquire a dedicated communications satellite system on which instructional programming can be colocated and free from preemption.

SEC. 2. EDUCATIONAL SATELLITE LOAN GUARANTEE PROGRAM.

(a) PROGRAM AUTHORIZED.—

(1) IN GENERAL.—The Secretary of Education is authorized to carry out a program to guarantee any lender against loss of principal or interest on a loan described in paragraph (2) made by such lender to a non-Federal, nonprofit, public corporation—

(A) in existence as of January 1, 1992;

(B) whose charter is designed for affiliation with State and local instructional institutions and agencies, and other distance learning and instructional resource providers;

(C) whose governing board includes members representing elementary and secondary education, vocational and technical education, community and State colleges, and universities; and

(D) whose sole purpose is to acquire and operate a communications satellite system dedicated to transmitting instructional programming.

(2) ELIGIBLE LOANS.—The Secretary of Education only shall guarantee a loan under this Act if—

(A) the non-Federal, non-profit, public corporation described in paragraph (1) has—

(i) investigated all practical means to acquire a communications satellite system;

(ii) reported to the Secretary the findings of such investigation; and

(iii) recommended the most cost-effective, high-quality communications satellite system to meet the purpose of this Act; and

(B) the proceeds of such loan are used solely to acquire and operate a communications

satellite system dedicated to transmitting instructional programming.

(3) DEFINITION.—For purposes of this subsection—

(A) the term "acquire" includes acquisition through lease, purchase or donation; and

(B) the term "communications satellite system" means one or more communications satellites capable of providing service from space, including transponder capacity, on such satellite or satellites.

(b) LOAN AMOUNT LIMITATIONS.—The Secretary of Education shall not guarantee more than \$270,000,000 in loans described in subsection (a) pursuant to the program assisted under this section, of which—

(1) not more than \$250,000,000 shall be for the guarantee of such loans the proceeds of which are used to acquire a communications satellite system; and

(2) not more than \$20,000,000 shall be for the guarantee of such loans the proceeds of which are used to pay the costs of not more than 3 years of operating and management expenses associated with providing the communications satellite system services described in subsection (a).

(c) LIQUIDATION OR ASSIGNMENT.—

(1) IN GENERAL.—In order for a lender to receive a loan guarantee under this section such lender shall agree to assign to the United States any right or interest in the communications satellite system or communications satellite system services that such lender possesses upon payment by the Secretary of Education on such loan guarantee.

(2) DISPOSITION.—The United States may exercise, retain, or dispose of any right or interest acquired pursuant to paragraph (1) in any manner the United States deems fit, upon the recommendation of the Secretary of Education.

(d) SPECIAL RULE.—Any loan guaranteed under this section shall be guaranteed with full faith and credit of the United States.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for each fiscal year to carry out this section. ●

TRIBUTE TO MAZAK CORP.

● **Mr. McCONNELL.** Mr. President, I rise today to recognize an outstanding Kentucky company which has overcome tough economic times by investing in new technology. The success of Mazak Corp., a machine-tool industry located in Florence, KY, can serve as an important lesson for other American manufacturers.

Mazak has continued to make money in an unfavorable economic climate because of its continuing investment in new technology. Mazak officials recently unveiled "Super Quick Turn"—a new series of machines that marry a traditional lathe with drilling and milling machine capability to dramatically cut the cost of making small parts. In May of last year, Mazak completed a \$50 million investment. This expansion almost doubled the Florence plant's capacity and made it the most modern machine-tool facility in the United States.

Despite a slow economy, Mazak has been profitable every month this fiscal year. While other tool builders have

been forced to close plants and lay off workers, Mazak's work force has remained unchanged. The Florence plant continues to employ just under 600 people.

Mazak is continuing its commitment to new investments. Recently, the corporation acquired 30 acres adjoining its existing facility for future expansion, which includes plans for a customer training center.

Mazak's commitment to investment in new technology is not only commendable, it is an option that other industries should consider. Mr. President, I would like to insert the following article from the Cincinnati Enquirer into the RECORD.

The article follows:

**MAZAK PROFITS FROM NEW TECHNOLOGY
INVESTMENT TOUTED AS KEY TO GROWTH
(By Mike Boyer)**

Mazak Corp., the Florence, Ky., machine tool builder, says it has an important lesson for other American manufacturers.

Despite tough times in the machine-tool industry, Japanese-owned Mazak said it has continued to make money.

And Brian Papke, Mazak president, said Thursday that the company managed to do it not in spite of its continuing investment in new technology, but precisely because of it.

"We believe it is essential to invest, and we want manufacturing companies to see that investment in new technology will work for them," he told an industry news conference to unveil Mazak's new Super Quick Turn—a new series of machines that marry a traditional lathe with drilling and milling machine capability to dramatically cut the cost of making small parts.

As one of the world's largest machine-tool builders, privately owned Mazak has global sales in excess of \$1 billion.

"We are concerned with the U.S. market compared to other countries," Papke said. "It is absolutely essential that U.S. companies step up and make a commitment to new technology in their plants."

Last year, U.S. machine-tool consumption slipped to fourth behind Japan, the Soviet Union and Germany.

"The average age of a (U.S.) machine tool is 14 years while, technologically, machine tools are probably out of date in five years," he said.

"How can we compete in manufacturing as a nation when companies in other countries are using much newer and advanced equipment technology?" he asked.

In May, 1990, Mazak completed a \$50 million investment in Florence, almost doubling capacity and making it the most modern machine-tool plant in the United States.

Despite that investment and the downturn in the market, Papke said Mazak, which doesn't report its earnings publicly, has been profitable every month this fiscal year. "It is directly attributable to Mazak's investment in modern manufacturing technology and systems," he said.

The inside of Mazak's 425,000-square-foot plant is peppered with robots and computer-driven systems, which make it seem like "a Disney World for machine tools," one trade press executive said.

The automated systems allow the plant to run unattended two-thirds of the time. "And, still, we can turn our inventory over eight times per year and assemble machines with

lead times of two to six weeks," Papke said. "We get lower inventory, and the customer gets shorter delivery."

With the expansion, Mazak planned to increase production to more than 100 machines a month, but, because of the current state of the market, production is running at between 70 and 80 machines a month, Papke said.

While other tool builders have been closing plants and laying off workers, Mazak's U.S. work force has remained unchanged at about 775 people, including just less than 600 people in Florence.

So far this year, new orders for machines that cut and form metal are down about 16 percent from a year ago, according to industry trade figures. But some parts of the industry are hurting more than others. Donald Firm, Mazak's vice president for sales and marketing, said the lathe and turning machine market, where Mazak competes, is off about 25 percent.

And Mazak is continuing to invest. Recently it acquired 30 acres adjoining its existing plant on Industrial Road for future expansion including a planned customer training center.

To protect its investment, Mazak has joined other U.S.-based machine-tool builders such as Cincinnati Milacron Inc., in urging President Bush to extend the current voluntary restraint arrangements, which limit tool imports from Japan and Taiwan.

The agreements expire at the end of this year. Machine tool builders say an extension is necessary to protect the industry, a key technology for national defense.

Many U.S. tool makers, Papke said, "aren't profitable. The (U.S.) industry is still weak and needs a little more time to get strong."

But some tool makers, such as Indianapolis-based Hurco Cos. Inc., which makes computer controls mainly used on imported machines, argue import controls haven't worked and only weaken the U.S. position worldwide. ●

**NOTICE OF DETERMINATION BY
THE SELECT COMMITTEE ON
ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION**

● Mr. SANFORD. Mr. President, it is required by paragraph 4 of Rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received a request for a determination under rule 35 for Angela Chiu, a member of the staff of Senator RIEGLE, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from April 13-24, 1992.

The committee has determined that participation by Angela Chiu in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Niles L. Godes, a member of the staff of Senator BURDICK, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from April 13-24, 1992.

The committee has determined that participation by Mr. Godes in this program, at the expense of the Chinese People's Institute of Foreign Affairs, is in the interest of the Senate and the United States.

The select committee received a request for a determination under rule 35 for Edward Edens, a member of the staff of Senator WARNER, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs, from April 13-24, 1992.

The committee has determined that participation by Mr. Edens in this program, at the expense of the Chinese Institute of Foreign Affairs, is in the interest of the Senate and the United States. ●

NEW NAMES

● Mr. PRYOR. Mr. President, yesterday I had the good fortune of hosting a concert performance of a visiting classical musical troupe in the Dirksen Auditorium.

The New Names group from the Russian Confederation of Independent States is making its American debut in performances in the Nation's Capital this week.

This group, discovered by the New Names International Charity Programme of the Cultural Foundation Moscow, finds and nurtures emerging young artists in Russia and seeks out an international showcase for their talent.

While in Washington, New Names is presenting concerts at Bethesda-Chevy Chase High School, the Russian Embassy and at the Kennedy Center.

The general director of the New Names is Ivetta Voronova. The performers, ranging in age from 17 to 30, are Eugeny Andrusenko, violin; Oleg Vedernikov, cello; Georgy Gorjunov, cello; Alexei Goribol, piano-accompanist; Alexander Ivanov, piano; Ilya Lebedev, flute; Polina Osetinskaya, piano; and Eugeny Petrov, clarinet.

Other members of the visiting delegation are Svyatoslav Belza, master of ceremonies for the concert; Tamara Kazakova, Natalia Kossova, Larisa Kozlova, Irina Korobova, Igor Potemkin, Sergei Pishkin, Sergei Razgonov, Vladimir Neroznak, and Victor Karavdin.

Mr. President, I am pleased to have been a part of the Washington hosting committee for this most talented group of classical musicians.

I also wanted to express thanks to the Occidental, the Botwinick-Wolfensohn Foundation, and to Graham Catlett, a Little Rock, AR, and

Moscow businessman, who have underwritten the expense of bringing this group to the United States.

I am certain that we will be hearing more from these New Names.■

NEW TECHNOLOGY TRANSFER AGREEMENT BETWEEN THE COMPUTER SYSTEMS POLICY PROJECT AND THE DEPARTMENT OF ENERGY

• Mr. GORE. Mr. President, I wish to bring to my colleague's attention an article by John Burgess in the Washington Post on March 20 about a new agreement between the Computer Systems Policy Project and the Department of Energy that will accelerate the transfer of technology from DOE labs to the computer industry. This is a very important agreement, and both CSPP and DOE should be commended for making it possible.

Last year, the Congress passed and the President signed the High-Performance Computing Act, which I first introduced in 1988. This bill set up a 5-year, multiagency program to help ensure that the United States maintains its lead in high-performance computing. In all, the bill authorizes more than \$2.9 billion over the next 5 years for research and development on more powerful supercomputers, better software, faster computer networks, and training for scientists and engineers using advanced computing.

The technology developed under this program will have a profound impact on the American economy. According to a study by the Gardner Group and commissioned by the Department of Energy, the High-Performance Computing Program created by the bill will increase productivity in hundreds of industries, from aerospace to the oil industry, leading to an increase in the U.S. GNP of between \$172 and \$503 billion over the next 10 years. All this for an investment of less than \$3 billion over the next 5 years. This is the kind of high leverage investment in technology that the Federal Government needs to do more of.

Of course, those economic benefits require that the technology developed under the High-Performance Computing Program be transferred out of the laboratories and into American companies. Unfortunately, too often, that has been the weak link in the technology chain that stretches from discovery to development to prototype to product to profits. Too often, a good idea has languished on the laboratory shelf, not for technological reasons but because of institutional and legal barriers.

That is why this new agreement between the CSPP and the Department of Energy is so very important. This is a model agreement that will be used whenever one of the twelve computer companies in the CSPP wish to work on a joint research project with a DOE

lab, like Oak Ridge National Laboratory in Tennessee, which employs some of the most talented computer scientists in the country. In the past, a new agreement had to be negotiated from scratch each time a company wanted to work with a DOE researcher who has discovered a promising new technology. Because of all the thorny legal issues—patent rights, liability, and so on—it could take years to negotiate an agreement. Often companies could not wait and gave up. Now, with this model agreement, agreements can be finalized in weeks, not years. With technology advancing so quickly—particularly in the field of computing—researchers and companies must be able to move quickly to commercialize their technological advances. Our foreign competitors have figured out how to do that with a minimum of paperwork, we must do the same.

Once again, I commend CSPP for the effort they put into negotiating this agreement. It took more than a year to wade through the legal nuances and to break down some of the institutional barriers at DOE that still inhibit technology transfer. But I think we all agree that the effort is worth it.

I ask to include the Washington Post article on the CSPP agreement in the RECORD.

The article follows:

COMPUTER FIRMS, UNITED STATES IN LAB ACCORD

(By John Burgess)

The nation's largest computer companies and the Department of Energy yesterday reached an agreement that is intended to redirect some of the department's vast expertise in nuclear bomb building toward the creation of better commercial computers.

The deal would give companies quicker access to advanced software, new materials, microelectronics and manufacturing techniques crafted in the Energy Department's huge national laboratories, often in secret and for the nuclear arsenal.

The Sandia National Laboratories will host a meeting in Albuquerque next month for computer industry executives and officials from four other federal laboratories to discuss specifics of future cooperation.

Some experts play down how much the federal labs can offer the commercial sector. Many labs have focused on nuclear weapons work and other military technology over the last five decades, and even the optimists say a quick pay-off is unlikely. "There's not much there that's immediately usable," said Mark Eaton, a vice president at Microelectronics and Computer Technology Corp. of Austin, Tex. "... To exploit this resource base an awful lot of hard work is going to have to be done."

But many are upbeat about cooperation's long-term benefits. "You've got some of the best and brightest in this country in these labs," said Piper Cole, associate general counsel for Sun Microsystems Inc. and the computer industry's head negotiator in talks with the Energy Department. "You've got funding that's outside of industry funding. You've got a pool of research talent and research results."

The agreement marks a milestone in efforts by the Energy Department, which em-

ploys about 59,000 scientists and engineers, to find a new mission in the post-Cold War era.

Skills used in building military products—developing new materials for use as nuclear bomb components or advanced communications systems, for instance—can be directed toward commercial purposes, many experts say.

Some firms are already using the expertise and facilities of the federal labs. Cray Research Inc., a maker of supercomputers, recently began selling software derived from a computer program developed at Los Alamos National Laboratory to study the impact of missiles. Modified to make it easier to use, the software can simulate the workings of internal combustion engines and assist in their design.

The company and national labs also are discussing joint research, mostly in software, in three areas, said John Sullivan, Cray's software counsel.

Digital Equipment Corp. is interested in tapping the labs' expertise in supercomputer software for its work on networks that can transmit information at a billion bits per second and in new techniques for making ceramics, the materials used in silicon chips, according to Jack DeMember, the company's federal laboratory liaison.

Cherri Langenfeld, the Energy Department's director of technology utilization, called the deal "very important" to opening the labs' doors. She suggested that major cooperation could result in a federal program to promote a high-capacity data network linking computers around the country.

Despite the new emphasis on civilian work, the labs will continue major military work. The Bush administration has proposed spending \$1.9 billion on military research at the Department of Energy, mostly for nuclear weapons, in the next fiscal year.

For the past two years, the department has been authorized to enter cooperative research and development accords with companies and to keep the results confidential among the participants. But it has had few corporate takers, in part because of red tape in negotiating ventures.

The new agreement was worked out between the department and 12 large computer companies whose chief executives are members of the Computer Systems Policy Project (CSPP). The firms include International Business Machines Corp., Digital Equipment Corp., Apple Computer Inc., Hewlett-Packard Co., Cray Research Inc. and Compaq Computer Corp.

The agreement creates a fill-in-the-blanks contract that any computer company and the research labs can use. It covers safeguards for proprietary information and liability for damages resulting from research malfunctions. "The idea is to get what has been an 18- or 20-month process collapsed down to 30 days," said Ken Kay, executive director of the CSPP.

Federal policy generally holds that manufacturing that results from a joint R&D program with the labs must be done in the United States.

The computer firms successfully argued that in their industry, the manufacturing process is a simple, low-cost operation that does little for local employment, and that the companies should be free to produce any products wherever they choose. Many of them already have extensive overseas manufacturing operations.

But they agreed that the job-intensive part of their business—writing software and developing products—would be done in this country.■

SEATTLE, WA, SBA BUSINESS INFORMATION CENTER

• Mr. GORTON. Mr. President, the Seattle District office of the U.S. Small Business Administration is celebrating the 1-year anniversary of its Business Information Center. The center provides free business counseling, an electronic library, and other invaluable resources to the small business entrepreneur. Much of the credit for the success of the center goes to Bob Meredith, SBA Seattle District Director, who developed the idea and diligently saw to its implementation. SBA Administrator Patricia Saiki took note of the outstanding success of this program, which has been visited by over 4,500 entrepreneurs within the course of its first year, and requested the startup of 9 other business information centers across the United States.

I thank my colleagues for allowing me the opportunity to congratulate the SBA Seattle District office on the 1 year anniversary of its Business Information Center, and ask that the article from the Business News on this same subject be included in the CONGRESSIONAL RECORD following my remarks.

The article follows:

[From Small Business News, Mar. 4-17, 1992]

SBA'S BUSINESS INFORMATION CENTER

OFFERS "SELF-HELP" BONANZA

(By Erik Krema)

Can you imagine a place where a small-business owner can create and a business plan, research potential markets in a foreign country, discuss management issues with an experienced counselor and pursue hundreds of business publications with the touch of a button—all at no charge? Thanks to the Seattle District office of the U.S. Small Business Administration, such a place now exists.

"Our new Business Information Center was only a dream a year ago," says SBA District Director, Bob Meredith. "Today this rich resource plays a pivotal role in assisting thousands of small-business owners who previously had to search high and low for different types of assistance."

"The success of the center has been so phenomenal that Patricia Saiki, SBA's Administrator, will replicate the concept in nine additional centers throughout the country this year," Meredith says.

"This is an exciting time for SBA as we expand our services to America's entrepreneurs. It's also a critical time for the small firms of our country since past trends tell us the key to economic recovery rests in the hands of the small business community," Meredith adds. "Our hope is that the Business Information Center will make more accessible the tools a small business needs to prosper and grow."

Cited by Entrepreneur Magazine as a "one of a kind resource for anyone lucky enough to live in the state of Washington," the center boasts a wide array of services and information for the budding or even experienced entrepreneur. The center offers an up-to-date reference library, five computer counseling stations, video and audio cassette libraries and more than 250 sample business planning guides.

"Our biggest challenge now," says Darlene Robbins, manager of the Business Informa-

tion Center, "is to expand the center quickly enough to meet the increasing demand for services we provide. We have recently expanded from 700 square feet to over 1,100 square feet, but the number of people seeking assistance seems to be growing by leaps and bounds."

Since its opening in March, 1991, over 4,500 people have utilized the center's services. In addition, over 6,000 calls registered on the center's computer bulletin board, a service which makes hundreds of publications immediately available to anyone with a computer and phone-line modem. To date, some 14,000 files have been downloaded from this "electronic library."

Operating 24 hours a day, the computerized bulletin board gives its users access to over 300 publications, brochures and documents. These publications can assist in planning and development of a small business. The bulletin board, like all the center's services, is free of cost.

The Business Information Center has roots to a similar business center based in Vancouver, British Columbia.

That facility encompasses over 12,000 square feet of space and focuses on getting Canadian businesses involved in exporting products and services. Besides containing a "huge" reference library, the Canadian information center includes numerous "showcase displays" of products coming out of British Columbia.

"The concept of a user-friendly small-business center came from the Vancouver model," Robbins admits, but quickly adds, "That is where the similarity ends."

Ways in which the Seattle information center differs include a more "user-friendly atmosphere" and a focus toward business planning. To accomplish these goals, Robbins, who is the center's sole full-time employee, oversees matching up of Senior Care of Retired Executives (S.C.O.R.E.) volunteers with inquiring small businesses. This one-on-one counseling only scratches the surface of this multi-task small-business information center.

An essential feature of the center was developed when several corporations including IBM and Microsoft donated computers, software and other materials. Robbins and the center's volunteers quickly put the technology to use by assembling computer counseling stations.

Depending on the computer, users of the center can accomplish such tasks as designing a business plan, watch a comprehensive video simulation—affectionately called "Harry"—lead them through the process of starting and running a business, as well as utilize other information designed to keep their small business afloat. There is even a CD ROM system containing over 14,000 pages of reference material geared for small-business applications. Other information on this system includes data from the U.S. Bureau of the Census and the International Trade Administration.

Assembling volunteers and reference material was not just intended for the use of start-up small businesses. In fact, existing small businesses are encouraged to take advantage of the center's service. Whether seeking information about hiring employees, or filling out the latest IRS form, the center seems to cover it all.

The center even offers a modern-access program that keeps local leading institutions abreast of changes in the SBA's loan-backing policies.

As interest grows, Meredith may plan even more expansion.

"As long as SBA can see a return on this investment, the center can continue to grow," Meredith says. "We have a one-year anniversary to celebrate, and what better could we hope for in honor of the occasion than an expansion of the center for our clients... it's a tall order."•

AUDIT OF CONTRACTOR ACCOUNTING PRACTICES CHANGES FOR C-17 ENGINEERING COSTS

• Mr. D'AMATO. Mr. President, after much pulling of teeth, I have received a copy of the sanitized version of Department of Defense Office of Inspector General's report: "Audit of Contractor Accounting Practice Changes for C-17 Engineering Costs." I will ask that this report be inserted in the RECORD at the end of my remarks.

I say sanitized, because, on the cover of my copy of the report, the following appears: "This special version of the report has been revised to omit contractor sensitive data." Fair enough, were it true; but, Mr. President, I have reason to believe that the omissions cover more than company secrets. A number of press reports based upon the confidential version of the report indicate that the real matter being buried in classification is a conscious plan on the part of the Air Force to bail out financially troubled McDonnell Douglas. I will deal with those press stories at another time.

For now, I will limit myself to what my scrubbed version of the IG's report does say. The IG makes it clear that the acquisition process was perverted to bolster a program, and possibly a company, plagued by schedule delays and cost overruns. Accounting practices were violated to allow funds to slop from one account to another or to accelerate payments simply because officials in the Air Force made a political decision not to hold the contractor's feet to the fire when costs spun out of control.

For those victimized by similar bureaucratic manipulation intended to bury programs, and the V-22 Osprey comes very much to mind as only the most egregious example, the politicization of the acquisition process comes as no surprise. Politics, plain and simple, and double standards are what this is all about. Yet, Pentagon favoritism is always bathed in the pure light of the national good. Congressional initiatives, on the other hand, no matter what the motivation, are branded pork. Show me a difference.

Fortunately, there is another side to the story. A Pentagon spokesman, when questioned about the findings of this report, characterized the acceleration of progress payments as an accounting error. So, Mr. and Mrs. Taxpayer, name your poison: conspiracy or incompetence. Not a pretty choice with public confidence in Government at an all-time low and with the defense budget in a power dive. This was a bailout.

Nothing more. Nothing less. We all paid for a decision over which we had no control and were never consulted. I do not like it, I will not stand for it, and I put those involved on notice that this Senator will pursue this issue until every fact is known to the public, and the American taxpayer can be certain that this sort politically inspired secret financing can never happen again.

I ask that the report be printed in the RECORD.

The report follows:

[Audit Report, Office of the Inspector General, Department of Defense, Feb. 13, 1992]

AUDIT OF CONTRACTOR ACCOUNTING PRACTICE CHANGES FOR C-17 ENGINEERING COSTS

(This special version of the report has been revised to omit contractor sensitive data.)

The following acronyms are used in this report.

ACO—Administrative Contracting Officer.
DAB—Defense Acquisition Board.
DCAA—Defense Contract Audit Agency.
DPRO—Defense Plant Representative Office.

EAC—Estimate at Completion.
FAR—Federal Acquisition Regulation.
FPR—Progress Payment Request.
RDT&E—Research, Development, Test and Evaluation.

T-1—C-17 Flight Test Aircraft.
USD(A)—Under Secretary of Defense for Acquisition.

WBS—Work Breakdown Structure.

DEPARTMENT OF DEFENSE,
Arlington, VA, February 13, 1992.

Memorandum for: Under Secretary of Defense for Acquisition; Assistant Secretary of the Air Force (Financial Management and Comptroller); Director, Defense Logistics Agency; Director, Defense Contract Audit Agency.

Subject: Report on the Audit of Contractor Accounting Practice Changes for C-17 Engineering Costs (Report No. 92-046).

We are providing this report for your information and use. Comments on a draft of this report were considered in preparing this final report. DoD Directive 7650.3 requires that all audit recommendations be resolved promptly. Therefore, the Director, Defense Contract Audit Agency, must provide final comments on the unresolved recommendations by April 13, 1992. The comments must indicate concurrence or nonconcurrence in the finding and each recommendation addressed to you. If you concur, you must state your specific reasons. If appropriate, you may propose alternative methods for accomplishing desired improvements.

We appreciate the courtesies extended to the audit staff. If you have any questions on this audit, please contact Russell Rau at (703) 693-0186 (DSN 223-0186) or Patricia Brannin at (703) 693-0392 (DSN 223-0392). The report distribution is listed in Appendix E.

ROBERT J. LIEBERMAN,
Assistant Inspector General
for Auditing.

[Office of the Inspector General, Feb. 13, 1992]
CONTRACTOR ACCOUNTING PRACTICE CHANGES
FOR C-17 ENGINEERING COSTS

(Audit Report No. 92-046—Project No. 1AE-5006.03)

EXECUTIVE SUMMARY

Introduction: In 1981, the Air Force initiated development of the C-17 aircraft to pro-

vide additional capability to airlift the full range of Defense cargo. The Air Force plans to buy 120 aircraft for an estimated \$35 billion. Douglas Aircraft Company, the prime contractor, has a fixed-price-incentive contract for development and production of six aircraft, including the production of the C-17 flight test aircraft, with an estimated ceiling price of \$6.6 billion. As of July 1991, a Government estimate for completion of the contract was \$7.3 billion. In July 1991, the Air Force awarded a contract for four more aircraft with target and ceiling prices of \$1.0 billion and \$1.2 billion, respectively.

Objective: The C-17 was one of the nine programs included in the "Audit of the Effectiveness of the DoD Use of Contractor Cost and Schedule Control System Data on Major Defense Acquisition Programs." The audit objective was to evaluate the effectiveness of the implementation and oversight of cost and schedule control systems and the use of data reported by contractors complying with Cost and Schedule Control System Criteria. The accounting practice changes were reflected in contractor Cost Performance Reports reviewed as part of the overall audit.

Audit Results: Douglas Aircraft Company was allowed to inappropriately redefine the point at which the transition to sustaining engineering occurred, and progress payments were approved to Douglas based on retroactive cost accounting changes, which were contrary to Cost Accounting Standards. Also, the Defense Contract Audit Agency did not comply with its audit manual and ensure compliance with applicable Federal Acquisition Regulations in reviewing and approving the accounting change. The Defense Contract Audit Agency also did not adequately address the funding implications of the accounting change. As a result, at least \$172 million in engineering costs for the development effort were charged as production costs, and progress payments totaling \$148 million were prematurely paid.

Internal Controls: The audit identified material internal control weaknesses in that Douglas did not submit a Disclosure Statement revision and cost impact statement in a timely manner for the accounting practice change, and a noncompliance report was not issued as required in the Defense Contract Audit Agency's Contract Audit Manual and the Federal Acquisition Regulation. Also, the Defense Contract Audit Agency did not adequately review funding implications of the accounting practice change. These internal control weaknesses are further discussed in Part I of the report.

Potential Benefits of Audit: the benefits (Appendix C) to be realized for implementing the recommendations in this report are non-monetary. Recommendation 1. will correct the improper implementation of an accounting practice change. Recommendation 2. will result in improved review of contractor actions.

Summary of Recommendations: We recommend that the retroactive accounting journal entries be disapproved and the contractor's Disclosure Statement be revised to reflect prospective application of the change; the impact of disapproving the retroactive change be reported; and the funding implications of contractor activities be included in audits and audit report qualifications be reviewed.

Management Comments: The Office of the Under Secretary of Defense for Acquisition concurred with the intent of the recommendations, and actions have been taken to implement the intent of the recommenda-

tions. The Defense Contract Audit Agency nonconcurred with Recommendations 2.a.(1) and 2.a.(2) and concurred with Recommendation 2.b. Therefore, the Defense Contract Audit Agency must comment on this final report by April 13, 1992.

PART I—INTRODUCTION

Background

In 1981, the Air Force initiated development of the C-17 aircraft to provide additional capability to airlift the full range of DoD cargo and to provide military capabilities not available in any one cargo aircraft. The C-17 was planned to meet shortfalls in long range airlift capabilities by providing an all-weather, air-refuelable aircraft that can operate from small, austere airfields and deliver troops and all types of cargo for intertheater and intratheater operations. Initially, the Air Force planned to buy 210 C-17 aircraft for about \$42 billion. However, because of reductions in the DoD budget, in April 1990, the Secretary of Defense, based on the Major Aircraft Review, reduced the quantity of C-17 aircraft to be procured to 120. As of July 1991, the estimated cost for the 120 aircraft was \$35 billion.

In December 1984, the Air Force awarded contract F33657-81-C-2108 to Douglas Aircraft Company (Douglas) for the full-scale engineering development and testing of one C-17 flight test aircraft (T-1) and two ground test articles. On January 13, 1988, and July 28, 1989, the Air Force exercised options for two (Lot I) and four (Lot II) production aircraft, respectively. The Douglas contract experienced significant cost overruns and schedule delays, as well as technical problems. The contract had a single ceiling price¹ for development and production Lots I and II. As of July 1991, the target price for development was \$4.9 billion, while the target price for production of the first six aircraft was \$1.7 billion. The contract was estimated to overrun its \$6.6 billion contract ceiling price by \$0.7 billion to \$2.6 billion, depending on what analysis was used. As of July 1991, the estimate-at-completion (EAC) for development and Lots I and II used for progress payment purposes was \$7.3 billion. On July 25, 1991, the Under Secretary of Defense for Acquisition (USD(A)) approved the award of the Lot III production contract to acquire four more aircraft. The target and ceiling prices were \$1.03 billion and \$1.2 billion, respectively. First flight, which was originally scheduled for February 1990, occurred on September 15, 1991.

Objective

As a result of issues identified during Project Number 1AE-5006, "Audit of the Effectiveness of the DoD Use of Contractor Cost and Schedule Control System Data on Major Defense Acquisition Programs," we expanded the scope of our audit related to the C-17. The overall audit objective was to evaluate the implementation and oversight of cost and schedule control systems and the use of data reported by contractors complying with the Cost and Schedule Control System Criteria. The expanded audit objective was to evaluate the management review process for an accounting practice change to reallocate sustaining engineering costs on the C-17 contract. The accounting practice change had been reflected in contractor Cost Performance Reports reviewed as part of the overall audit.

¹The contract ceiling price covered the contract line items without distinguishing between those funded with appropriations available only for development and those funded with appropriations available for procurement. Thus, the contract had a single ceiling price.

Scope

We selected the C-17 as one of nine major Defense acquisition programs to be included in the overall audit. This program audit was conducted in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD, and accordingly included such tests of internal controls as were deemed necessary. We reviewed data and information dated from 1988 to 1991 related to the issues addressed in the report. Our review was performed between December 1990 and September 1991. Personnel involved in the acquisition of the C-17 and cognizant of the issues identified were interviewed. A list of activities visited or contacted is in Appendix D.

Internal controls

The audit identified material internal control weaknesses as defined by Public Law 97-255, Office of Management and Budget Circular A-123, and DoD Directive 5010.38. The internal controls that existed as of the time of the audit, if properly implemented, were adequate to prevent or detect the deficiencies identified in this report. However, the internal control weakness was due to noncompliance with policies and procedures for the review and approval of contractor accounting changes. The Defense Contract Audit Agency (DCAA) did not comply with its Contract Audit Manual and applicable sections of the Federal Acquisition Regulation (FAR) in reviewing and approving an accounting change at Douglas and did not adequately consider the impact of the accounting practice change on contract funding and financing. Further, the series of decisions by the Air Force, the Defense Plant Representative Office (DPRO), and DCAA were uncoordinated, resulting in no proper assessment of the accounting practice changes and their proposed implementation. The decisions did not ensure that the transition point for segregating nonrecurring and engineering recurring efforts was reasonable, that compliance with Cost Accounting Standards was ensured, and that funding implications were adequately considered. Recommendations in this report, if implemented, will help correct these weaknesses. A copy of this report is being provided to the senior officials responsible for internal controls within the Office of the Secretary of Defense and the Department of the Air Force.

Prior audits and other reviews

With the exception of DCAA audit reports discussed in Part II, there have been no audit reports or other reviews that have addressed issues on the C-17 Program similar to those in this audit report.

PART II—FINDING AND RECOMMENDATIONS

Accounting Practice Change

Full-scale engineering development costs were retroactively charged to procurement-funded production lots under the C-17 single ceiling development and production contract. The Government "approved" Douglas' inappropriate definition of the point of transition sustaining engineering costs from development to production. Also, Douglas made a retroactive cost accounting practice change, contrary to Cost Accounting Standards, and the accounting practice change was not evaluated in accordance with required Government procedures and did not include an adequate assessment of the impacts of the change on funding and financing the contract. As a result, at least \$172 million of development costs was improperly reallocated to production lots. Also, the reallocation re-

sulted in at least \$148 million in additional financing provided to Douglas that otherwise would not have been received in FY 1991 because of limitations on Government contract obligations.

Discussion of details

Background

During the latter part of FY 1990, it became apparent to the Air Force and Douglas that sufficient FY 1990 Research, Development, Test and Evaluation (RDT&E) funding was not available to continue to finance contract performance through progress payments. Douglas had received the last financing for FY 1990 RDT&E effort in July 1990. The contract's Limitation of Government Obligation Clause required that the contractor perform within the funding availability constraints established in the contract and continue to perform, at the contractor's expense, if incremental funding is exceeded. By October 1, 1990, Douglas had a progress payment request for development efforts totaling over \$235 million for which no payments could be made by the Government because FY 1990 RDT&E funds on the contract had been expended. Also, during the latter part of FY 1990, it was clear that projected expenditures would rapidly deplete development related funding in FY 1991, which at that time was estimated to be an additional \$417 million.

Also, during September and October 1990, the DPRO for Douglas Aircraft Company, a Defense Contract Management Command organization, determined that the contractor's EAC for the total single ceiling contract was unreasonable and that the EAC was expected to exceed the contract ceiling price. Thus, the application of a loss ratio to protect the Government's interest was warranted. It was in this environment that Douglas requested, and the Government "approved," the accounting practice change to transition engineering cost from development to production.

Accounting Practice Change

The accounting practice change defining the transition from nonrecurring to sustaining engineering was not in accordance with the intent of the Air Force Pamphlet used as justification for the change. Implementation of the change was not in accordance with Cost Accounting Standards and Government approval procedures, including the reallocation of funds to long-lead items that would be made part of a future contract. We also believe that the change resulted in an improper reallocation of RDT&E and procurement expenditures, thereby providing a means of permitting additional financing to the contractor during FY 1991 that would otherwise not have been available. It should be noted that the reallocation of engineering costs did not increase the price of the single ceiling contract or the total amount of progress payments that would eventually be paid to the contractor at contract completion, but significantly accelerated the timing of the cash-flow.

Establishment of the change: Nonrecurring engineering is the work associated with the actual design and development activities. Sustaining engineering is engineering effort that ensures that the system design is correctly and efficiently implemented during the system's production phase. The Air Force and Douglas considered an allocation method necessary because of the high concurrency in development and production in the C-17 Program. The C-17 contract required that development (RDT&E funds) and production costs (Aircraft Procurement

funds) be segregated but did not address how the costs were to transition from development to production. According to Douglas, the allocation of past costs from development to production was necessary to better assign costs to the "benefiting cost objectives."

For almost 2 years, the Air Force and Douglas attempted to agree on how to allocate the sustaining engineering costs between development and production efforts. Because of the shortfalls in development funding, impetus was given to resolving the issue of how to allocate the engineering cost. On October 11, 1990, Douglas requested that the Procurement Contracting Officer at the C-17 Program Office and the Administrative Contracting Officer (ACO) concur with Douglas' proposal to allocate sustaining engineering effort between full-scale engineering development and all production buys. The proposal would allocate sustaining engineering costs based on the number of aircraft in the manufacturing process. The Douglas-proposed practice would allocate engineering costs associated with work breakdown structure (WBS) elements related to the C-17 air vehicle (WBS 1010), system engineering management (WBS 1061), and project management (WBS 1062) (see Appendix A for a description of the WBS elements). The point of transition for allocating sustaining engineering from development to production was determined to be "90-percent initial drawing release," which had occurred in November 1988, 2 years before the October 1990 request. According to Douglas and the C-17 Program Office, this transition point was in accordance with Air Force Systems Command Pamphlet 800-15, "Acquisition Management, Contractor Cost Data Reporting (CCDR) System" (the Pamphlet), November 5, 1973.

In October 1990, the ACO documented that he would not concur with the proposed change but would "implement this reallocation if DCAA finds no problems exist. But that's all." On November 1, 1990, the C-17 System Program Office indicated that the Douglas request to use the 90-percent initial drawing release was acceptable, subject to scrutiny by DCAA and the DPRO. The change was to be effective on October 1, 1990.

In addition to making the accounting practice change beginning October 1, 1990, Douglas made retroactive adjustments to reflect the change. At least \$172 million, including \$13 million for production Lot III, that had been charged to the development contract from December 1988 to September 1990 was reallocated to the production effort. As of October 1990, the amount reallocated has increased to \$184.5 million, including \$14.9 million and \$0.5 million for long-lead requirements for Lots III and IV, respectively. In July 1991, these long-lead requirements and corresponding contract prices were moved to a new production contract.

Policy on recognition of recurring cost: We believe that the Air Force Pamphlet 800-15 was misinterpreted and misused. Douglas and the C-17 Program Office used the Pamphlet as a basis for the method of allocating sustaining engineering between development and production. The Pamphlet states:

"* * * it is preferable to identify the point of segregation between nonrecurring and re-

²The Contractor Cost Data Reporting System was developed to provide the primary common data base for use in most cost estimating efforts, including procurement management activities involved with monitoring contractor progress related to cost. The System provides uniform procedures for collecting contractor cost data in accordance with standard definitions, against a uniform reporting structure.

curing engineering costs as a specific event or point in time. Ideally, the event used would be the point at which "design freeze" takes place as a result of a formal test or inspection, and after which formal engineering change proposal procedures must be followed to change design. If no reasonable event can be specified for this purpose, then all engineering cost incurred up to the date of 90 percent engineering drawing release may be used."

The C-17 Program had scheduled Functional and Physical Configuration Audits that met the definition in the Pamphlet. Functional Configuration Audits provide a means of validating that development has been satisfactorily completed and that the item functions as required. Physical Configuration Audits provide a means of validating that the system is built in accordance with its design documentation. After successful completion of the Physical Configuration Audit, changes are processed by engineering change actions. The C-17 Configuration Audits were to occur on the fifth production vehicle, which was scheduled for delivery in October 1992. Normally, the Physical Configuration Audit would be done on the first production aircraft or the first aircraft delivered for operational use. When the accounting practice change was proposed, the first C-17 production aircraft was scheduled for delivery in September 1991. However, when the production schedule was restructured in July 1991, the delivery of the first production aircraft had slipped to February 1992.

Also, the Air Force and Douglas used 90-percent initial drawing release instead of final drawing release to determine the point of 100-percent transition to sustaining engineering. Initial drawing release occurs earlier than final drawing release. The number of drawings generally increases over the development period and, in fact, did significantly increase on the C-17 Program. In validating the initial drawing release date, the Program Office did not use actual initial drawing release. Instead, the Program Office stated that the count of drawing releases was not of actual drawings, but rather was a count of engineering orders that the contractor used to authorize the work that creates the drawings. The Air Force determined that 90-percent initial drawing release occurred in November 1988. Based on this determination, Douglas proceeded with charging all of the engineering work in the affected WBS elements as sustaining effort, primarily to the production lots.

Although we believe that the configuration audits, as scheduled, were the appropriate point to transition to 100-percent sustaining engineering for the C-17 Program, we would expect a gradual transition to 100-percent sustaining effort to occur, rather than an abrupt, single transition point. Therefore, we agree that an allocation methodology to permit this gradual transition was needed. Although some sustaining engineering may have occurred before October 1990, it was not reasonable that most of the affected costs incurred were applied to production aircraft, as was planned and implemented by Douglas.

Specifically, most of the engineering effort in the affected WBSs should not have been charged to production lots, given that the first aircraft had not flown or even completed assembly, mission computer software was still under development and testing, and the static and durability test articles were significantly behind schedule. In addition, the first four production aircraft, as well as the T-1 flight test aircraft, were to be used

for the flight test program, a function of RDT&E. We also noted that the Configuration Audits were planned to be accomplished on the fifth production aircraft after the test program and before the aircraft is released for use. In addition, the Air Force did not plan to validate Douglas' cost and schedule control system for production contracts until Lot III, relying instead on the development cost and schedule control system.

The increasingly high degree of concurrency between development and production was not indicative that a stable production configuration was achieved in November 1988 or by October 1990. Rather, it reflects the significant schedule delays in the aircraft's development. Therefore, the Program's concurrency is not a valid basis for a retroactive adjustment of the cost charging. Also, the nature of the work that was being done from November 1988 to October 1990 did not support the use of the per-aircraft allocation methodology based on the WBS descriptions of the work performed.

Cost Accounting Standards: Douglas did not comply with Cost Accounting Standards in implementing the accounting practice changes, and the Government did not comply with normal procedures for reviewing and approving the accounting change. Cost Accounting Standard 331.50 requires that, unless determined to be in the Government's best interest, any change in cost accounting practices must be applied prospectively to the contract, and the Disclosure Statement³ must be amended accordingly. The cost accounting change was not in accordance with the Cost Accounting Standards because it retroactively reallocated at least \$172 million incurred from December 1988 to September 1990, despite the requirement for prospective implementation, resulting in payment of progress payments to the contractor earlier than would have otherwise occurred. Also, Douglas did not provide timely revision to its Disclosure Statement or a cost impact statement before the change from a direct to an indirect allocation methodology for charging the engineering costs was made.

In its October 11, 1990, letter requesting approval for the reallocation of sustaining engineering costs, Douglas identified the November 1988 90-percent initial drawing release date. Douglas also stated that its proposed methodology did not constitute a change in its disclosed accounting practices. Rather, according to Douglas, the methodology reflected a better recognition of when the recurring effort began. However, we agree with the DCAA advice to the ACO that the proposed methodology was a retroactive change to the disclosed accounting practices that affected a number of cost objectives, including the separately funded items within the single ceiling contract and subsequent production contracts.

In our opinion, the adequacy of the Disclosure Statement should have been determined before the change's effective date. In its October 31, 1990, Audit Report No. 4461-91B13980003 on Douglas' proposed allocation method, the cognizant DCAA field office at Douglas Aircraft Company recommended that the contractor submit a Disclosure Statement revision, as required and as DCAA had verbally informed Douglas. However, DCAA took no exception to Douglas' proposed methodology or the costs proposed for

reallocation. Therefore, the Program Office and the DPRO allowed the change to proceed and began making progress payments based on the change. DCAA Contract Audit Manual 8-303.3, "Changes to Disclosure Statements and/or Established Practices," July 1991, requires that DCAA issue a noncompliance report when a Disclosure Statement revision is required but not made. In its report, DCAA notified Douglas, the Air Force, and the DPRO that the accounting change required a revision to the Disclosure Statement and qualified its report accordingly. We believe that DCAA should not have concluded it took no exception to the accounting change until Douglas provided a Disclosure Statement revision and cost impact statement for review and the Government determined the adequacy of the revision and cost impact statement.

Although the DPRO should not have approved progress payments or accepted contractor reports that reflected the accounting practice changes until the Revised Disclosure Statement and cost impact statement had been approved, it is DCAA's responsibility to provide advice on cost accounting matters and make recommendations concerning proposed cost accounting changes. FAR 42.302, "Contract Administration Functions," states that the Contract Administration Office (DPRO) is responsible for determining the contractor's compliance with Cost Accounting Standards, with support from DCAA. In this case, the DPRO did not agree with the contractor's proposal, but did not exercise its authority based on the DCAA's and the Air Force's acceptance of the accounting practice change. Had DCAA followed guidance and recommended not accepting the proposed change until the Disclosure Statement and the cost impact statement had been reviewed, the DPRO would have had additional support for not allowing implementation of the change for payment purposes.

Since the October 31, 1990, DCAA report, Douglas submitted three revisions (December 19, 1990, March 4, 1991, and April 11, 1991) to its Disclosure Statement, and DCAA issued three reports on the adequacy of the revisions to the Disclosure Statement describing the accounting practice change. The December 19, 1990, revised Disclosure Statement showed a November 1988 effective date, resulting in retroactive implementation of the accounting change.

The revision also provided that the C-17 sustaining engineering costs in the affected WBS elements for the development contract, including long lead for the Lot III production, would be allocated based on the "quantity of aircraft in production (fabrication start to assembly complete) during a given calendar quarter. . . ." On February 28, 1991, DCAA issued Audit Report No. 4461-91B44100007 on the December 19, 1990, revision to Douglas' Disclosure Statement. DCAA observed that this disclosed practice for the WBS 1010 engineering cost was different from the practice actually being applied on the Lot III C-17 production aircraft. For the Lot III production aircraft, Douglas was charging these costs directly to the aircraft for which the effort was incurred based on the effective date of the design change. DCAA recommended that Douglas be cited for non-compliance with Cost Accounting Standard 331.50(a)(1) and be requested to furnish the Government a revision to the Disclosure Statement to reflect Douglas' current cost accounting practice. Cost Accounting Standard 331.50(a)(1) was not met because actual cost accounting practices were not ade-

³The FAR defines a Disclosure Statement as a written description of a contractor's cost accounting practices and procedures and states that contractors are responsible for maintaining accurate Disclosure Statements and complying with disclosed practices.

quately described in the proposed revision to the Disclosure Statement. As of September 1991, an adequate Disclosure Statement reflecting the accounting practice changes still had not been provided.

In its February 1991 report, DCAA also recommended that Douglas be notified that the Government would not permit the contractor to charge Government contracts using a cost accounting practice resulting from a retroactive change. When the contractor issued its December 1990 revised Disclosure Statement, it failed to give the Government the required 60-day notice before the October 1990 implementation of the change which, in fact, had already occurred in October 1990. Douglas also failed to provide the required cost impact statement. Without the cost impact statement, the Government could not estimate the magnitude of the total cost impact of the proposed changes on the affected cost objectives. While the February 1991 DCAA report partially corrected the weaknesses in the October 31, 1990, DCAA report, it still did not consider the funding implications of the proposed changes and the nature of the underlying costs being allocated.

On March 4, 1991, Douglas provided another revision to the Disclosure Statement to correct the inadequacies that DCAA noted in its February 1991 report. In its March 28, 1991, Audit Report No. 4461-91B44100002, DCAA did not identify an inadequacy in the March revision that described the revised accounting practice relating to the allocation of the sustaining engineering costs. However, on April 12, 1991, DCAA issued a supplement to its March 28, 1991, report stating that the Disclosure Statement was unclear as to whether the allocation of the engineering cost for the affected WBS elements ceased at "T-1 Assembly Complete" or at some other time, such as "Ramp Complete."

As a result of the questions that DCAA raised in its March 1991 report, Douglas submitted another revision to the Disclosure Statement on April 11, 1991. In its May 29, 1991, Audit Report No. 4461-91B44100003, DCAA determined that the accounting practice involving WBS 1010 sustaining engineering costs directly identifiable to all future contracts was not adequately described. Douglas proposed to directly charge these costs to the "benefiting contract"; however, Douglas informed DCAA that it was considering changing its cost accounting practice regarding what the benefiting contract is. Determining the benefiting contract, or benefiting cost objective, is critical to determining where aircraft sustaining engineering costs will be allocated. The proper allocation of sustaining engineering cost was given as the primary reason for considering the accounting practice change. Yet almost a year later, Douglas was still considering the proper definition of the benefiting cost objective.

Funding impact of the accounting practice change: By implementing the accounting practice change, Douglas did not properly charge development and production costs. The contract required that the contractor segregate costs incurred for the full-scale development portion of the contract, which were paid with RDT&E funds, and the production line items, which were paid with aircraft procurement funds.

The timing of the decision to implement the accounting change and make the change retroactive was driven primarily by the projected shortage of available RDT&E appropriated funds. RDT&E funds on the contract were expended by July 1990 and therefore the Government could not continue to make progress payments for eligible incurred de-

velopment costs. However, production funds for the FY 1988 and FY 1989 buys were still available. The retroactive accounting practice change would have allowed the contractor to receive at least the reallocated \$172 million as progress payment for costs incurred through September 30, 1990.

However, the DPRO's action to institute a loss ratio⁴ in calculating the approved progress payment resulted in delaying the benefit to the contractor of the \$172 million until after the FY 1991 funding was exhausted.

Although DCAA requested technical assistance to determine the date for the 90-percent initial drawing release, it failed to review or request technical evaluation of the appropriateness of allocating the work described in the affected WBS elements as non-recurring or recurring (sustaining) engineering costs before issuing its October 1990 report. In addition, based on its own assessment, DCAA concluded that the cost objective was the single ceiling contract for development and production and that the accounting change had no material impact on the Government because only a "small amount," \$13 million, was expected to be shifted to the C-17 Lot III production contract. Thus, DCAA did not review and report on the effect the proposed change would have on the expenditure of different types of appropriated funds specified in the contract.

In a December 1990 memorandum, the Office of the DoD General Counsel stated that the contract provided for the single ceiling price for the line items without distinguishing between those line items funded with appropriations available only for research and development and those line items funded with appropriations available only for procurement. However, the memorandum stated that "overruns" of the development portion of the contract should be funded with research and development funds.

We believe that the inappropriate method of allocating the sustaining engineering between development and production portions of the C-17 development contract could result in a violation of U.S.C., title 31, sec. 1301, which requires that funds only be spent for the purposes for which they were appropriated. By charging the cost of development work to procurement accounts, the costs are paid out of funds not appropriated for that purpose. Government costs can be affected by the ramifications of funding issues including the impact on progress payments discussed below. Therefore, we believe that DCAA should consider funding issues and the impact of the issues it identifies on the appropriate use of funds in its audits.

Financial impact of the accounting practice change: Although no additional funding was added to the contract and the contract price was not increased, the accounting practice change resulted in at least an additional \$172 million in RDT&E funds being made available for progress payments, thus providing financing to the contractor through progress payments that otherwise could not have been made in FY 1992. Also, we estimated that of the \$172 million, at least \$148 million was actually paid to the contractor in FY 1991. On November 1, 1990, as a result of the accounting practice change requested by the contractor and "approval" of the

change by the C-17 Program Office and DCAA, the ACO approved payment of \$59.2 million of Douglas' resubmitted Progress Payment Request (PPR) No. 98 for \$386.5 million. The \$59.2 million was after adjustment for a loss ratio calculated using an EAC of \$7.1 billion instead of the contractor's EAC of \$6.6 billion.

PPR No. 98, for costs incurred through September 30, 1990, included an estimated reallocation of \$170.6 million of sustaining engineering cost to production. Thus, the \$170.6 million of RDT&E funding previously disbursed for those costs became available for funding additional RDT&E effort. PPR No. 99 for costs incurred through October 28, 1990, included the actual transfer of \$171.7 million sustaining engineering costs to the production lots that had been incurred from December 1988 to September 1990. The total sustaining engineering cost that was transferred in PPR No. 99 was \$184.5 million from December 1988 through October 1990. The \$184.5 million included \$15.4 million of sustaining engineering cost that was transferred to the Lot III and Lot IV long-lead contract line items. In July 1991, Lot III and Lot IV long-lead costs were transferred to contract F33657-89-C-0001, the contract for production of four Lot III aircraft. The table, on the next page shows that, as of September 30, 1991, at least \$148 million was disbursed to finance development efforts (progress payments made from RDT&E funds) that would not have otherwise been available in FY 1991 as a direct result of the retroactive accounting change.

It should be noted that there additional progress payments are based on costs that the contractor incurred and do not result in the contractor eventually receiving more than the total contract price less its share of costs based on the share ratio established in the contract. The additional progress payments result in payments of the incurred cost being made earlier than would otherwise have been made because of the additional RDT&E funds available before reaching the Limitation of Government Obligation. Thus, the cost to the Government would be the imputed interest cost of financing the earlier payments to Douglas and increased risk to the Government because of higher than warranted unliquidated progress payment balance.

Increase in progress payments for RDT&E resulting from the accounting journal entry

	Dollars
Limitation of Government obligation for RDT&E through Nov. 13, 1991	\$4,401
Total progress payments disbursed through Sept. 26, 1991	4,340
Additional amounts invoiced and disbursed for accepted line items	38
Total disbursed	4,378
Remaining limitation of Government obligation on Sept. 26, 1991	23
Amount journaled in October 1990, result of accounting policy change	-171
Journaled amount disbursed through Sept. 26, 1991 (increase in available obligation actually disbursed)	-148

Douglas made corresponding retroactive adjustments in its cost and schedule control system as indicated in the C-17 Cost Performance Reports. Costs were reallocated from the development portion of the contract to the production portion of the contract without also reallocating the budget

⁴ FAR 32.503-6(g), "Loss Contracts," requires that if the EAC for the contract is likely to exceed the contract price, the contracting officer shall compute a loss ratio factor. The loss ratio reduces the contractor's request for progress payment by an amount equal to the ratio of the EAC and the contract ceiling price.

no basis for categorizing these costs as charged in error to the development portion of the contract. More importantly, we believe that because the allocated budget was not moved, the relationship between cost and work performed was not maintained and, in essence, the result was a transfer solely of overruns from RDT&E funded cost accounts to procurement funded cost accounts. The result of the accounting change caused a \$225 million increase in the EAC for production with a corresponding decrease in the EAC for the development portion of the contract.

Because only prospective changes are allowed, all retroactive changes should be reversed. This includes any changes to progress payments; adjustments to other cost reports, such as Cost Performance Reports and Contractor Cost Data Reports; and changes in appropriation accounts charged for those costs.

Decisions Affecting Contract Financing

The contractor's request, and the Air Force's subsequent "approval," to reallocate C-17 development costs to production appeared to be part of an overall plan to provide [deleted].⁵ This plan was documented in a briefing on the results of a review of the McDonnell Douglas Corporation contract performance problems, financial condition, and actions that could be taken to "fix" these problems (Financial Condition Review). The Financial Condition Review took place during September 1990 and October 1990. The team conducting the Financial Condition Review (the Team) was comprised of representatives of the contractor, OSD, Air Force, and Defense Contract Management Command, as well as Army and Navy participants. Specifically, the briefing outlined six options available to the Government. Three options could be implemented within DoD and three options required external approval. [Deleted]. Douglas' October 1990 request to reallocate sustaining engineering costs came shortly after the Air Force presented the options from the Financial Condition Review. The accounting practice change that reallocates sustaining engineering appeared to fit the option dealing with allocation of costs. However, as previously stated, we disagree that it was a proper allocation of costs. In essence, the reallocation had the impact of a transfer or reprogramming because it increased, by more than \$170 million, the amount of funding available to finance development during FY 1991. However, this increase in financing burdened the production lots for the same amount. It should be emphasized that this measure was temporary because, as production effort increased, there would be insufficient incremental funding available to continue to finance production efforts through progress payments, a situation which was dependent on the loss ratio applied.

Progress payment financing: In addition to the accounting practice change, other actions were taken that inappropriately provided financing to the contractor. We found particularly disturbing an October 1, 1990, memorandum by the Government Principal ACO at Douglas directing the payment of the September progress payment, PPR No. 97. The memorandum indicated that senior Air Force officials, based on information from the Chairman of the Board and Chief Executive Officer of McDonnell Douglas, had stressed the need for approval of the progress payment [deleted] potential adverse impact to the C-17 program.⁶ The information was

provided to the Principal ACO on "Saturday, September 28, 1990 [sic]." The Principal ACO, in turn, directed the C-17 ACO to proceed with the progress payments. This situation lends the appearance of undue influence being used to compromise the independence of the ACO to use his best judgment concerning contract administration matters. The Principal ACO did not request any further justification from the Air Force concerning why progress payments, already being paid at 99 percent of eligible costs incurred, should be paid based on contractor financial need. Also, the Principal ACO did not require that Defense Contract Management Command headquarters officials document that decision based on the Air Force information to release progress payments based on financial need. We do not consider this matter a failing of the Principal ACO, but rather indicative of the environment under which the accounting practice change was approved.

As a result of the direction, \$81.2 million for PPR No. 97 (costs incurred through September 2, 1990) was paid to the contractor. The ACO had indications that PPR No. 97 should not be paid because the contractor's EAC was not realistic and the contract was likely to go over its ceiling price. The \$81.2 million was for production related costs because the RDT&E funds had been exhausted. We calculated that the contractor should have been paid only \$9.1 million instead of \$81.2 million for PPR No. 97 if a loss ratio based on an EAC of \$7.1 billion was applied (Appendix B). This excess \$72.1 million payment should not have been made because the Government was aware that the probable EAC would exceed the contract ceiling price. Therefore, application of a loss ratio was appropriate. If the loss ratio had been applied to PPR No. 97 and the accounting practice change not been implemented in PPR No. 98, Douglas would have been paid \$53.7 million less than the \$153.4 million actually paid (Appendix E, page 31).

The ACO had documented indicators of an over ceiling condition including "ambitious" overhead rates, unrealistic assembly learning curves, subcontractor EAC problems, and questionable adjustments to cost account manager estimates. Similarly, we observed that Douglas had artificially kept EACs low by capping manufacturing hours for the four Lot II production aircraft to compensate for increased engineering costs associated with the off-loading of engineering effort caused by the accounting practice change.

[Deleted]. The application of the loss ratio did not occur with this or prior progress payments although the FAR requires immediate unilateral action in circumstances such as overpayments or unsatisfactory contractor performance. Before PPR No. 97, Douglas had not submitted a progress payment request since the July 1990 PPR No. 96 was submitted. Since contract performance continued and additional costs were incurred, this delay in submission eliminated the need for the Government to recoup the overpayment calculated based on the contract's expected loss. PPR No. 97 was actually approved on October 1, 1990, after the fall 1990 Financial Condition Review Team had concluded the initial part of its review and the day before the Defense Acquisition Executive was to be briefed on the review results. At that time, the Team had essentially concluded that use of an EAC of \$7.1 billion was necessary, and the ACO had concluded that the contractor EAC was understated. The ACO was nevertheless directed by the Principal ACO to pay PPR No. 97 without calculating a loss ratio.

Progress payment rates: FAR 32, "Contract Financing," provides that customary flexible

progress payments may be authorized if the contractor demonstrates actual financial need or the unavailability of private financing. The customary flexible progress payments are paid at a rate determined through a cash flow analysis. Douglas was already receiving flexible progress payments at the rate of 99 percent of eligible costs incurred, rather than the customary rate of 80 percent for large DoD contracts. The FAR provides for other forms of contract financing, specifically advance payments and loan guarantees, but both require determinations that the activities being financed are critical to national defense and other suitable means of financing are not available, as well as a formal approval process.

On October 12, 1990, the ACO notified the procurement contracting officer that the flexible progress payment rate of 99 percent needed to be changed. In the September 28, 1990, Audit Report No. 4461-0B175030 on a review of Douglas' request to change the flexible progress payment rate from 99 to 100 percent, DCAA recommended that the 99-percent progress payment rate should be reduced to 96 percent. The reduction was required because of the significant lag in Douglas' payments to subcontractors and vendors relative to what the 99-percent rate was based on. If PPR No. 97 had been paid based on the 96-percent progress payment rate, the maximum permissible progress payment and maximum unliquidated progress payment would have been \$61.9 million less than that paid using the 99-percent rate. As a result, Douglas was paid \$10.8 million more than it would have been using a 96-percent progress payment rate (the \$10.8 million was exclusive of the \$123.8 million development costs eligible for progress payment because of the non-availability of RDT&E funds). In May 1991, Douglas resubmitted its flexible progress payment proposal, again requesting a 100-percent progress payment rate. As of September 1991, DCAA continued to recommend 96 percent, and the DPRO had developed an interim position of 97 percent. At the conclusion of our audit, a final determination was being negotiated.

The FAR emphasizes that contract financing through progress payments is to aid, not impede, an acquisition. However, in this case, the provisions of the FAR were not properly applied, resulting in additional contract financing. The FAR also states that the contracting officer shall avoid any undue risk of monetary loss to the Government through contract financing. [Deleted].

We strongly disagree that the Government should have proceeded with production related progress payments based on a contractor EAC that was seriously in doubt, especially given that the contractor's financial condition had already been determined to be weak. As required in the FAR, the Air Force and the DPRO should have withheld progress payments based on the established loss ratio. Such action would protect the Government's interest and adjust the progress payment rate in a timely manner.

DCAA audits of progress payments: DCAA repeatedly qualified its audit reports on contractor progress payment requests by stating that supporting documentation for the estimate-to-complete the contract did not exist. Therefore, the estimate could not be tested to determine its reasonableness. The estimate-to-complete the contract, along with the incurred cost to date, make up the EAC. On August 27, 1990, the cognizant DCAA field office issued Audit Report No. 4461-0B110014-S1 on Douglas' Billing System. The report detailed numerous significant deficiencies

⁵ Contractor confidential or proprietary data has been deleted.

relating to procedures for calculating the C-17's EAC. However, DCAA made no recommendations either to withhold or suspend progress payments or to substitute a Government EAC in the calculation of the appropriate amount for the progress payments.

The DCAA field office issued audit reports on PPR Nos. 94, 95, and 96^a that were qualified because of the unauditable estimate-to-complete and lack of a technical evaluation from the DPRO. A DPRO technical evaluation was necessary to determine the reasonableness of the estimate-to-complete. Each of these reports stated that the audit disclosed no weaknesses in the contractor's internal procedures that would necessitate a restriction of contract financing through progress payments. We disagree with this conclusion and believe that the lack of documentation for the EAC is an internal control weakness. As stated in Office of Management and Budget Circular A-123, "Internal Control Systems," August 1983, readily available and clear documentation is a specific standard for internal control systems, transactions, and other significant events.

In Audit Report No. 4461-91B1750006, October 24, 1990, on PPR No. 97, DCAA once again qualified its report because of the lack of supporting documentation and DPRO technical evaluation. Also, DCAA identified a \$2 million error in the cumulative allowable incurred cost claimed by Douglas. DCAA recommended more frequent progress reviews because of the deficiencies noted in earlier reports. However, DCAA again failed to make recommendations or draw conclusions that were commensurate with the qualifications and other available, pertinent information.

In none of the audit reports related to the C-17 Program progress payments did DCAA recommend a withhold or suspension of progress payments, a substitution of a Government EAC, or other such recommendation commensurate with the qualifications and findings. Rather, they recommended more frequent progress payment reviews which, in our opinion, added little to the administration of progress payments. DCAA was already reviewing each progress payment; therefore, this recommendation had little meaning.

However, as a result of the November 28, 1990, Report on the A-12 Administrative Inquiry by the Office of the Secretary of the Navy, DCAA and the Defense Contract Management Command initiated a number of actions aimed at improving progress payment administration and DCAA revised its audit program for progress payments. Starting with the November 28, 1990, Audit Report No. 4461-91B17500013 on PPR No. 98, DCAA stopped qualifying its report for the unsupported EAC and, instead, noted the DPRO's EAC. DCAA also recommended that progress payments be submitted for audit before payment. We would expect DCAA to be more proactive in its process payment reviews as a result of the policy revisions implemented in response to the A-12 Administrative inquiry.

Conclusion

The actions surrounding PPR Nos. 97 and 98, that is, the failure to promptly implement a loss ratio, and the reallocation of sustaining engineering costs were part of a common effort to [deleted]. These actions involved significant noncompliance with requirements of the FAR related to timely im-

plementation of a loss ratio, requirements of the Defense Supplement to the FAR related to adjustments to flexible progress payment rates, and requirements of Cost Accounting Standards related to permitting only prospective application of accounting practice changes. The accounting practice change and the delay in changing the process payment rate, as recommended by DCAA, resulted in \$172 million available for FY 1991 progress payments that otherwise would not have been available and \$62 million of additional unliquidated obligations.

At the conclusion of our audit, the Disclosure Statement describing the accounting practice change had not yet been approved. The accounting change resulted in allocating at least \$172 million of sustaining engineering costs from full-scale engineering development to the production lots. Consequently, the effort was improperly charged as production costs. This could be construed to be a violation of U.S.C., title 31, sec. 1301, which requires that funds be used only for the purposes for which they are appropriated. Also, the accounting practice change resulted in progress payments being made to the contractor in FY 1991 that would otherwise not have been made. We believe that the accounting practice change should only be made prospectively in accordance with Cost Accounting Standards. The change cannot be shown to be in the Government's best interest and does have a cost impact to the Government, specifically imputed interest from earlier financing. It is essential that the Air Force, DCAA, and DPRO protect the Government's interests through review of the total impact to the Government of contractor actions. The individual decisions made by the Program Office, DCAA, and DPRO in allowing Douglas to make the accounting change did not consider the full impact and results of the change. Each organization based its decision on the assumptions made by others; thus, no one appeared to recognize the overall consequences of the accounting practice change.

Recommendations for corrective action

1. We recommend that the Under Secretary of Defense for Acquisition:

a. Direct the cognizant Defense Plant Representative Office to require that the Douglas Aircraft Company submit a revision to its Cost Accounting Standards Disclosure Statement and associated cost impact statement based only on prospective application of the accounting practice change that affects the allocation of sustaining engineering costs. The effective date of the application of the change should be no earlier than October 1990, when tacit approval of the change was given.

b. Direct the Secretary of the Air Force to report the impact of the prospective application of the revised accounting practice change on the use of appropriated funds.

c. Direct the cognizant Defense Plant Representative Office to apply the Government-approved contractor accounting practice change prospectively from October 1990, including for approving progress payments, in accordance with the Cost Accounting Standards clause in the contract.

2. We recommend that the Director, Defense Contract Audit Agency:

a. Direct the review of funding implications of contractor activities, to include:

(1) guidance on how to incorporate funding considerations into audit scope and related findings in such areas as progress payment reviews, cost accounting practice changes, and Contract Fund Status Report reconciliations; and

(2) audit procedures to ensure that the contractor is properly segregating costs by appropriation.

b. Direct the review of audit report qualifications as part of Defense Contract Audit Agency's Quality Control Program to ensure that serious qualifications are addressed in the conclusions of the report and progress payment withholds are recommended when warranted:

Management comments

The Office of the USD(A) concurred with Recommendations 1.b. and partially concurred with Recommendations 1.a. and 1.c. (Part IV). The Program Office, DCAA, and DPRO agreed on the prospective treatment of sustaining engineering costs. The correction of the change will be made by January 31, 1992; the Air Force will provide the impact of the prospective application within 45 days; and the DPRO will take action to adjust \$142 million of sustaining engineering costs from production to development by January 31, 1992, and has made an interim adjustment on the November 1991 progress payment. The DPRO determined that \$30 million (\$172 million minus \$142 million) was legitimate sustaining engineering cost for development aircraft.

The Office of the USD(A) did not agree that the problem identified in the report was a material internal control weakness. Instead, it believed the weakness was a miscommunication among the parties involved.

DCAA concurred with Recommendation 2.b. and nonconcurred with Recommendations 2.a.(1) and 2.a.(2). DCAA did not agree that guidance to incorporate funding considerations into its audit scope was necessary because proper cost accounting treatment is not, and should not be, influenced by contract funding issues. Also, DCAA did not agree that audit procedures needed to be established to ensure that contractors are properly segregating costs by appropriation because DCAA is responsible for ensuring that contractors comply with contract terms and conditions requiring separate accounting and billing of cost. DCAA stated that the contracting officer is responsible for making decisions on contract cost disputes and monitoring contract funding, as well as including terms and conditions in contracts, which address restrictions on appropriations.

In addition, DCAA stated that it did not agree with the finding regarding the misapplication of Cost Accounting Standards requirements because DCAA's original audit opinion was in error.

Audit response to management comments

The Office of the USD(A) comments are considered responsive to the intent of our recommendations. Therefore, no additional comments are required from the USD(A).

We agree that miscommunication between the parties was a key factor in the problem we found. We disagree, however, with the comment that the problem is not a material internal control weakness. The internal control weakness existed because of failure to comply with important existing procedures. The significance of the problem, which resulted in actual or potential violations of public law and evoked considerable concern during November 1991 congressional hearings, should not be minimized. We will review the Air Force's assessment of the impact of the prospective application and ensure that any violations of public law are properly reported.

We believe that DCAA misinterpreted our recommendations. We agree that the con-

^aAudit Report Nos. 4461-B175016, June 21, 1990; 4461-OB175029, August 27, 1990; and 4461-OB175028, August 27, 1990, were issued on PPR Nos. 94, 95, and 96, respectively.

tracting officer is responsible for monitoring contract funding and addressing restrictions on funding. Recommendation 2.a.(1) was not meant to imply that this responsibility should be changed. However, DCAA, in its role as advisor to the contracting officer, must be able to provide advice and recommendations concerning issues that affect contract funding and restrictions on funding, including issues related to the proper use of funds within a contract. We also agree that the proper accounting practice should not be influenced by funding issues. However, as DCAA commented, the auditor should be interested in contractor motivations, including those related to funding issues, and this motivation should be used in determining the extent of audit testing to be conducted. Although DCAA obtained the Program Office's determination for the point of transition, it did not adequately consider the implications of the change. DCAA stated that the effect of the change was minor because an insignificant amount was transferred to another contract. However, the change re-allocated costs within contract 2108 that resulted in violations of public law concerning the proper use of appropriated funds. Such information must be considered by the auditors and reported when appropriate. The auditors must be knowledgeable of the requirements of public law concerning the use of appropriated funds in order to recognize and report on issues related to funding, including the importance of funding related contract clauses. This knowledge is also necessary to establish the degree of testing mentioned by DCAA in its comments, not only for cost accounting issues, but also for its work in other areas such as progress payments and Contract Fund Status Report reconciliations. We did not find guidance or information in the DCAA Audit Manual on the public laws concerning appropriations or the consequences of misapplication of the contract funds.

Regarding DCAA's comments to Recommendation 2.a.(2), we also agree that DCAA is responsible for auditing contractor compliance with contract requirements, including those that call for separate accounting and billing, and we agree that the contracting officer must include appropriate contract clauses in the contract. Contract 2108 did require that the contractor segregate the cost between development and production (that is, by appropriation) and report segregated costs in its Cost Performance Reports and contract Funds Status Reports. The contractor also provides supplements to its progress payment requests that segregates the cost. DCAA recognized that different funds existed on the contract; however, DCAA concluded that the issues with the accounting change were a funding consideration and had no effect on the contract. We believe that DCAA should have reported the change's impact on the funding and its possible consequences, specifically violations of public law. It is our opinion that DCAA guidance does not sufficiently emphasize the importance of funding considerations. Such guidance is necessary to provide adequate advice concerning the result of audits to the contract administrators. The DCAA Audit Manual did not provide information on the importance of properly segregating costs related to the requirement of appropriation, or funding, laws.

Although DCAA stated that its original determination of the accounting practice change was in error and that the proper classification of recurring versus nonrecurring engineering costs is not an accounting prac-

tice, DCAA still classified the change in allocation methods for these costs as a cost accounting practice change. The most significant monetary impact occurred because of the redefinition of recurring versus nonrecurring to nonrecurring costs and its retroactive application. Nevertheless, DCAA failed to follow its own guidance and the applicable federal regulations on how to process a cost accounting practice change. Although DCAA stated that a disclosure statement had been received from Douglas, the final resolution of the change is still not completed.

We request that DCAA reconsider its position on Recommendations 2.a.(1) and 2.a.(2) and comment by April 13, 1992.

PART III—ADDITIONAL INFORMATION

Appendix A: Work breakdown structure elements

Below is a description of the WBS elements included in the accounting change described in this report.

WBS Element 1010 represents the C-17 air vehicle. The air vehicle is the complete flyaway C-17 for delivery to the Air Force. The flyaway C-17 includes the structural airframe with all subsystems, power-plant, communications/navigation systems, electronics systems, automatic flight control systems and mission systems. WBS subelement 1011L, Airframe Integration, was not included in the accounting practice change.

WBS Element 1061 represents C-17 system engineering management. This Element includes contractor efforts to perform system engineering feasibility, research and development activities directly contributing to the overall C-17 system performance. The activities include technical and management programs designed to improve the effectiveness of the weapon system through application of specialized disciplines and techniques.

WBS Element 1062 represents the C-17 project management. It summarizes the contractor effort required to plan, organize, coordinate, direct, and control the overall management of the C-17 Program during development and production. Project management activities include business management, program reviews, cost/schedule control, design to life cycle cost, configuration and data, manufacturing and quality assurance and the management information system.

Appendix B: Calculation of progress payment request Nos. 97 and 98 using a loss ratio and no accounting practice change

The ACO was directed to pay PPR No. 97 based on financial need and not to consider the loss ratio that should be calculated because of an EAC that exceeded the contract ceiling price. As a result, the contractor was paid \$81.2 million,⁷ rather than \$9.1 million. We calculated the progress payment based on a 92.4-percent loss ratio using a \$7.1 billion Government EAC and a \$6.6 billion contractor EAC. This was the loss ratio used by the ACO in calculating the appropriate progress payment for PPR No. 98. We have also shown the calculation of PPR No. 98 without the effect of the accounting practice change. PPR No. 98 was the first progress payment where the Government reduced the contractors payment for the loss ratio.

If these progress payments had been made as calculated in this Appendix, the contrac-

tor would have been paid \$53.7 million less than the actual payments of \$153.4 million, as shown in the following table.

	As paid (millions)	As recalculated (millions)	Difference
PPR No. 97	\$81.2	\$9.1	\$72.1
PPR No. 98	59.2	90.6	(31.4)
Note 13	13.0	0	13.0
Total	153.4	99.7	53.7

[In millions of dollars]

	Development	Lot I	Lot II	Total	Notes
CALCULATION OF PROGRESS PAYMENT					
Cost billable through September 2, 1990	3,690.4	294.4	64.1	4,048.9	1
Loss ratio at 92.4 percent	3,409.9	272.0	59.2	3,741.1	2
Subcontractor costs	494.2	62.9	55.3	612.4	3
Total for current period	3,904.1	334.9	114.5	4,353.5	4
Previous progress payment requested	3,949.0	304.0	91.4	4,344.4	5
Eligible for progress payment	(44.9)	30.9	23.1	9.1	6
Douglas progress payment request	235.6	53.3	27.9	316.8	7
Paid by Government	0	53.3	27.9	81.2	8,11
Reduction in payment by Government	235.6	0	0	235.6	9
Reduction in payment if loss ratio used	280.5	22.4	4.8	307.7	10
Costs eligible under progress payment clause	3,781.5	391.0	178.5	4,351.0	12
Reversal of accounting practice	170.6	(52.3)	(105.3)	13.0	13
Reversal costs eligible under clause	3,952.1	338.7	73.2	4,364.0	
Cost billable through September 30, 1991	3,912.6	335.3	72.4	4,320.3	1
Loss ratio at 92.4 percent	3,615.2	309.8	67.0	3,992.0	2
Subcontractor costs	386.3	63.0	55.3	504.6	3
Total for current period	4,001.5	372.8	122.3	4,496.6	4
Previous progress payments requested	3,904.1	334.9	114.5	4,353.5	5,14
Eligible for progress payment	97.4	37.9	7.8	143.1	6
If paid as calculated	44.9	37.9	7.8	90.6	15
Douglas progress payment request	181.0	92.8	112.7	386.5	7
Paid by Government	(103.5)	63.4	99.3	59.2	5,8
Reduction in payment made by Government	284.5	29.4	13.4	327.3	9
Reduction in payment if no accounting practice change	136.1	54.9	104.9	295.9	16

1. Progress Payment rate of 99 percent applied to "Paid Costs Eligible Under Progress Payment Clause," line 9 on "Contractors Request for Progress Payment" Form.

2. Loss ratio of 92.4 percent applied to billable cost.

3. "Eligible Subcontractor Progress Payments" from line 14e of "Contractor's Progress Payment" Form.

4. Total cost for the current month is equal to subcontractor cost plus billable cost after loss ratio.

5. Total of "Previous Progress Payments Requested" from line 18 of the "Contractor's Progress Payment" Form.

6. Amount eligible for progress payment is equal to the total costs for the current period less "Previous Progress Payment Requested."

7. "Maximum Balance Eligible Progress Payment" (without application of loss ratio) from line 19 of "Contractors Progress Payment Request Form."

8. Progress Payments as approved and paid by the Government.

⁷The contractor was actually paid \$71 million because at the same time the progress payment 97 was processed a credit of \$10.1 million was also processed that was the result of a change in the liquidation rate from 98.5 percent to 99 percent.

9. Reduction in payment over requested amount.

10. Reduction in payment if a loss ratio had been used.

11. RDT&E (development) funds were not available on contract to pay for the development cost incurred.

12. "Paid Costs Eligible Under Progress Payment Clause" from line 9 on "Contractors Request for Progress Payment" Form.

13. The accounting practice change resulted in \$13 million transferred to lot III production aircraft, which was paid separately.

14. As adjusted based on the recalculation of PPR 97 in this Appendix.

15. Only \$44.9 million of the \$97.4 million eligible would have been paid. RDT&E funds for development had been exhausted. However, the application of the loss ratio for PPR 97 would have resulted in a credit of \$44.9 million to RDT&E funds. Thus, \$44.9 million was available to pay development costs.

16. Reduction from contractor's request because of both loss ratio and reversal of the accounting practice change.

Appendix C: Summary of potential benefits resulting from audit

Recommendation reference	Description of benefit	Type of benefit
A.1.a, A.1.b, A.1.c ...	Compliance with Laws and Regulations. Implementation of the recommendation will result in an accounting practice change that meets Cost Accounting Standards and correct the improper implementation of a cost accounting change.	Nonmonetary.
A.2.a.(1), A.2.a.(2) ...	Internal Controls. Implementation of the recommendation will help ensure that appropriations are properly controlled in accordance with public law and DoD Instructions.	Nonmonetary.
A.2.b ...	Internal Control. Implementation of the recommendation will ensure compliance with DCAA guidance and procedures.	Nonmonetary.

Appendix D: Activities visited or contacted

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition, Washington, DC.

Director, Tactical Warfare Programs, Office of Director, Defense Research and Engineering, Washington, DC.

Assistant Secretary of Defense (Program Analysis and Evaluation), Washington, DC.

Office of the Director, Defense System Procurement Strategies, Office of the Assistant Secretary of Defense (Production and Logistics), Washington, DC.

Air Force

Assistant Secretary of the Air Force (Acquisition), Washington, DC.

Deputy Assistant Secretary of the Air Force (Contracting), Washington, DC.

Program Executive Office, Tactical and Airlift Programs, Washington, DC.

C-17 System Program Office, Aeronautical Systems Division, Wright Patterson Air Force Base, OH.

Other DoD

Defense Contract Audit Agency, Douglas Aircraft Company Field Office, Long Beach, CA.

Defense Plant Representative Office, Douglas Aircraft Company, Long Beach, CA.

Non-DoD

Douglas Aircraft Company, Long Beach, CA.

Appendix E: Report distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition.

Director, Defense Research and Engineering.

Assistant Secretary of Defense (Production and Logistics).

Comptroller of the Department of Defense.

Department of the Air Force

Secretary of the Air Force.

Assistant Secretary of the Air Force (Acquisition).

Assistant Secretary of the Air Force (Financial Management and Comptroller).

Commander, Air Force Systems Command.

Program Executive Office, Tactical and Airlift Programs C-17 System Program Office, Aeronautical Systems Division.

Defense Activities

Director, Defense Contract Audit Agency.

Director, Defense Logistics Agency.

Commander, Defense Contract Management Command.

Non-DoD

Office of Management and Budget.

U.S. General Accounting Office, NSIAD Technical Information Center.

Congressional Committees:

Senate Subcommittee on Defense, Committee on Appropriations.

Senate Committee on Armed Services.

Senate Committee on Governmental Affairs.

Ranking Minority Member, Senate Committee on Armed Services.

House Committee on Appropriations.

House Subcommittee on Defense, Committee on Appropriations.

Ranking Minority Member, House Committee on Appropriations.

House Committee on Government Operations.

House Subcommittee on Legislation and National Security, Committee on Government Operations.

Part IV—Management comments

Under Secretary of Defense for Acquisition Comments

OFFICE OF THE

UNDER SECRETARY OF DEFENSE,

Washington, DC, January 10, 1992.

Memorandum for Inspector General, Department of Justice.

Subject: Draft Report on the Audit of Contractor Accounting Practice Changes for C-17 Engineering Costs (Project No. 1AE-5006.03).

This is in response to your request for comments on the subject draft report. Attached are specific comments on the recommendations addressed to USD(A).

JOHN D. CHRISTIE,

Director, Acquisition Policy & Program Integration.

Recommendation 1. A.: We recommend that the Under Secretary of Defense for Acquisition (USD(A)) direct the cognizant Defense Plant Representative Office (DPRO) to require the Douglas Aircraft Company to submit a revision to its Cost Accounting Standards Disclosure Statement and associated cost impact statement based only on prospective application of the accounting practice change that affects the allocation of sustaining engineering costs. The effective date of the application of the change should be no earlier than October 1990, when tacit approval of the change was given.

USD(A) response: Partially concur. Action has already been taken by the DPRO to ensure the proper accounting treatment of sustaining engineering costs, both retroactively and prospectively. In May 1991, the resident Defense Contract Audit Agency (DCAA) of-

fice determined the accounting practice disclosed by Douglas Aircraft Company for sustaining engineering costs was inadequate. In July 1991, the DPRO notified Douglas Aircraft Company in writing that sustaining engineering costs must be allocated to the particular contract line item (full scale development or production effort) which benefited from the engineering task performed, rather than being automatically allocated to production effort.

The C-17 system program office, DCAA, the DPRO, and the contractor have reached agreement on the prospective treatment of sustaining engineering costs. While the contractor has not yet submitted a change to his disclosure statement reflecting this agreement, the DPRO expects Douglas Aircraft Company to do so in the near future.

The C-17 system program office, DCAA, and DPRO agree on the retroactive adjustments necessary to ensure that sustaining engineering costs are properly allocated, and the estimated completion date for DPRO action is January 31, 1992. Approximately \$142 million will be transferred from production to full scale development effort. Because the C-17 contract is a single contract which includes both full scale development and production (Lot I and Lot II) effort, the allocation and reallocation of sustaining engineering costs did not result in any increased costs to the Government. Thus, there is no need for the USD(A) to direct the DPRO to take any action.

Recommendation 1. B.: We recommend that the USD(A) direct the Secretary of the Air Force to report the impact of the prospective application of the revised accounting practice change on the use of the appropriated funds.

USD(A) response: Concur. The Air Force will be asked to provide an impact assessment within 45 days.

Recommendation 1. C.: We recommend that the USD(A) direct the cognizant DPRO to apply the Government-approved contractor accounting practice change prospectively from October 1990, including for approving progress payments, in accordance with the Cost Accounting Standards clause in the contract.

USD(A) response: Partially concur. The DPRO will retroactively allocate approximately \$142 million in sustaining engineering costs from production to full scale development effort. Final resolution is planned for January 31, 1992. As an interim measure, the DPRO adjusted the November 1991 progress payment billing by increasing full scale development costs and reducing production costs to partially correct for the accounting change. This interim measure did not result in any progress payment reductions to the contractor. Therefore, there is no need for the USD(A) to direct the DPRO to take any action.

Material internal weakness: As stated on Page 4 of the draft audit report, existing internal controls, if properly implemented, were adequate to prevent or detect the deficiencies identified in the report. The DPRO and DCAA have adequate procedures for determining the acceptability of cost accounting systems and disclosure statements. The problem identified in this report resulted from miscommunication among the parties involved in reviewing the proposed accounting change, and does not constitute a material internal control weakness. The problem is not recurring in nature and no increase in cost resulted.

DEFENSE CONTRACT AUDIT AGENCY,
CAMERON STATION,
Alexandria, VA, January 14, 1992.

PLD 703.3.3.10 (1AE-5006.03)

Memorandum for Assistant Inspector General for Auditing, Department of Defense, Acquisition Management Directorate.

Subject: Draft Report on the Audit of Contractor Accounting Practice Changes for C-17 Engineering Costs (Project No. 1AE-5006.03).

Our response to your draft report dated 5 November 1991 is enclosed.

We will be pleased to discuss our response further with you or your staff. Please direct questions concerning our response to Mr. William I. Luke, Chief, Policy Liaison Division at (703) 274-7521.

WILLIAM J. SHARKEY,
Assistant Director,
Policy and Plans.

DoD IG DRAFT REPORT, AUDIT OF CONTRACTOR ACCOUNTING PRACTICE CHANGES FOR C-17 ENGINEERING COSTS, PROJECT NO. 1AE-5006.03

Report findings and comments on Cost Accounting Standards matter (page 7)

We do not agree with the comments regarding the misapplication of Cost Accounting Standards requirements. They are based on the premise that the retroactive adjusting journal entry transferring engineering costs from full-scale engineering development (nonrecurring) to production (recurring) represents a change in a cost accounting practice. This is consistent with DCAA's advisory audit report in which we informed the ACO that the journal entry was an accounting change and recommended that the contractor be required to submit a Disclosure Statement revision. However, our analysis of the circumstances surrounding the cost transfer leads us to conclude that our audit opinion was in error. There was no cost accounting practice change resulting from the untimely recognition of the transition from nonrecurring to recurring engineering.

The issue here is the proper classification of recurring/nonrecurring engineering costs, not a change in cost accounting practice. Once the proper nature of the costs is determined, i.e. recurring vs. nonrecurring, it is simply a matter of classifying the costs in accordance with the contractor's disclosed accounting practice. Doing this with an adjusting journal entry does not constitute a change in an accounting practice. There was, however, a Cost Accounting Standard (CAS) issue involved with how the contractor allocated the costs. The change, which had only a minor effect on contract costs, involved allocating the costs on the "quantity of aircraft during a given calendar quarter" rather than the disclosed allocation base of "quantity of units being produced". A disclosure statement revision has been submitted for this change and any cost impact will be determined through normal CAS procedures.

Recommendation 2 a.

We recommend that the Director, Defense Contract Audit Agency direct the review of funding implications of contractor activities to include:

(1) Guidance on how to incorporate funding considerations into audit scope and related findings in such areas as progress payment reviews, cost accounting practice changes, and Contract Fund Status Report reconciliations.

DCAA Response:

Nonconcur. The proper cost accounting treatment is not and should not be influ-

enced by contracting funding issues. The auditor's role is to advise the contracting officer on accounting matters. The contracting officer's role is to administer the contract by making decisions on contract cost disputes and monitoring contract funding.

We do agree that contractor motivation for reclassifying costs or making other billing related changes are of interest to the auditor in assessing risk and establishing the extent of audit testing to be conducted. In the immediate case, field audit office was aware that the reclassification of cost may have been motivated by funding limitations. Accordingly, they had discussions with the cognizant DPRO and the C-17 SPO on the matter and the need for engineering scrutiny of the contractor's rationale.

With respect to distinguishing between recurring and nonrecurring engineering costs, we relied on a technical opinion provided by the Air Force Systems Program Office regarding the transition point (90% initial drawing release, November 1988). Unfortunately, this was not a sufficient technical analysis of the engineering effort to determine proper classification of these costs.

The DPRO is performing a detailed analysis of the nature of the engineering costs. Upon receipt of their technical report (expected in January 1992), we will be in a position to determine the proper classification and accounting treatment of the costs. In the meantime, we have recommended to the ACO that the adjusting journal entry be reversed until proper classification of engineering costs can be determined.

Recommendation 2 a.

We recommend that the Director, Defense Contract Audit Agency direct the review of funding implications of contractor activities to include:

(2) Audit procedures to ensure that the contractor is properly segregating costs by appropriation.

DCAA Response:

Nonconcur. It is our responsibility to ensure that contract costs are properly accumulated and billed in accordance with Federal Acquisition Regulations, Cost Accounting Standards, and contract terms and conditions. When the terms of a contract call for separate accounting and billing of costs by contract line item, we are responsible for ensuring that contractors comply with such terms and conditions. The inclusion of terms and conditions in contracts which address restrictions on appropriations is, however, a contracting officer's responsibility. Our audit guidance is already adequate to accomplish DCAA responsibilities.

Recommendation 2 b.

We recommend that the Director, Defense Contract Audit Agency direct the review of audit report qualifications as part of DCAA's Quality Control Program to ensure that serious qualifications are addressed in the conclusions of the report and progress payment withholdings are recommended when warranted.

DCAA Response:

Concur. As part of our Quality Control Program, we will add a step to the audit report review critique which will require a comparison of any report qualifications to the conclusion paragraph to ensure that they are consistent with each other. In addition, we will issue a memorandum to the field which will emphasize the importance of recommending the withholding or suspension of progress payments when serious deficiencies are noted in internal controls, e.g. the calculation of the contractor's estimate at completion.

AUDIT TEAM MEMBERS

Donald Reed, Director, Acquisition Management Directorate.

Russell Rau, Program Director.
Patricia A. Brannin, Project Manager.
Jack Snider, Team Leader.
John Sullivan, Senior Auditor.
Martin Gordon, Auditor.
Dennis Wokeck, Auditor.

Wayne Berry, Program Director, Office of Assistant Inspector General, Audit Policy and Oversight.

Dianne Stetler, Assistant Program Director, Office of Assistant Inspector General Audit Policy and Oversight.

SYRIAN JEWRY

● Mr. SIMON. Mr. President, March 14, 1992, marked Shabbat Zachor, the Sabbath of Remembrance, for Jews around the world. This day has been recently dedicated to the remembrance of the plight of the Jewish community in Syria.

In our effort to secure regional allies against Iraq before, during, and following the gulf war, we have essentially befriended a regime comparable in brutality to the Iraqi one we united to defeat. The administration has tacitly allied itself with the repressive regime of President Assad in Syria. The State Department's Syria section of the "Country Reports on Human Rights Practices for 1991" touches on the plight of Syrian Jewry, but it fails to give due weight to the dangerous and difficult situation facing Syrian Jews.

The Jewish community in Syria is subject to constant government surveillance, which increasingly heightens the atmosphere of fear and insecurity in which they already live. Syria, unlike its Arab neighbors, has refused to allow Jews to emigrate, and has curtailed their personal freedoms. Martin Luther King, Jr., compared racism to a festering boil that must be exposed in order to heal. So, too, must the plight of our Jewish brothers and sisters in Syria be revealed to the international community.

Unfortunately, the current administration seems intent on the ignoring these concerns in an effort to curry Syrian favor. Mr. President, this is ominously similar to the policy of the Reagan and Bush administrations toward Iraq in the 1980's. There, too, the administration turned a blind eye to serious human rights abuses, especially against the Iraqi Kurds.

As we celebrate the successes of democratic movements around the world, we must not forget those still suffering repression. It is time that the administration gave human rights abuses, like those perpetrated against Syrian Jews, their due priority.

Finally, I applaud the energy and efforts of groups like the Jewish Community Relations Council of Chicago, which has been instrumental in making people aware of the egregious human rights violations suffered by Syrian Jewry. ●

ADJOURNMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate adjourn for 30 seconds, that upon reconvening, the Journal of the proceedings be approved to date; the call of the calendar be waived; no motions or resolutions come over under the rule; that the time for the two leaders be waived; and that the morning hour be deemed to have expired following the second reading of the bills that have been read for the first time.

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

There being no objection, at 6:29:40 p.m. on Tuesday, March 24, 1992, the Senate adjourned until 6:30 p.m., the same day.

AFTER ADJOURNMENT

TUESDAY, MARCH 24, 1992

The Senate met at 6:30 p.m., pursuant to adjournment, and was called to order by Hon. HARRIS WOFFORD, a Senator from the State of Pennsylvania.

THE JOURNAL

WAIVING OF LEADER TIME

Mr. MITCHELL. Mr. President, am I correct that under the previous order the Journal of the proceedings stands approved to date and the time for the two leaders waived?

The PRESIDING OFFICER. The Senator is correct.

BILLS PLACED ON CALENDAR—S.

2185, S. 2199, S. 2246, H.R. 3844, S. 2399

Mr. MITCHELL. Mr. President, I ask unanimous consent that the 5 bills that have been read for the first time, be deemed to have had their second readings, with objections lodged against further proceedings on each of the bills.

The PRESIDING OFFICER. Without objection, it is so ordered. The bills will be placed on the calendar.

PROGRAM

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate adjourns today, it stand in adjournment until 10 a.m., Wednesday, March 25; that on Wednesday, following the prayer, the Journal of Proceedings be deemed to have been approved to date; that the call of the calendar be waived; and no motions or resolutions come over under the rule; and that the morning hour be deemed to have expired; that the time for the two leaders be reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 11:30 a.m., with Senators permitted to speak therein for up to 5 minutes each; with

Senators CHAFEE and BENTSEN recognized for up to 15 minutes each; Senator DURENBERGER for up to 20 minutes; and Senator JEFFORDS for up to 10 minutes.

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

ADJOURNMENT UNTIL 10 A.M.
TOMORROW

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, and I see no other Senator seeking recognition, I now ask unanimous consent that the Senate stand adjourned as under the previous order.

There being no objection, the Senate, at 6:31 p.m., adjourned until Wednesday, March 25, 1992, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 24, 1992:

THE JUDICIARY

GENE E. VOIGTS, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MISSOURI VICE SCOTT O. WRIGHT, RETIRED.

DEPARTMENT OF STATE

THOMAS R. PICKERING, OF NEW JERSEY, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, WITH THE PERSONAL RANK OF CAREER AMBASSADOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO INDIA.

DEPARTMENT OF EDUCATION

BRUNO VICTOR MANNO, OF OHIO, TO BE ASSISTANT SECRETARY OF EDUCATION FOR POLICY AND PLANNING, VICE CHARLES E. M. KOLB, RESIGNED.

DEPARTMENT OF AGRICULTURE

DUANE ACKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF AGRICULTURE, VICE CHARLES E. HESS, RESIGNED.

SMALL BUSINESS ADMINISTRATION

THOMAS P. KERESTER, OF VIRGINIA, TO BE CHIEF COUNSEL FOR ADVOCACY, SMALL BUSINESS ADMINISTRATION, VICE FRANK S. SWAIN, RESIGNED.

DEPARTMENT OF DEFENSE

DAVID SPEARS ADDINGTON, OF VIRGINIA, TO BE GENERAL COUNSEL FOR THE DEPARTMENT OF DEFENSE, VICE TERRENCE O'DONNELL, RESIGNED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 624:

To be Brigadier General

COL. KURT B. ANDERSON, xxx-xx-xxxx REGULAR AIR FORCE.
COL. WILLIAM J. BEGERT, xxx-xx-xxxx REGULAR AIR FORCE.
COL. ALLEN D. BUNGER, xxx-xx-xx REGULAR AIR FORCE.
COL. ROGER E. CARLETON, xxx-xx-xxxx REGULAR AIR FORCE.
COL. JOHN P. CASCIANO, xxx-xx-xx REGULAR AIR FORCE.
COL. JAMES S. CHILDRESS, xxx-xx-xxxx REGULAR AIR FORCE.
COL. WILLIAM J. DONAHUE, xxx-xx-xxxx REGULAR AIR FORCE.
COL. MARVIN R. ESMOND, xxx-xx-xxxx REGULAR AIR FORCE.
COL. BOBBY O. FLOYD, xxx-xx-xx REGULAR AIR FORCE.
COL. GEORGE A. GRAY, III, xxx-xx-xxxx REGULAR AIR FORCE.
COL. JEFFREY R. GRIME, xxx-xx-xxxx REGULAR AIR FORCE.
COL. JOHN W. HAWLEY, xxx-xx-xx REGULAR AIR FORCE.
COL. WILLIAM S. HINTON, JR., xxx-xx-xxxx REGULAR AIR FORCE.
COL. WALTER S. HOGLE, JR., xxx-xx-xxxx REGULAR AIR FORCE.
COL. CLINTON V. HORN, xxx-xx-xx REGULAR AIR FORCE.
COL. HAL M. HORNBERG, xxx-xx-x REGULAR AIR FORCE.
COL. DENNIS K. HUMMEL, xxx-xx-xxxx REGULAR AIR FORCE.
COL. ROBERT G. JENKINS, xxx-xx-xxxx REGULAR AIR FORCE.

COL. LEONARD F. KWIATKOWSKI, xxx-xx-xxxx REGULAR AIR FORCE.
COL. THOMAS J. LENNON, xxx-xx-xxxx REGULAR AIR FORCE.
COL. LANCE W. LORD, xxx-xx-x REGULAR AIR FORCE.
COL. STEPHEN C. MANNELL, xxx-xx-xxxx REGULAR AIR FORCE.
COL. MICHAEL J. MCCARTHY, xxx-xx-xxxx REGULAR AIR FORCE.
COL. THOMAS R. MIKOLAJCIC, xxx-xx-xxxx REGULAR AIR FORCE.
COL. GEORGE W. NORWOOD, xxx-xx-xxxx REGULAR AIR FORCE.
COL. RICHARD R. PAUL, xxx-xx-xx REGULAR AIR FORCE.
COL. DONALD L. PETERSON, xxx-xx-xxxx REGULAR AIR FORCE.
COL. RICHARD H. ROELLIG, xxx-xx-xxxx REGULAR AIR FORCE.
COL. DAVID A. SAWYER, xxx-xx-x REGULAR AIR FORCE.
COL. ERVIN C. SHARPE, JR., xxx-xx-xxxx REGULAR AIR FORCE.
COL. LAWRENCE E. STELLMON, xxx-xx-xx REGULAR AIR FORCE.
COL. THOMAS A. TWOMEY, xxx-xx-xxxx REGULAR AIR FORCE.
COL. DAVID L. VESELY, xxx-xx-xx REGULAR AIR FORCE.
COL. JOHN L. WELDE, xxx-xx-xx REGULAR AIR FORCE.
COL. JOHN R. WORMINGTON, xxx-xx-xxxx REGULAR AIR FORCE.
COL. DAVID L. YOUNG, xxx-xx-x REGULAR AIR FORCE.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, FOR ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY AS FOLLOWS:

To be lieutenant general

MAJ. GEN. ROBERT A. TIEBOUT, xxx-xx-xx, USMC.

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. JEROME L. JOHNSON, U.S. NAVY, xxx-xx-xx.

THE FOLLOWING NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

VICE ADM. MICHAEL P. KALLERES, U.S. NAVY, xxx-xx-xxxx.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS OF THE MARINE CORPS RESERVE FOR PERMANENT APPOINTMENT TO THE GRADE OF LIEUTENANT COLONEL UNDER TITLE 10, UNITED STATES CODE, SECTION 624:

BRUCE A. ALBRECHT, xx.
JOHN R. ALLEN, xx.
DAVID W. ANDERSEN, xx.
FREDERICK E. ANDERSON, JR., xx.
MICHAEL F. APPELEGATE, xx.
ROY A. ARNOLD, xx.
DOUGLAS F. ASHTON, xx.
WILLIAM S. BARKLEY, JR., xx.
MARK S. BARNHART, xx.
DAVID L. BARRACLOUGH, xx.
DENNIS T. BARTELS, xx.
JOHN A. BASS, xx.
JOHN R. BATES, x.
RONALD D. BEAN, xx.
JAMES C. BECK, x.
GEORGE R. BEDAR, xx.
DAVID L. BEEMAN, xx.
WAYNE C. BELL, xx.
KATHLEEN G. BERGERON, x.
EDDIE BICKHAM, xx.
BRUCE E. BISSETT, xx.
MICHAEL J. BLAINE, xx.
KENNETH D. BONNER, xx.
DAVID F. BONWIT, xx.
CHARLES E. BOYD, xx.
ROBERT J. BOZELLI, xx.
GREGORY K. BRICKHOUSE, xx.
GERMAIN E. BROECKERT, JR., xx.
RUSSELL A. BROOKS, xx.
LARRY K. BROWN, JR., xx.
ROY D. BRYANT, xx.
JOHN R. BUCHANAN, xx.
DAVID L. BULAND, xx.
JOSEPH F. BURANOSKY, xx.
WILLIAM M. BURGESS, xx.
STEVEN BUSCH, xx.
MARK A. CAGIANO, xx.
ANDREW H. CAMPBELL, II, xx.
WILLIAM F. CAMPBELL, III, xx.
PAUL S. CARIKER, xx.
MARIO V. CARMO, xx.
JACK P. CARTER, JR., xx.
FREDERICK E. CHASNEY, xx.
ROXANNE W. CHENEY, xx.
PAUL C. CHRISTIAN, xx.
LOUIS J. CIPRIANI, JR., xx.
ROBERT A. COATES, xx.

HENRY J. COBLE, xx.
 MELVIN L. COCHRAN, xx.
 RUSSELL W. COLMAN, JR., xx.
 THOMAS L. CONANT, x.
 JOSEPH E. CONNELL, II, xx.
 JAMES E. CONNICK, xx.
 KAREN L. CORBETT, x.
 RODNEY M. COTTEN, xx.
 RONALDO A. COULTER, xx.
 MICHAEL S. CRAIG, xx.
 DONALD G. CROOM, x.
 ROBERT F. CURTIS, xx.
 DOUGLAS A. DARLING, xx.
 ROBERT C. DARLING, xx.
 ROBERT G. DAVID, JR., xx.
 DAVID R. DEAN, xx.
 JOSEPH J. DEFRANCO, xx.
 THOMAS V. DEMARS, JR., xx.
 JAMES E. DERDEYN, xx.
 CHARLES E. DOLEJS, xx.
 JOHN P. DONATO, xx.
 DOYLE G. DOUGLAS, xx.
 GLEN W. DUNCAN, xx.
 RICHARD H. DUNNIVAN, xx.
 STEPHEN J. DYROFF, xx.
 ALFRED W. ELLIS, III, xx.
 PHILIP J. EXNER, xx.
 ALLIE C. FELDER, III, xx.
 BARRY R. FETZER, xx.
 WAYNE T. FLEMING, xx.
 GEROLD J. FLOTTE, xx.
 JOHN W. FOLEY, xx.
 HAROLD H. FOX, II, xx.
 EUGENE J. FRASER, xx.
 GREGORY H. FRED, xx.
 LEE W. FREUND, xx.
 THOMAS E. FULTZ, xx.
 WILLIAM H. GAFFNEY, xx.
 MICHAEL A. GALT, xx.
 TIMOTHY M. GASKINS, xx.
 GARY A. GIACOMA, xx.
 JOSEPH B. GILBERT, xx.
 MICHAEL J. GODFREY, xx.
 TIMOTHY R. GOLIKE, xx.
 KEVIN L. GORDON, x.
 STANTON R. GOULD, xx.
 TOMMY S. GRAY, xx.
 JEFF D. GRELSON, xx.
 TERRY W. GRIFFIN, xx.
 GERALD M. HAMMES, xx.
 MYRON L. HAMPTON, xx.
 JACK R. HARKINS, JR., xx.
 CHARLES T. HAYES, xx.
 THOMAS A. HEFFNER, xx.
 MARK S. HELGESON, xx.
 JOHN T. HENNESSEY, xx.
 DOUGLAS C. HERRINGTON, xx.
 ROBIN L. HIGGINS, xx.
 PAUL R. HILL, xx.
 TERRY L. HILL, xx.
 ALDEN E. HINGLE, JR., xx.
 CHARLES A. HODGES, xx.
 WILLIAM M. HOFFMAN, x.
 DANNY L. HOGG, xx.
 OTIS L. HOLLAR, II, xx.
 WILLIAM P. HOLLERICH, xx.
 JAMES G. HUGHES, xx.
 TIMOTHY P. HUGHES, xx.
 JAMES E. HUNTER, JR., xx.
 PHILIP R. HUTCHERSON, xx.
 DAVID T. ISRAEL, xx.
 ANTHONY L. JACKSON, xx.
 DENNIS J. JACKSON, JR., xx.
 MARY V. JACOCKS, xx.
 JOHN M. JAGIELSKI, xx.
 KEVIN P. JANOWSKY, xx.
 WESLEY A. JARMULOWICZ, xx.
 LARRY E. JELLISON, xx.
 ROBERT L. JENKINS, JR., xx.

WILLIAM C. JOHNSON, xx.
 WILLIAM F. JOHNSON, xx.
 JAMES L. JOHNSTON, xx.
 DAVID L. JONES, JR., xx.
 DWIGHT W. JONES, xx.
 JERRI L. JONES, xx.
 KEVIN B. JORDAN, xx.
 DENNIS JUDGE, xx.
 GEORGE H. KEATING, xx.
 RICKI A. KELISH, xx.
 WILLIAM R. KELLNER, JR., xx.
 BRUCE R. KELLY, xx.
 MICHAEL J. KELLY, xx.
 TIMOTHY J. KIRK, xx.
 FREDERICK J. KLAUSEL, xx.
 MARVIN A. KNORR, JR., xx.
 LEELEEN KRATOCHVIL, xx.
 ROBERT F. KUHLLOW, xx.
 JOSEPH P. KUSIOR, JR., xx.
 JOHN C. LADD, xx.
 STEPHEN C. LAMBETH, xx.
 RANDALL W. LARSEN, x.
 MARCUS L. LENDERMAN, xx.
 ROLAND J. LEVESQUE, JR., xx.
 ROBERT W. LIVINGSTON, xx.
 ROBERT R. LOGAN, xx.
 JAMES M. LOWE, xx.
 AARON R. MADDOX, xx.
 BRON N. MADRIGAN, xx.
 MICHAEL A. MALACHOWSKY, xx.
 RONALD V. MALDONADO, xx.
 GEORGE P. MANDIS, xx.
 GARY L. MCCLURE, xx.
 A. V. MCCOY, JR., xx.
 ELIZABETH K. MCGILLICUDDY, xx.
 JAMES D. MCLELLAN, xx.
 RANDALL D. MCMAHON, xx.
 JOHN R. MILES, xx.
 STEVEN C. MILLER, xx.
 PAUL T. MOFFETT, xx.
 JOHN S. MOORE, xx.
 RICHARD S. MOORE, xx.
 JOE W. MORRIS, xx.
 MATT R. MORRISON, xx.
 GARY E. MUELLER, xx.
 GEORGE E. MUELLER, JR., xx.
 ARTHUR L. NALLS, JR., xx.
 THOMAS E. NICOLL, xx.
 KELLEY J. NIELSEN, xx.
 THOMAS J. NIELSEN, xx.
 MARK H. OCONNOR, xx.
 MICHAEL M. OCONNOR, xx.
 WILLIAM F. OHARA, JR., xx.
 ALLEN E. OLIVER, xx.
 RENE P. ORTIZ, xx.
 RICHARD J. PACKARD, xx.
 HARRY A. PAGE, xx.
 PHILIP S. PARKHURST, xx.
 CRAIG T. PATRANCK, xx.
 MARTIN D. PEATROSS, xx.
 REYNOLDS B. PEELE, x.
 FRANK D. PELLI, xx.
 ROSS D. PENNINGTON, xx.
 GARY N. PETERS, xx.
 NICHOLAS C. PETRONZIO, xx.
 DIMAS PINZON, JR., xx.
 CHRISTOPHER D. PLATT, xx.
 HAROLD E. POOLE, SR., xx.
 MARTIN POST, xx.
 FRANK L. POTE, III, xx.
 LOREN D. PRUMMER, JR., xx.
 JOHN C. RADER, xx.
 JOSEPH G. RADZIKOWSKI, xx.
 THOMAS D. RANKIN, xx.
 STEVEN W. RAWSON, xx.
 JOHN D. REARDON, xx.
 JAMES R. REETZ, xx.
 DENNIS W. REILLY, xx.
 STEPHEN C. ROBB, xx.

MASTIN M. ROBESON, xx.
 WAYNE D. ROBINSON, xx.
 BONNIE J. ROBISON, xx.
 LEWIS W. ROLLINS, xx.
 JONATHAN T. RYBERG, x.
 BENNETT W. SAYLOR, xx.
 DUANE R. SCHATTLE, xx.
 JOHN F. SCHEINER, xx.
 HOWARD P. SCHICK, xx.
 ROBERT E. SCHMIDT, JR., xx.
 DANIEL C. SCHULTZ, xx.
 ELLETT M. SMITH, xx.
 MICHAEL W. SMYTH, xx.
 PAUL SOFRANAC, xx.
 JACK K. SPARKS, JR., xx.
 LOUIS P. SPOSATO, JR., xx.
 BRADLEY A. STEPHAN, xx.
 TERRY G. STEVEN, xx.
 CRAIG P. STEVISON, xx.
 STEPHEN J. TALBOT, xx.
 VICTOR J. THOMBS, xx.
 THEODORE R. TIMMERMAN, III, xx.
 CHARLES F. TOLER, III, xx.
 JOSEPH F. TRACY, xx.
 BRADLEY E. TURNER, xx.
 WILMA L. TURNER, xx.
 CHARLES M. TYE, xx.
 JANICE M. VANCAMP, xx.
 DUANE VANFLEET, JR., xx.
 MICHAEL A. VANUGA, xx.
 JAMES I. VANZUMMEREN, xx.
 THOMAS D. WALDHAUSER, xx.
 JAMES C. WALKER, xx.
 CLARENCE L. WALLACE, JR., xx.
 JAMES R. WALLACE, xx.
 JOHN E. WANGSGARD, xx.
 MICHAEL J. WARREN, xx.
 DENNIS E. WATTS, xx.
 DANIEL A. WEHRLE, xx.
 ROBERT M. WEIDERT, xx.
 MARTY J. WEYGANDT, x.
 PETER A. WHITENACK, xx.
 WILLIAM J. WHITTAKER, xx.
 GEORGE K. WILCUTT, xx.
 ALLEN W. WILLIAMS, III, xx.
 KENNETH G. WILLIAMS, xx.
 KENNETH R. WILLIAMS, JR., xx.
 MICHAEL B. WILLIAMS, x.
 DEBRA A. WOODARD, xx.
 RUSSELL C. WOODY, xx.
 WILLIAM G. WRIGHT, xx.
 GERALD A. YINGLING, JR., xx.
 RAYMOND H. YOUNG, xx.
 STEPHEN M. YOUNG, xx.
 EDWARD J. ZELCZAK, JR., xx.

WITHDRAWAL

Executive message transmitted by the President to the Senate on March 24, 1992, withdrawing from further Senate consideration the following nomination:

U.S. AIR FORCE

THE NOMINATION OF THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF BRIGADIER GENERAL, WHICH WAS SENT TO THE SENATE ON SEPTEMBER 11, 1991:

To be brigadier general

COL. GEORGE E. WYNNE, xxx-xx-xxxx AIR NATIONAL GUARD OF THE UNITED STATES.